

Company registration number: 574133

Udacity EMEA Holdings Limited

Directors' report and consolidated financial statements

for the financial year ended 31 December 2023

Udacity EMEA Holdings Limited

Financial year ended 31 December 2023

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Udacity EMEA Holdings Limited

Directors and other information

Financial year ended 31 December 2023

Directors Kai Rommelt (Appointed 15 July 2024)
Robin Reasoner (Appointed 1 September 2025)
Hisham Elaraby (Appointed 15 July 2024, Resigned 31 August 2025)
Derrick Alesevich (Resigned 15 July 2024)

Secretary Matsack Trust Limited

Company number 574133

Registered office 70 Sir John Rogerson's Quay
Dublin 2

Auditor RSM Ireland Business Advisory Limited
Statutory Audit Firm
Block D
Iveagh Court
Harcourt Road
Dublin 2

Bankers Ulster Bank Ireland DAC
6, 7 Lower O'Connell Street Lower
North City
Dublin 1

Silicon Valley Bank
3003 Tasman Drive
Santa Clara
CA 95054
United States of America

Udacity EMEA Holdings Limited

Directors and other information

Financial year ended 31 December 2023

Solicitors

Matheson LLP
70 Sir John Rogerson's Quay
Dublin 2

BUSE Rechtsanwälte Steuerberater
Huysseallee 86-88
45128
Essen
Germany

Addleshaw Goddard LLP
Milton Gate
60 Chiswell Street
EC1Y 4AG
London
United Kingdom

Udacity EMEA Holdings Limited

Directors' report

Financial year ended 31 December 2023

The directors present their annual report and the consolidated financial statements of Udacity EMEA Holdings Limited ("the company") and its subsidiaries (collectively "the group") and the separate company financial statements for the financial year ended 31 December 2023.

Principal activities and business review

Udacity is an online learning platform founded on a mission to train the world's workforce in the careers of the future. The company combines real-world projects, proprietary content created with industry, a global marketplace of experts, and an online technology platform that enables affordable self-paced learning. The company sells directly to institutions, including enterprises, to reskill and upskill their employees to keep up with the accelerating pace of digital transformation. The main activity of the company is to perform sales & marketing activities across Europe designed to increase awareness of the Udacity Platform.

The group comprises of the company and the following subsidiaries whose results are consolidated in these financial statements:

- Udacity UK Limited, United Kingdom
- Udacity GmbH, Germany

There has been no significant change in the activities during the financial year ended 31 December 2023.

The consolidated statement of comprehensive income and the consolidated balance sheet are set out on pages 11 and 12, respectively. The consolidated profit for the financial year after providing for depreciation, interest and taxation amounted to €827,200 (2022: €1,328,046) and at the balance sheet date the group's total assets exceeded total liabilities by €5,010,354 (2022: €4,041,643). The group earned a profit before taxation in the amount of €1,028,354 (2022: €1,903,821). The Group had consolidated operating cash inflows of €315,496 (2022: €789,087).

The company balance sheet is set out on page 13. At the balance sheet date, the company's total assets exceeded total liabilities by €1,837,861 (2022: €1,288,094).

Principal risks and uncertainties

The directors have undertaken a comprehensive assessment of the key risks facing the group and the company. The risks identified and the related controls over these risks are as follows:

Foreign exchange risk

The group's foreign exchange exposure arises from income and expenditure which are denominated in foreign currencies and as a result the group may be affected by uncertainty surrounding foreign exchange currency rates. The group has a policy to minimise foreign currency exchange exposure through regular monitoring of currency rates and identifying any fluctuations and their impact on the group.

Interest rate risk

The group incurs interest rate risk on interest bearing receivables which include amounts due from group companies which earn interest at variable rates. The group incurs risks on the interest receivables with respect to the fair value due to changes in the market rate of interest. No financial derivatives for interest rate risk are contracted with regard to the receivables. The group does not have any interest bearing-liabilities as at the year end.

Udacity EMEA Holdings Limited

Directors' report (continued)

Financial year ended 31 December 2023

Credit risk

The group does not have any significant concentrations of credit risk with customers. Sales are made to customers that meet the group's credit rating. Services rendered are subject to payment deadlines ranging from on demand to 90 days. A different payment period may apply to major supplies, in which case additional securities are demanded, including guarantees.

Liquidity risk

The group's policy is to ensure that sufficient resources are available either from cash balances or cash flows to ensure all obligations can be met when they fall due. The directors were satisfied with the group's cash resources at the year-end and throughout the year. The directors were satisfied with the group's ability historically and into the future to manage short term and long-term payables and receivables to avoid liquidity issues arising from these significant balances.

Security risk

The company has provided a guarantee to its parent company, Udacity Inc., in respect of a debt it has and may have in the future. The directors are satisfied that the exposure of that at the year-end was limited, however in the future the parent company may drawdown additional debts under the relevant facility.

Results for the year

The consolidated profit for the financial year after providing for depreciation, interest and taxation amounted to €827,200 (2022: €1,328,046).

At the end of the financial year, the group has net assets of €5,010,354 (2022: €4,041,643).

Basis other than going concern

Subsequent to the reporting period, the directors made the decision to liquidate the group and company by 2027 to better serve customers and increase efficiency, without interrupting customer service, terminating contracts or liquidating assets at less than their carrying amount.

Accordingly, these consolidated and company financial statements have been prepared on a basis other than that of a going concern.

All assets are stated at their estimated net realisable values and all liabilities are measured at the best estimate of their settlement value at the reporting date.

The consolidated and company financial statements do not include any costs that could be incurred upon liquidation or that may arise subsequent to the balance sheet date.

Dividends

During the financial year, the directors have not paid any interim dividends or recommended payment of a dividend (2022: €Nil).

Udacity EMEA Holdings Limited

Directors' report (continued)

Financial year ended 31 December 2023

Future developments

The directors are not expecting to make any significant changes in the nature of the business in the near future, other than the decision to liquidate the group and company.

Events after the end of the reporting period

The company is wholly owned by Udacity Inc., a company incorporated in the US. On 17 May 2024, 100% of the shares of Udacity Inc., were bought by Accenture Inc.

Except as noted in the Basis other than going concern paragraph of the Directors' report, there are no other events that require disclosure or amendment to the consolidated and company financial statements.

Political donations

There were no political donations made during the year (2022: €Nil).

Directors

The names of the persons who at any time during the financial year and up to the date of signing of the financial statements were directors of the company are as follows:

Hisham Elaraby (Appointed 15 July 2024, resigned 31 August 2025)
 Kai Rommelt (Appointed 15 July 2024)
 Derrick Alesevich (Resigned 15 July 2024)
 Robin Reasoner (Appointed 1 September 2025)

Directors' and secretary and their interests

The directors and secretary, at the financial year end, had no direct interests in the shares in, or debentures of, the company.

The directors and secretary, in place at the financial year end 31 December 2023 and 31 December 2022, and their interests in the share options of Udacity Inc. are as follows:

	31 December 2023	31 December 2022
	Number	Number
Directors:		
Derrick Alesevich (par value: USD \$0.0001)	1,462,500	1,462,500
Company secretary:		
Matsack Trust Limited	-	-

Udacity EMEA Holdings Limited

Directors' report (continued)

Financial year ended 31 December 2023

Accounting records

The measures taken by the directors to secure compliance with the requirements of sections 281 to 285 of the Companies Act 2014 with regard to the keeping of accounting records are the implementation of necessary policies and procedures for recording transactions, the employment of competent accounting personnel with appropriate expertise and the provision of adequate resources to the financial function. The accounting records of the company are located at 70 Sir John Rogerson's Quay, Dublin 2 and are also located at the parent company, Udacity Inc.'s head office, which is at 2440 El Camino Real, Floor 6, Mountain View, CA 94040, USA.

Relevant audit information

In the case of each of the persons who are directors at the time this report is approved in accordance with section 332 of Companies Act 2014:

- so far as each director is aware, there is no relevant audit information of which the company's statutory auditors are unaware, and
- each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's statutory auditors are aware of that information.

Auditors

The auditors, RSM Ireland Business Advisory Limited t/a RSM Ireland have expressed their willingness to continue in office in accordance with the provisions of section 383(2) of the Companies Act 2014.

This report was approved by the board of directors on December 17, 2025 and signed on January 8, 2026 on behalf of the board by:

DocuSigned by:
Robin Reasoner
B6002BB53C734BA...

Robin Reasoner
Director

Signed by:
Kai Rommelt
D9ABF945964B47C...

Kai Rommelt
Director

Udacity EMEA Holdings Limited

Directors' responsibilities statement

Financial year ended 31 December 2023

The directors are responsible for preparing the group and company's directors' report and the consolidated and company financial statements in accordance with the Companies Act 2014.

Irish company law requires the directors to prepare consolidated and company financial statements for each financial period. Under the law, the directors have elected to prepare the group and company financial statements in accordance with the Companies Act 2014 and FRS 102 "The Financial Reporting Standard applicable in the United Kingdom (UK) and Republic of Ireland". Under company law, the directors must not approve the group and company financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the group and the company as at the financial year end date and of the profit or loss of the group for the financial year and otherwise comply with the Companies Act 2014.

In preparing the group and company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the group and company financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position of the group and the company and profit or loss of the group which enable them to ensure that the financial statements of the group and the company comply with the provisions of the Companies Act 2014. They are responsible for such internal control as they determine is necessary to enable the preparation of group and company financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for safeguarding the assets of the group and company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The directors are also responsible for preparing a Directors' report that complies with the requirements of the Companies Act 2014.

**Independent auditor's report to the members of
Udacity EMEA Holdings Limited**

Financial year ended 31 December 2023

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Udacity EMEA Holdings Limited ("the company") and its subsidiaries (collectively, "the group") for the financial year ended 31 December 2023 which comprises the consolidated statement of comprehensive income, consolidated balance sheet, company balance sheet, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies set out in note 3. The financial reporting framework that has been applied in their preparation is Irish law and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion, the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the company as at 31 December 2023;
- give a true and fair view of the assets, liabilities and financial position of the group as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the consolidated and company financial statements section of our report. We are independent of the group and company in accordance with the ethical requirements that are relevant to our audit of the financial statements Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – financial statements prepared on a basis other than going concern

We draw attention to Note 3 to the financial statements which explains the directors' decision to liquidate the company and the group. As such, the consolidated and company financial statements are prepared on a basis other than going concern for the reasons set out in that note. Our opinion is not modified in respect of this matter.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the consolidated and company financial statements and our auditor's report thereon. Our opinion on the consolidated and company financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated and company financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and company financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the consolidated and company financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

**Independent auditor's report to the members of
Udacity EMEA Holdings Limited (continued)**

Financial year ended 31 December 2023

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

Based solely on the work undertaken in the course of the audit, we report that:

- in our opinion, the information given in the Directors' report is consistent with the consolidated and company financial statements; and
- in our opinion, the Directors' report has been prepared in accordance with applicable legal requirements.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the group and the company were sufficient to permit the financial statements to be readily and properly audited, and financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the group and the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the consolidated and company financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate the group or the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**Independent auditor's report to the members of
Udacity EMEA Holdings Limited (continued)**

Financial year ended 31 December 2023

Auditor's responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group and the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in blue ink, appearing to read 'Mark Carew'.

Mark Carew

For and on behalf of

RSM Ireland Business Advisory Limited

Statutory Audit Firm

Block D

Iveagh Court

Harcourt Road

Dublin 2

Date: 12 January 2026

Udacity EMEA Holdings Limited
Consolidated statement of comprehensive income
Financial year ended 31 December 2023

	Note	2023 €	2022 €
Turnover	4	16,868,482	23,330,443
Cost of sales		<u>(6,518,310)</u>	-
Gross profit		10,350,172	23,330,443
Administrative expenses		<u>(9,729,560)</u>	<u>(21,817,090)</u>
Operating profit	5	620,612	1,513,353
Interest receivable and similar income	6	<u>407,742</u>	<u>390,468</u>
Profit before taxation		1,028,354	1,903,821
Tax on profit	7	<u>(201,154)</u>	<u>(575,775)</u>
Profit for the financial year		<u>827,200</u>	<u>1,328,046</u>
Foreign exchange translation on foreign subsidiaries		<u>1,976</u>	<u>_(88,424)</u>
Total comprehensive income for the financial year		<u>829,176</u>	<u>1,239,622</u>

All activities of the group are from continuing operations.

The notes on pages 17 to 32 form part of these financial statements.

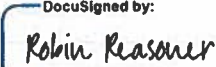
Udacity EMEA Holdings Limited

Consolidated balance sheet

As at 31 December 2023

	Note	2023		2022	
		€	€	€	€
Fixed assets					
Tangible assets	11	<u>11,269</u>		-	
			11,269		-
Current assets					
Debtors	13	9,436,564		15,514,238	
Cash at bank and in hand	19	<u>5,856,134</u>		<u>5,557,541</u>	
		15,292,698		21,071,779	
Creditors: amounts falling due within one year	14	<u>(8,950,196)</u>		<u>(16,554,072)</u>	
Net current assets			<u>6,342,502</u>		<u>4,517,707</u>
Total assets less current liabilities			6,353,771		4,517,707
Creditors: amounts falling due after more than one year	15		<u>(1,343,417)</u>		<u>(476,064)</u>
Net assets			<u>5,010,354</u>		<u>4,041,643</u>
Capital and reserves					
Called up share capital presented as equity	16		100		100
Capital contribution reserve	17		10,000		10,000
Share based compensation reserve	17		1,768,124		1,628,589
Foreign currency translation reserve	17		(49,872)		(51,848)
Profit and loss account	17		<u>3,282,002</u>		<u>2,454,802</u>
Shareholders funds			<u>5,010,354</u>		<u>4,041,643</u>

These financial statements were approved by the board of directors on December 17, 2025 and signed on January 8, 2026 on behalf of the board by:

DocuSigned by:

 B0002BB63C734BA.....
Robin Reasoner
 Director

Signed by:

D9ABF945984B47C.....
Kai Rommelt
 Director

The notes on pages 17 to 32 form part of these financial statements.

Udacity EMEA Holdings Limited


Company balance sheet

As at 31 December 2023

	Note	2023		2022	
		€	€	€	€
Fixed assets					
Financial assets	12	<u>25,001</u>		<u>25,001</u>	
			25,001		25,001
Current assets					
Debtors	13	9,924,909		15,792,477	
Cash at bank and in hand		<u>5,766,373</u>		<u>5,349,465</u>	
		15,691,282		21,141,942	
Creditors: amounts falling due within one year	14	<u>(12,535,005)</u>		<u>(19,402,785)</u>	
Net current assets		<u>3,156,277</u>		<u>1,739,157</u>	
Total assets less current liabilities		<u>3,181,278</u>		<u>1,764,158</u>	
Creditors: amounts falling due after more than one year	15	<u>(1,343,417)</u>		<u>(476,064)</u>	
Net assets		<u>1,837,861</u>		<u>1,288,094</u>	
Capital and reserves					
Called up share capital presented as equity	16		100		100
Capital contribution reserve	17		10,000		10,000
Profit and loss account	17		<u>1,827,761</u>		<u>1,277,994</u>
Shareholders funds			<u>1,837,861</u>		<u>1,288,094</u>

The company has taken advantage of the exemption permitted by Section 304 (1)(b) of the Companies Act 2014 not to present a profit and loss account for the financial year. The company's profit for the financial year was €549,767 (2022: €721,491).

These financial statements were approved by the board of directors on December 17, 2025 and signed on January 8, 2026 on behalf of the board by:

DocuSigned by:

 B8002BB53C734BA

Robin Reasoner
 Director

Signed by:

 D9ABF846964B47C

Kai Rommelt
 Director

The notes on pages 17 to 32 form part of these financial statements.

Udacity EMEA Holdings Limited
Consolidated statement of changes in equity

Financial year ended 31 December 2023

	Called up share capital	Capital contribution reserve	Share-based compensation reserve	Foreign currency translation reserve	Profit and loss Account	Total
	€	€	€	€	€	€
At 1 January 2022	100	10,000	545,108	36,576	1,126,756	1,718,540
Foreign exchange translation on foreign subsidiaries	-	-	-	(88,424)	-	(88,424)
Profit for the financial year	-	-	-	-	1,328,046	1,328,046
Total comprehensive income for the financial year	-	-	-	(88,424)	1,328,046	1,239,622
Equity settled share-based payments	-	-	1,083,481	-	-	1,083,481
Total investments by and distributions to owners At 31 December 2022 and 1 January 2023	100	10,000	1,628,589	(51,848)	2,454,802	4,041,643
Foreign exchange translation on foreign subsidiaries	-	-	-	1,976	-	1,976
Profit for the financial year	-	-	-	-	827,200	827,200
Total comprehensive income for the financial year	-	-	-	1,976	827,200	829,176
Equity settled share-based payments	-	-	139,535	-	-	139,535
Total investments by and distributions to owners	-	-	139,535	-	-	139,535
At 31 December 2023	100	10,000	1,768,124	(49,872)	3,282,002	5,010,354

Udacity EMEA Holdings Limited**Company statement of changes in equity****Financial year ended 31 December 2023**

	Called up share capital	Capital contribution reserve	Profit and loss account	Total
	€	€	€	€
At 1 January 2022	100	10,000	556,503	566,603
Profit for the financial year	-	-	<u>721,491</u>	<u>721,491</u>
Total comprehensive income for the financial year	<u>-</u>	<u>-</u>	<u>721,491</u>	<u>721,491</u>
At 31 December 2022 and 1 January 2023	100	10,000	1,277,994	1,288,094
Profit for the financial year	-	-	<u>549,767</u>	<u>549,767</u>
Total comprehensive income for the financial year	<u>-</u>	<u>-</u>	<u>549,767</u>	<u>549,767</u>
At 31 December 2023	<u>100</u>	<u>10,000</u>	<u>1,827,761</u>	<u>1,837,861</u>

Udacity EMEA Holdings Limited

Consolidated statement of cash flows

Financial year ended 31 December 2023

		2023	2022
	Note	€	€
Cash flows from operating activities			
Profit for the financial year		827,200	1,328,046
Adjustments for:			
Depreciation of tangible assets	11	5,634	-
Interest receivable and similar income	6	(407,742)	(390,468)
Interest payable on taxes		27,242	-
Taxation charge	7	201,154	575,775
Share based compensation	9, 18	139,535	1,083,481
(Decrease)/increase in debtors		6,562,823	(6,258,717)
(Decrease)/increase in creditors		(6,964,919)	4,724,830
Corporation tax paid		-	(311,976)
Foreign exchange differences	5	(75,431)	38,116
Net cash from operating activities		<u>315,496</u>	<u>789,087</u>
Cash flows from investing activities			
Purchase of tangible fixed assets	11	(16,903)	-
Net cash from investing activities		<u>(16,903)</u>	-
Net increase in cash and cash equivalents		298,593	789,087
Cash and cash equivalents at beginning of the year		<u>5,557,541</u>	<u>4,768,454</u>
Cash and cash equivalents at end of the year		<u>5,856,134</u>	<u>5,557,541</u>

Udacity EMEA Holdings Limited

Notes to the consolidated and company financial statements

Financial year ended 31 December 2023

1. General information

Udacity EMEA Holdings Limited ("the company") is a company limited by shares incorporated and registered in the Republic of Ireland. The registered number of the company is 574133. The address of the registered office is 70 Sir John Rogerson's Quay, Dublin 2.

These financial statements are the consolidated financial statements of Udacity EMEA Holdings Limited and its subsidiaries (collectively "the group"), and the separate financial statements of the company.

These financial statements comprising the Consolidated statement of comprehensive income, Consolidated and company balance sheet, Consolidated and company statement of changes in equity, Consolidated statement of cash flows and the related notes constitute the group and company financial statements of Udacity EMEA Holdings Limited for the financial year ended 31 December 2023.

The nature of the group's and the company's operations and its principal activities are set out in the Directors' report.

2. Statement of compliance

These consolidated and company financial statements have been prepared in compliance with FRS 102, "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and in accordance with Companies Act 2014.

3. Accounting policies and measurement bases

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the group's and the company's financial statements.

Basis of preparation

Subsequent to the reporting period, the directors made the decision to liquidate the group and company by 2027 to better serve customers and increase efficiency, without interrupting customer service, terminating contracts or liquidating assets at less than their carrying amount.

Accordingly, these consolidated and company financial statements have been prepared on a basis other than that of a going concern.

All assets are stated at their estimated net realisable values and all liabilities are measured at the best estimate of their settlement value at the reporting date.

The consolidated and company financial statements do not include any costs that could be incurred upon liquidation or that may arise subsequent to the balance sheet date.

The consolidated and company financial statements are prepared in Euro, which is the functional currency of the company.

Basis of consolidation

The group financial statements consolidate the financial statements of Udacity EMEA Holdings Limited and all of its subsidiaries drawn up to 31 December 2023. The consolidated financial statements incorporate the financial statements of the company and entities (including special purpose entities) controlled by the group (its subsidiaries). Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Udacity EMEA Holdings Limited

Notes to the consolidated and company financial statements (continued)

Financial year ended 31 December 2023

3. Accounting policies and measurement bases (continued)

Basis of consolidation (continued)

The results of subsidiaries acquired or disposed of during the year are included in the Profit and loss account from the effective date of acquisition and up to the effective date of disposal, as appropriate using accounting policies consistent with those of the parent. All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

The company has taken advantage of Section 304 (1)(b) of the Companies Act 2014 and has not included its own Profit and loss account in these financial statements.

The company, having notified the shareholders, has taken advantage of the exemption, provided by FRS 102 from the requirement to present a separate statement of cash flows and related party disclosures.

Turnover

Turnover is measured at the fair value of the consideration received or receivable for services rendered, net of discounts and Value Added Tax.

Turnover from the provision of services is recognised when the outcome of a transaction involving the rendering of services can be reliably estimated, revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period.

When the outcome of a transaction involving the rendering of services cannot be reliably estimated, revenue is recognised only to the extent that it is probable the expenses recognised will be recovered.

Taxation

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in the profit and loss account, except to the extent that it relates to items recognised in other comprehensive income or directly in capital and reserves. In this case, tax is recognised in other comprehensive income or directly in capital and reserves, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to profit or loss.

Udacity EMEA Holdings Limited**Notes to the consolidated and company financial statements (continued)****Financial year ended 31 December 2023****3. Accounting policies and measurement bases (continued)****Non-Euro subsidiary**

On consolidation, the assets and liabilities of the non-Euro subsidiary company is translated into euros (€) at the rate of exchange ruling at the balance sheet date. Exchange differences arising from the restatement of the opening balance sheet of this subsidiary company is dealt with through reserves. The operating results of the non-euro subsidiary company is translated into euros at the average rates applicable during the year.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Employee benefits

Employee benefits including holiday pay and pension, are recognised as an expense in the period in which employees have become entitled to the benefits as a result of service rendered to the company.

Tangible assets

Tangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated depreciation and impairment losses.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Fixtures, fittings and equipment - 20% straight line

If there is an indication that there has been a significant change in depreciation rate, useful life or residual value of tangible assets, the depreciation is revised prospectively to reflect the new estimates.

Financial assets

Financial assets are initially recorded at cost, and subsequently stated at cost less any provision for diminution in value. Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

Impairment

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

When it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

Udacity EMEA Holdings Limited**Notes to the consolidated and company financial statements (continued)****Financial year ended 31 December 2023****3. Accounting policies and measurement bases (continued)****Financial instruments**

A financial asset or a financial liability is recognised only when the group or the company becomes a party to the contractual provisions of the instrument. The group and the company have chosen to apply the provisions of Sections 11 and 12 of FRS 102 to account for all of its financial instruments.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Trade and other debtors, amounts owed by group undertakings and cash and cash equivalents are subsequently measured at amortised cost using the effective interest method.

Other financial instruments are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Derecognition of financial assets and liabilities

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of ownership of the financial asset are transferred to another party or (c) control of the financial asset has been transferred to another party who has the practical ability to unilaterally sell the financial asset to an unrelated third party without imposing additional restrictions.

A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled, or expires.

Trade and other debtors

Trade and other receivables, including amounts owed by group undertakings, are recognised initially at transaction price (including transaction costs) unless a financing arrangement exists in which case they are measured at the present value of future receipts discounted at a market rate. Subsequently these are measured at amortised cost less any provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the effective interest rate. All movements in the level of provision required are recognised in the profit and loss.

Udacity EMEA Holdings Limited

Notes to the consolidated and company financial statements (continued)

Financial year ended 31 December 2023

3. Accounting policies and measurement bases (continued)

Investment in subsidiaries

Trade investments in subsidiaries are measured at cost less impairment if fair value cannot be measured reliably.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less.

Creditors and accruals

Trade and other payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as amounts due after more than one year. Trade payables are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Dividend distribution

Dividend distribution to equity shareholders are recognised as a liability in the company's financial statements in the period in which the dividends are approved by the equity shareholders. These amounts are recognised in the statement of changes in equity.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax from the proceeds.

Share-based payments

Udacity, Inc., of which the company is a wholly owned subsidiary, has granted stock awards to purchase its common stock to the employees, directors, and consultants of the company and its subsidiaries. Stock options may be granted to employees, directors, or consultants at exercise prices determined by the Board of Directors, have a maximum term of ten years from the date of grant and generally vest over a period of four years.

The company estimates the fair value of stock-based awards to employees and non-employees on the date of grant. The company recognises compensation expense associated with awards over the vesting period of the entire award generally using the straight-line attribution method and accounts for forfeitures when they occur.

The company uses the Black-Scholes option-pricing model as the method for determining the estimated fair value for stock options. The Black-Scholes option-pricing model requires the use of subjective assumptions, which determine the fair value of stock-based awards, including the option's expected term, volatility and the price of the underlying stock.

Where the terms of an equity-settled transaction are modified, an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the fair value of the transaction, as measured at the date of modification.

Where a vesting condition, such as a service condition, has not been met then this leads to the reversal of charges that had previously been made for the unvested shares, unless the condition that has not been met is a market condition. If a grant of equity instruments is cancelled or settled during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied), it is treated as if it had vested on the date of cancellation or settlement, and any expense not yet recognised in profit or loss is expensed immediately.

Udacity EMEA Holdings Limited**Notes to the consolidated and company financial statements (continued)****Financial year ended 31 December 2023****3. Accounting policies and measurement bases (continued)****Provisions**

Provisions are recognised when the group has an obligation at the reporting date as a result of a past event which it is probable will result in the transfer of economic benefits and that obligation can be estimated reliably.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar expenses.

Interest income

Interest income is recognised in the profit and loss account using the effective interest method. This method allocates interest over the relevant period to achieve a constant periodic rate of return on the carrying amount of the financial asset. Interest income is presented within interest receivable and similar income.

Interest Expense

Interest expense is recognised in the profit and loss account using the effective interest method. This method allocates interest over the relevant period to achieve a constant periodic rate of interest on the carrying amount of the financial liability. Interest expense is presented within interest payable and similar expenses.

Judgements and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Impairment of trade and other debtors

The group makes an estimate of the recoverable value of trade and other debtors based on historical experience. Management regularly reviews the adequacy of the allowance for doubtful accounts by considering the age of each outstanding invoice, each customer's expected ability to pay, and the collection history with each customer, when applicable, to determine whether a specific allowance is appropriate. Note 13 of the financial statements shows the breakdown of trade and other debtors.

Share-based payments

The ultimate parent company, Udacity Inc., grants share options ("equity-settled share-based payments") to certain employees. Equity-settled share-based payments are measured at fair value at the date of grant by reference to the fair value of the equity instruments granted using the Black-Scholes model. The fair value determined at the grant date is expensed on a straight-line basis over the vesting period, based on the estimate of shares that will eventually vest. A corresponding adjustment is made to equity. Note 19 of the financial statements explains the judgements and estimates regarding share-based payments.

Udacity EMEA Holdings Limited

Notes to the consolidated and company financial statements (continued)

Financial year ended 31 December 2023

4. Turnover

The turnover is attributable to the principal activity of the group.

An analysis of turnover by revenue type is given below:

	2023	2022
	€	€
Enterprise revenue	15,175,103	14,171,710
Student scholarships revenue	1,693,379	2,575,653
Management recharge	-	6,583,080
	<u>16,868,482</u>	<u>23,330,443</u>

Set out below is the disaggregation of the group's revenue from contracts with customers.

	2023	2022
	€	€
China	543,258	323,355
Egypt	65,937	83,761
Finland	2,458	369,861
France	1,975,779	1,626,987
Germany	7,533,922	7,216,386
Greece	-	8,077
Hungary	25,227	14,467
India	117,838	-
Ireland	-	48,560
Luxembourg	82,273	238,899
Mozambique	13,140	44,739
Netherlands	1,004,040	729,060
Norway	855,139	965,053
Poland	43,407	78,995
Singapore	148,148	159,848
Slovakia	-	21,567
South Africa	3,800	-
Spain	1,075,791	749,489
Sweden	439,793	617,037
Switzerland	129,258	12,534
Türkiye	541,346	524,149
United Kingdom	2,267,808	2,898,309
United States	120	16,230
	<u>16,868,482</u>	<u>16,747,363</u>

Udacity EMEA Holdings Limited

Notes to the consolidated and company financial statements (continued)

Financial year ended 31 December 2023

5. Operating profit

Operating profit of the group is stated after charging:

	2023	2022
	€	€
Depreciation of tangible assets (Note 11)	5,634	-
Rental expense	21,156	51,799
Foreign exchange losses	<u>75,431</u>	<u>38,116</u>

6. Interest receivable and similar income

	2023	2022
	€	€
Guarantor fee	186,269	186,269
Interest income from intercompany loans	<u>221,473</u>	<u>204,199</u>
	<u>407,742</u>	<u>390,468</u>

In 2020, the company entered into a Guaranty and Pledge Agreement with Hercules Capital, Inc. acting as a guarantor for a loan made by Hercules Capital, Inc. to Udacity Inc. The agreement was settled on 15 May 2024.

7. Tax on profit

	2023	2022
	€	€
Current tax expense		
Tax expense in the profit and loss account	<u>201,154</u>	<u>575,775</u>

The tax on profit before tax for the year is higher (2022: Higher) than the standard rate of corporation tax in the Republic of Ireland of 12.5%

The differences are reconciled below:

	2023	2022
	€	€
Profit before tax	<u>1,028,354</u>	<u>1,903,821</u>
Corporation tax at standard rate	128,544	237,978
Foreign corporation taxes	75,929	260,332
Foreign Schedule D Case III income	(50,968)	48,808
Expenses not deductible for tax purposes	17,442	31,504
Other differences	<u>30,207</u>	<u>(2,847)</u>
Total tax charge	<u>201,154</u>	<u>575,775</u>

Udacity EMEA Holdings Limited

Notes to the consolidated and company financial statements (continued)

Financial year ended 31 December 2023

8. Auditors' remuneration

	2023	2022
	€	€
Fees payable to the group auditor:		
Audit of financial statements	45,000	31,000
Tax compliance services	<u>3,780</u>	<u>3,284</u>
Fees payable to other network firms of group auditor:		
Audit of financial statements	26,000	44,120
Other non-audit services	<u>82,314</u>	<u>8,303</u>

9. Staff costs

The average number of persons employed by the group during the financial period, including the directors were 28 (2022: 43). All employees were under the Sales department.

The aggregate payroll costs incurred during the financial year were:

	2023	2022
	€	€
Wages and salaries	4,825,548	11,443,080
Social security costs	732,422	1,094,105
Staff Welfare	210,077	369,965
Stock based compensation expense (Note 19)	<u>139,535</u>	<u>1,083,481</u>
	<u>5,907,582</u>	<u>13,990,631</u>

10. Directors remuneration

The directors are employed by a group undertaking. They did not receive any remuneration from the company during the year (2022: €Nil).

Udacity EMEA Holdings Limited

Notes to the consolidated and company financial statements (continued)

Financial year ended 31 December 2023

11. Tangible assets

	Fixtures, fittings and equipment	Group Total
	€	€
Cost		
At 1 January 2023	11,346	11,346
Additions	16,903	16,903
Disposals	<u>(11,346)</u>	<u>(11,346)</u>
At 31 December 2023	<u>16,903</u>	<u>16,903</u>
Depreciation		
At 1 January 2023	11,346	11,346
Additions	5,634	5,634
Disposals	<u>(11,346)</u>	<u>(11,346)</u>
At 31 December 2023	<u>5,634</u>	<u>5,634</u>
Carrying amount		
At 31 December 2023	<u>11,269</u>	<u>11,269</u>
At 31 December 2022	<u>-</u>	<u>-</u>

Udacity EMEA Holdings Limited

Notes to the consolidated and company financial statements (continued)

Financial year ended 31 December 2023

12. Financial assets – Investment in subsidiaries

Company:

	Shares in group undertakings	Total
	€	€
Cost		
At 1 January 2023 and 31 December 2023	<u>25,001</u>	<u>25,001</u>
Provision for diminution in value		
At 1 January 2023 and 31 December 2023	<u>-</u>	<u>-</u>
Carrying amount		
At 31 December 2023	<u>25,001</u>	<u>25,001</u>
At 31 December 2022	<u>25,001</u>	<u>25,001</u>

Investment in subsidiaries represent investments of the company in Udacity UK Limited and Udacity GmbH.

In the opinion of the directors, the shares of the company's unlisted investments are worth at least the amount at which they are stated in the Balance Sheet.

Investment in group undertakings

	Registered office	Nature of Business	Class of share	Shares held	
				2023 %	2022 %
Subsidiary Undertaking					
Udacity UK Limited	Berkshire, United Kingdom	Provision of online training programs	Ordinary	100	100
Udacity GmbH	Berlin, Germany	Provision of online training programs	Ordinary	100	100

Udacity EMEA Holdings Limited

Notes to the consolidated and company financial statements (continued)

Financial year ended 31 December 2023

13. Debtors

	Group 2023	Company 2023	Group 2022	Company 2022
	€	€	€	€
Trade debtors	1,735,668	1,735,668	2,809,981	2,809,981
Amounts owed by group undertakings	7,271,755	7,960,959	12,492,453	12,950,685
Other debtors	205,724	25,797	165,236	17,725
Prepayments	41,826	20,894	38,491	6,009
Accrued income	<u>181,591</u>	<u>181,591</u>	<u>8,077</u>	<u>8,077</u>
	<u>9,436,564</u>	<u>9,924,909</u>	<u>15,514,238</u>	<u>15,792,477</u>

All debtors fall due within one year. Debtors are stated net of impairment in respect of doubtful debts.

Amounts owed by group undertakings are unsecured, accrue interest, and are repayable on demand.

14. Creditors: amounts falling due within one year

	Group 2023	Company 2023	Group 2022	Company 2022
	€	€	€	€
Trade creditors	196,575	185,876	1,223,938	1,190,585
Amounts owed to group undertakings	-	4,733,668	-	5,914,366
Corporation tax payable	600,344	65,210	423,309	27,432
Other taxation and social security	2,817	-	-	-
Accruals	846,460	246,251	5,060,509	2,424,086
Deferred income	<u>7,304,000</u>	<u>7,304,000</u>	<u>9,846,316</u>	<u>9,846,316</u>
	<u>8,950,196</u>	<u>12,535,005</u>	<u>16,554,072</u>	<u>19,402,785</u>

Amounts owed to group undertakings are unsecured, interest free and payable on demand.

15. Creditors: amounts falling due after more than one year

	Group 2023	Company 2023	Group 2022	Company 2022
	€	€	€	€
Deferred income	<u>1,343,417</u>	<u>1,343,417</u>	<u>476,064</u>	<u>476,064</u>

Udacity EMEA Holdings Limited

Notes to the consolidated and company financial statements (continued)

Financial year ended 31 December 2023

16. Share capital

Authorised and issued share capital

	2023		2022	
	Number	€	Number	€
Ordinary shares of €1.00 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

17. Reserves

Capital contribution reserve

Capital contribution reserve represents non-refundable, unconditional amounts provided by the company's parent undertaking.

Share-based compensation reserve

The share-based compensation reserve represents expenses arising from share-based payment transactions each year.

Foreign currency translation reserve

The foreign currency translation reserve represents the translation differences arising on translation of foreign subsidiary accounts to the functional currency of the group.

Profit and loss account

Profit and loss account includes all current and prior year retained profits and losses.

Udacity EMEA Holdings Limited

Notes to the consolidated and company financial statements (continued)

Financial year ended 31 December 2023

18. Share-based payments – Group

Udacity, Inc., of which Udacity EMEA Holdings Ltd is a wholly owned subsidiary, has granted stock awards to purchase its common stock to employees, directors, and consultants of Udacity EMEA Holdings Ltd. Stock options may be granted to employees, directors, or consultants at exercise prices determined by the Board of Directors, have a maximum term of ten years from the date of grant and generally vest over a period of four years. In 2022, Udacity Inc awarded a grant of 500,000 restricted stock units to an employee of Udacity EMEA Holding Ltd. This award vested over four years of continuous service. As of 31 December 2022, 125,000 restricted stock units were vested and in 2023, the remainder of the grant was cancelled. In 2022, the Board of Directors of Udacity Inc, resolved that to the extent an outstanding option was unvested as of 12 August 2022, each unvested option was amended so that the exercise price would be \$1.51 per share.

Prior to 1 January 2021, all of the stock options granted provided for an extended post-termination exercise period to the earlier of (i) three years or (ii) the options' original contractual expiration, if the grantee completes two full years of continuous service with the Company. Beginning in 2021, all of the stock options granted provided for an extended post-termination exercise period to the earlier of (i) one year or (ii) the options' original contractual expiration, if the grantee completes three full years of continuous service with the Company. The Company continues to account for these options as equity awards as they do not meet the definition of a derivative.

A summary of the stock options for both employees and non-employees and changes as of 31 December 2023 and 31 December 2022 respectively are presented below (the number of options represents ordinary shares exercisable in respect thereof, net of forfeitures):

	2023	2023	2022	2022
	Number of	Weighted	Number of	Weighted
	options	-average	options	-average
	outstanding	exercise price	outstanding	exercise price
		per share		per share
		\$		\$
Opening balance	1,008,217	2.92	1,019,680	3.27
Options granted	186,043	1.51	326,500	2.37
Unvested options cancelled for regrant	-	-	(484,875)	3.42
Options regranted	-	-	484,875	1.51
Options exercised	-	-	(9,125)	3.23
Options forfeited or expired	<u>(478,280)</u>	<u>2.07</u>	<u>(328,838)</u>	<u>2.92</u>
Closing balance	<u>715,980</u>	<u>2.08</u>	<u>1,008,217</u>	<u>2.92</u>
Vested and exercisable as of 31 December	<u>461,866</u>	<u>2.39</u>	<u>575,551</u>	<u>2.68</u>

Udacity EMEA Holdings Limited

Notes to the consolidated and company financial statements (continued)

Financial year ended 31 December 2023

The Company estimates the fair value of stock options on the date of grant using the Black-Scholes option-pricing model. The Black-Scholes option-pricing model requires estimates of subjective assumptions, which greatly affect the fair value of each stock option. The weighted-average assumptions used to estimate the fair value of stock options granted during the year ended 31 December 2023 and 2022 was as follows:

	2023	2022
Fair value of common stock	\$1.51	\$1.87
Dividend yield	0%	0%
Expected term (in years)	4.00	5.38
Risk-free interest rate	4.59%	2.86%
Expected Volatility	50.00%	50.02%

Stock-based compensation for the years ended 31 December 2022 and 31 December 2023 was €1,083,481 and €139,535, respectively. As of 31 December 2023, the Company had 235,000 of unrecognised stock-based compensation expense which is expected to be recognised over a weighted-average period of 1.1 year.

19. Analysis of cash and cash equivalents and net debt

	At 31 December 2022	Cash flows	At 31 December 2023
	€	€	€
Cash and cash equivalents	<u>5,557,541</u>	<u>298,593</u>	<u>5,856,134</u>

20. Capital commitments

Group

The group had no material capital commitments at the financial year ended 31 December 2023.

Company

The company had no material capital commitments at the financial year ended 31 December 2023.

21. Security and charges

Hercules Capital, Inc. have registered a debenture over all assets of the company, both present and future, as security on loans provided to other group companies.

Charges registered by Hercules Capital, Inc. were fully satisfied on 15 May 2024.

Udacity EMEA Holdings Limited

Notes to the consolidated and company financial statements (continued)

Financial year ended 31 December 2023

22. Events after the end of the reporting period

The company is wholly owned by Udacity Inc., a company incorporated in the US. On 17 May 2024, 100% of the shares of Udacity Inc., were bought by Accenture Inc.

Except as noted in note 3, there are no other events that require disclosure or amendment to the financial statements.

23. Related party transactions

The company has taken advantage of the exemption contained in Section 33 of FRS 102 "Related Party Disclosures" not to disclose transactions entered into with fellow group companies that are wholly owned within the group of companies of which the company is a wholly owned member.

In 2022, the company transacted with Bertelsmann SE & Co., which is a subsidiary of Bertelsmann Inc. which owned 19% of the total share interests in Udacity Inc., the company's immediate and ultimate parent as at 31 December 2022. The amount of revenue recognised from Bertelsmann SE & Co. during the financial year amounted to €52,979 (2022: €1,861,483) and as at year-end, the company had a receivable balance of €339,950 (2022: €Nil).

24. Key management personnel

Key management includes the Board of Directors, all members of the group management and company secretary. The compensation paid or payable to key management for services in the financial year, are set out in Note 10.

25. Controlling party

Up to 17 May 2024, the parent undertaking and ultimate controlling party of the Company was Udacity Inc., a company incorporated in the United States. Udacity Inc. is the smallest and largest group for which group accounts are drawn up and of which the Company is a member. The registered address of Udacity Inc. is 1521 Concord Pike, Suite 201, Wilmington, New Castle County, DE, 19803, United States. The consolidated financial statements of Udacity Inc. are not publicly available.

From 17 May 2024, the Company's immediate parent undertaking changed to Accenture Inc, incorporated in the United States, and the ultimate parent undertaking and controlling party became Accenture plc, incorporated in the Republic of Ireland..

26. Approval of financial statements

The board of directors approved these financial statements for issue on January 8, 2026.