

**Groupon, Inc.**  
**Condensed Consolidated Balance Sheets**  
(in thousands, except share and per share amounts)

	June 30, 2019 (unaudited)	December 31, 2018
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 596,837	\$ 841,021
Accounts receivable, net	74,706	69,493
Prepaid expenses and other current assets	91,056	88,115
Total current assets	762,599	998,629
Property, equipment and software, net	134,672	143,117
Right-of-use assets - operating leases, net <sup>(1)</sup>	114,500	—
Goodwill	324,705	325,491
Intangible assets, net	38,996	45,401
Investments	39,301	108,515
Other non-current assets	24,435	20,989
<b>Total Assets</b>	<b>\$ 1,439,208</b>	<b>\$ 1,642,142</b>
<b>Liabilities and Equity</b>		
Current liabilities:		
Accounts payable	\$ 26,968	\$ 38,359
Accrued merchant and supplier payables	464,125	651,781
Accrued expenses and other current liabilities	258,610	267,034
Total current liabilities	749,703	957,174
Convertible senior notes, net	208,100	201,669
Operating lease obligations <sup>(2)</sup>	121,526	—
Other non-current liabilities	53,740	100,688
<b>Total Liabilities</b>	<b>1,133,069</b>	<b>1,259,531</b>
Commitments and contingencies		
<b>Stockholders' Equity</b>		
Common stock, par value \$0.0001 per share, 2,010,000,000 shares authorized; 767,155,735 shares issued and 566,664,464 shares outstanding at June 30, 2019; 760,939,440 shares issued and 569,084,312 shares outstanding at December 31, 2018	76	76
Additional paid-in capital	2,271,600	2,234,560
Treasury stock, at cost, 200,491,271 and 191,855,128 shares at June 30, 2019 and December 31, 2018	(907,599)	(877,491)
Accumulated deficit	(1,093,232)	(1,010,499)
Accumulated other comprehensive income (loss)	34,485	34,602
<b>Total Groupon, Inc. Stockholders' Equity</b>	<b>305,330</b>	<b>381,248</b>
Noncontrolling interests	809	1,363
<b>Total Equity</b>	<b>306,139</b>	<b>382,611</b>
<b>Total Liabilities and Equity</b>	<b>\$ 1,439,208</b>	<b>\$ 1,642,142</b>

- (1) Represents operating lease assets recognized as a result of the adoption of Topic 842 on January 1, 2019 net of accumulated amortization. Refer to Item 1, Note 6, *Leases*, in our Quarterly Report on Form 10-Q for the period ended June 30, 2019 for additional information.
- (2) Represents the non-current portion of operating lease liabilities as a result of the adoption of Topic 842 on January 1, 2019. Refer to Item 1, Note 6, *Leases*, in our Quarterly Report on Form 10-Q for the period ended June 30, 2019 for additional information.

**Groupon, Inc.**  
**Condensed Consolidated Statements of Operations**  
(in thousands, except share and per share amounts)  
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
Revenue:				
Service	\$ 277,603	\$ 295,652	\$ 563,430	\$ 597,449
Product	254,974	321,744	547,557	646,487
Total revenue	532,577	617,396	1,110,987	1,243,936
Cost of revenue:				
Service	28,595	30,230	57,222	61,375
Product	211,850	263,508	455,617	534,018
Total cost of revenue	240,445	293,738	512,839	595,393
Gross profit	292,132	323,658	598,148	648,543
Operating expenses:				
Marketing	88,923	94,178	182,320	193,334
Selling, general and administrative	210,348	293,725	420,772	516,069
Total operating expenses	299,271	387,903	603,092	709,403
Income (loss) from operations	(7,139)	(64,245)	(4,944)	(60,860)
Other income (expense), net	(28,494)	(26,457)	(75,349)	(34,972)
Income (loss) from continuing operations before provision (benefit) for income taxes	(35,633)	(90,702)	(80,293)	(95,832)
Provision (benefit) for income taxes	2,012	1,552	(1,478)	(783)
Income (loss) from continuing operations	(37,645)	(92,254)	(78,815)	(95,049)
Income (loss) from discontinued operations, net of tax	—	—	2,162	—
Net income (loss)	(37,645)	(92,254)	(76,653)	(95,049)
Net income attributable to noncontrolling interests	(2,601)	(2,780)	(6,080)	(6,873)
Net income (loss) attributable to Groupon, Inc.	\$ (40,246)	\$ (95,034)	\$ (82,733)	\$ (101,922)
Basic and diluted net income (loss) per share:				
Continuing operations	\$ (0.07)	\$ (0.17)	\$ (0.15)	\$ (0.18)
Discontinued operations	0.00	0.00	0.01	0.00
Basic and diluted net income (loss) per share	\$ (0.07)	\$ (0.17)	\$ (0.14)	\$ (0.18)
Weighted average number of shares outstanding				
Basic	567,962,461	565,284,705	569,014,065	563,502,954
Diluted	567,962,461	565,284,705	569,014,065	563,502,954

**Groupon, Inc.**  
**Condensed Consolidated Statements of Cash Flows**  
(in thousands)  
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
<b>Operating activities</b>				
Net income (loss)	\$ (37,645)	\$ (92,254)	\$ (76,653)	\$ (95,049)
Less: Income (loss) from discontinued operations, net of tax	—	—	2,162	—
Income (loss) from continuing operations	(37,645)	(92,254)	(78,815)	(95,049)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Depreciation and amortization of property, equipment and software	23,339	25,428	47,861	52,149
Amortization of acquired intangible assets	3,777	3,526	7,671	6,466
Stock-based compensation	26,563	16,318	42,974	35,644
Impairments of investments	—	9,189	—	10,044
Deferred income taxes	360	—	360	(6,575)
(Gain) loss from changes in fair value of investments	27,577	3,035	68,985	8,068
Amortization of debt discount on convertible senior notes	3,256	2,940	6,431	5,806
Change in assets and liabilities, net of acquisitions and dispositions:				
Accounts receivable	8,889	9,673	(5,311)	27,296
Prepaid expenses and other current assets	(7,482)	(8,112)	(4,021)	1,489
Accounts payable	2,024	(999)	(10,890)	(9,340)
Accrued merchant and supplier payables	(49,947)	(29,652)	(186,519)	(172,982)
Accrued expenses and other current liabilities	(4,291)	92,704	(44,696)	51,140
Other, net	2,361	12,379	7,268	10,272
Net cash provided by (used in) operating activities from continuing operations	(1,219)	44,175	(148,702)	(75,572)
Net cash provided by (used in) operating activities from discontinued operations	—	—	—	—
<b>Net cash provided by (used in) operating activities</b>	<b>(1,219)</b>	<b>44,175</b>	<b>(148,702)</b>	<b>(75,572)</b>
<b>Investing activities</b>				
Purchases of property and equipment and capitalized software	(16,684)	(17,373)	(34,161)	(37,517)
Acquisition of business, net of acquired cash	—	(57,821)	—	(57,821)
Acquisitions of intangible assets and other investing activities	(551)	(520)	(1,189)	(758)
Net cash provided by (used in) investing activities from continuing operations	(17,235)	(75,714)	(35,350)	(96,096)
Net cash provided by (used in) investing activities from discontinued operations	—	—	—	—
<b>Net cash provided by (used in) investing activities</b>	<b>(17,235)</b>	<b>(75,714)</b>	<b>(35,350)</b>	<b>(96,096)</b>
<b>Financing activities</b>				
Issuance costs for revolving credit agreement	(2,334)	—	(2,334)	—
Payments for purchases of treasury stock	(15,153)	—	(29,569)	—
Taxes paid related to net share settlements of stock-based compensation awards	(5,141)	(6,959)	(10,231)	(16,138)
Proceeds from stock option exercises and employee stock purchase plan	32	70	2,038	2,504
Distributions to noncontrolling interest holders	(3,113)	(3,625)	(6,634)	(6,940)
Payments of finance lease obligations	(5,872)	(8,215)	(12,628)	(17,239)
Payments of contingent consideration related to acquisitions	—	—	—	(1,815)
<b>Net cash provided by (used in) financing activities</b>	<b>(31,581)</b>	<b>(18,729)</b>	<b>(59,358)</b>	<b>(39,628)</b>
<b>Effect of exchange rate changes on cash, cash equivalents and restricted cash, including cash classified within current assets</b>	<b>1,626</b>	<b>(12,835)</b>	<b>(1,755)</b>	<b>(6,644)</b>
<b>Net increase (decrease) in cash, cash equivalents and restricted cash, including cash classified within current assets</b>	<b>(48,409)</b>	<b>(63,103)</b>	<b>(245,165)</b>	<b>(217,940)</b>
Less: Net increase (decrease) in cash classified within current assets of discontinued operations	—	—	—	—
<b>Net increase (decrease) in cash, cash equivalents and restricted cash</b>	<b>(48,409)</b>	<b>(63,103)</b>	<b>(245,165)</b>	<b>(217,940)</b>
Cash, cash equivalents and restricted cash, beginning of period	647,972	730,644	844,728	885,481
Cash, cash equivalents and restricted cash, end of period <sup>(1)</sup>	\$ 599,563	\$ 667,541	\$ 599,563	\$ 667,541

- (1) The following table provides a reconciliation of cash, cash equivalents and restricted cash shown above to amounts reported within the condensed consolidated balance sheet as of June 30, 2019 and amounts previously reported within the condensed consolidated balance sheet in our Quarterly Report on Form 10-Q as of June 30, 2018 (in thousands):

	June 30, 2019	June 30, 2018
Cash and cash equivalents	\$ 596,837	\$ 662,893
Restricted cash included in prepaid expenses and other current assets	2,340	4,250
Restricted cash included in other non-current assets	386	398
Cash, cash equivalents and restricted cash	<u>\$ 599,563</u>	<u>\$ 667,541</u>

**Groupon, Inc.**  
**Supplemental Financial and Operating Metrics**  
(dollars in thousands; active customers in millions)  
(unaudited)

	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019			
North America Segment:						Q2 2019		
Gross Billings <sup>(1)</sup> :						Y/Y Growth		
Local	\$ 548,056	\$ 534,246	\$ 535,869	\$ 502,309	\$ 503,830	(8.1)	%	
Travel	93,809	83,991	71,948	92,083	84,029	(10.4)		
Goods	196,501	184,357	319,922	174,638	147,354	(25.0)		
Total Gross Billings	<u>\$ 838,366</u>	<u>\$ 802,594</u>	<u>\$ 927,739</u>	<u>\$ 769,030</u>	<u>\$ 735,213</u>	(12.3)	%	
Revenue:								
Local	\$ 185,870	\$ 180,059	\$ 199,523	\$ 180,377	\$ 177,082	(4.7)	%	
Travel	19,888	17,217	14,667	18,941	16,125	(18.9)		
Goods	174,506	163,875	290,534	157,847	131,453	(24.7)		
Total Revenue	<u>\$ 380,264</u>	<u>\$ 361,151</u>	<u>\$ 504,724</u>	<u>\$ 357,165</u>	<u>\$ 324,660</u>	(14.6)	%	
Gross Profit:								
Local	\$ 165,285	\$ 159,379	\$ 179,932	\$ 161,082	\$ 157,673	(4.6)	%	
Travel	16,303	13,801	11,839	15,268	12,806	(21.5)		
Goods	37,783	30,868	55,814	33,452	28,105	(25.6)		
Total Gross Profit	<u>\$ 219,371</u>	<u>\$ 204,048</u>	<u>\$ 247,585</u>	<u>\$ 209,802</u>	<u>\$ 198,584</u>	(9.5)	%	
Operating income (loss)	\$ (68,524)	\$ 51,004	\$ 39,289	\$ 5,336	\$ (372)	99.5	%	
International Segment:					Q2 2019			
					Y/Y Growth		FX Effect <sup>(2)</sup>	Y/Y Growth excluding FX <sup>(3)</sup>
Gross Billings:								
Local	\$ 203,248	\$ 209,623	\$ 235,093	\$ 207,396	\$ 203,450	0.1	5.8	5.9
Travel	48,766	46,156	55,046	51,939	43,348	(11.1)	5.3	(5.8)
Goods	173,883	157,856	211,180	147,643	138,934	(20.1)	5.1	(15.0)
Total Gross Billings	<u>\$ 425,897</u>	<u>\$ 413,635</u>	<u>\$ 501,319</u>	<u>\$ 406,978</u>	<u>\$ 385,732</u>	(9.4)	5.4	(4.0)
%								
Revenue:								
Local	\$ 71,425	\$ 75,946	\$ 84,751	\$ 73,190	\$ 69,995	(2.0)	5.7	3.7
Travel	9,706	9,387	10,654	8,737	8,077	(16.8)	5.0	(11.8)
Goods	156,001	146,399	199,798	139,318	129,845	(16.8)	5.3	(11.5)
Total Revenue	<u>\$ 237,132</u>	<u>\$ 231,732</u>	<u>\$ 295,203</u>	<u>\$ 221,245</u>	<u>\$ 207,917</u>	(12.3)	5.3	(7.0)
%								
Gross Profit:								
Local	\$ 67,360	\$ 71,639	\$ 80,213	\$ 68,978	\$ 65,780	(2.4)	5.8	3.4
Travel	8,919	8,649	9,913	8,041	7,370	(17.4)	4.9	(12.5)
Goods	28,008	21,653	28,358	19,195	20,398	(27.2)	4.8	(22.4)
Total Gross Profit	<u>\$ 104,287</u>	<u>\$ 101,941</u>	<u>\$ 118,484</u>	<u>\$ 96,214</u>	<u>\$ 93,548</u>	(10.3)	5.4	(4.9)
%								
Operating income (loss)	\$ 4,279	\$ 2,019	\$ 22,587	\$ (3,141)	\$ (6,767)	(258.2)	%	
Consolidated Results of Operations:								
Gross Billings:								
Local	\$ 751,304	\$ 743,869	\$ 770,962	\$ 709,705	\$ 707,280	(5.9)	1.6	(4.3)
Travel	142,575	130,147	126,994	144,022	127,377	(10.7)	1.8	(8.9)
Goods	370,384	342,213	531,102	322,281	286,288	(22.7)	2.4	(20.3)
Total Gross Billings	<u>\$ 1,264,263</u>	<u>\$ 1,216,229</u>	<u>\$ 1,429,058</u>	<u>\$ 1,176,008</u>	<u>\$ 1,120,945</u>	(11.3)	1.8	(9.5)
%								
Revenue:								
Local	\$ 257,295	\$ 256,005	\$ 284,274	\$ 253,567	\$ 247,077	(4.0)	1.6	(2.4)
Travel	29,594	26,604	25,321	27,678	24,202	(18.2)	1.6	(16.6)
Goods	330,507	310,274	490,332	297,165	261,298	(21.0)	2.5	(18.5)
Total Revenue	<u>\$ 617,396</u>	<u>\$ 592,883</u>	<u>\$ 799,927</u>	<u>\$ 578,410</u>	<u>\$ 532,577</u>	(13.8)	2.1	(11.7)
%								
Gross Profit:								
Local	\$ 232,645	\$ 231,018	\$ 260,145	\$ 230,060	\$ 223,453	(4.0)	1.7	(2.3)
Travel	25,222	22,450	21,752	23,309	20,176	(20.0)	1.7	(18.3)
Goods	65,791	52,521	84,172	52,647	48,503	(26.3)	2.1	(24.2)
Total Gross Profit	<u>\$ 323,658</u>	<u>\$ 305,989</u>	<u>\$ 366,069</u>	<u>\$ 306,016</u>	<u>\$ 292,132</u>	(9.8)	1.8	(8.0)
%								
Operating income (loss)	\$ (64,245)	\$ 53,023	\$ 61,876	\$ 2,195	\$ (7,139)	88.9	%	
Net cash provided by (used in) operating activities from continuing operations	\$ 44,175	\$ (57,389)	\$ 323,816	\$ (147,483)	\$ (1,219)	(102.8)	%	
Free Cash Flow	\$ 26,802	\$ (73,483)	\$ 307,732	\$ (164,960)	\$ (17,903)	(166.8)	%	

	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
<b>Active Customers <sup>(3)</sup></b>					
North America	32.2	31.4	30.6	29.6	28.6
International	17.1	17.4	17.6	17.5	17.6
Total Active Customers	49.3	48.8	48.2	47.2	46.2
<b>TTM Gross Profit / Active Customer</b>					
North America	\$ 28.36	\$ 28.96	\$ 29.13	\$ 29.72	\$ 30.05
International	25.24	24.89	24.46	24.00	23.37
Consolidated	27.27	27.51	27.42	27.59	27.51
<b>Consolidated Units</b>					
	40.0	39.5	50.5	37.2	35.3
<i>Year-over-year unit growth:</i>					
North America	(14.3) %	(16.9) %	(12.9) %	(17.5) %	(17.8) %
International	(0.6)	3.4	3.0	(2.2)	0.9
Consolidated	(10.1)	(10.6)	(7.5)	(12.3)	(11.6)
<b>Headcount</b>					
Sales <sup>(4)</sup>	2,373	2,334	2,268	2,377	2,327
Other	4,262	4,197	4,308	3,928	3,952
Total Headcount	6,635	6,531	6,576	6,305	6,279

(1) Represents the total dollar value of customer purchases of goods and services.

(2) Represents the change in financial measures that would have resulted had average exchange rates in the reporting periods been the same as those in effect in the prior year periods.

(3) Reflects the total number of unique user accounts that have made a purchase during the TTM either through one of our online marketplaces or directly with a merchant for which we earned a commission.

(4) Includes merchant sales representatives, as well as sales support personnel.

**Groupon, Inc.**  
**Non-GAAP Reconciliation Schedules**  
(in thousands, except share and per share amounts)  
(unaudited)

The following is a quarterly reconciliation of Adjusted EBITDA to the most comparable U.S. GAAP performance measure, Income (loss) from continuing operations.

	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
<b>Income (loss) from continuing operations</b>	<b>\$ (92,254)</b>	<b>\$ 47,175</b>	<b>\$ 49,862</b>	<b>\$ (41,170)</b>	<b>\$ (37,645)</b>
Adjustments:					
Stock-based compensation <sup>(1)</sup>	16,266	15,026	14,251	16,411	26,563
Depreciation and amortization	28,954	28,685	28,528	28,416	27,116
Acquisition-related expense (benefit), net	655	—	—	—	28
Restructuring charges	(399)	35	(55)	(67)	(47)
IBM patent litigation	75,000	(40,400)	—	—	—
Other (income) expense, net	26,457	4,860	13,176	46,855	28,494
Provision (benefit) for income taxes	1,552	988	(1,162)	(3,490)	2,012
Total adjustments	148,485	9,194	54,738	88,125	84,166
<b>Adjusted EBITDA</b>	<b>\$ 56,231</b>	<b>\$ 56,369</b>	<b>\$ 104,600</b>	<b>\$ 46,955</b>	<b>\$ 46,521</b>

(1) Represents stock-based compensation expense recorded within Selling, general and administrative, Cost of revenue and Marketing.

The following is a reconciliation of the Company's annual outlook for Adjusted EBITDA to the Company's outlook for the most comparable U.S. GAAP performance measure, Income (loss) from continuing operations.

	Year Ending December 31, 2019
<b>Expected income (loss) from continuing operations</b>	<b>\$ (15,000)</b>
Expected adjustments:	
Stock-based compensation	90,000
Depreciation and amortization	105,000
Other (income) expense, net	85,000
Provision (benefit) for income taxes	5,000
Total expected adjustments	285,000
<b>Expected Adjusted EBITDA</b>	<b>\$ 270,000</b>

The outlook provided above does not reflect the potential impact of any business or asset acquisitions or dispositions, changes in the fair values of investments, foreign currency gains or losses or unusual or infrequently occurring items that may occur during the remainder of 2019.

The following is a reconciliation of non-GAAP net income (loss) attributable to common stockholders to net income (loss) attributable to common stockholders and a reconciliation of non-GAAP net income (loss) per share to diluted net income (loss) per share for the three and six months ended June 30, 2019 and 2018.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	2018	2019	2018
<b>Net income (loss) attributable to common stockholders</b>	\$ (40,246)	\$ (95,034)	\$ (82,733)	\$ (101,922)
Less: Net income (loss) attributable to noncontrolling interest	(2,601)	(2,780)	(6,080)	(6,873)
<b>Net income (loss)</b>	<b>(37,645)</b>	<b>(92,254)</b>	<b>(76,653)</b>	<b>(95,049)</b>
Less: Income (loss) from discontinued operations, net of tax	—	—	2,162	—
<b>Income (loss) from continuing operations</b>	<b>(37,645)</b>	<b>(92,254)</b>	<b>(78,815)</b>	<b>(95,049)</b>
Less: Provision (benefit) for income taxes	2,012	1,552	(1,478)	(783)
<b>Income (loss) from continuing operations before provision (benefit) for income taxes</b>	<b>(35,633)</b>	<b>(90,702)</b>	<b>(80,293)</b>	<b>(95,832)</b>
Stock-based compensation	26,563	16,318	42,974	35,644
Amortization of acquired intangible assets	3,777	3,526	7,671	6,466
Acquisition-related expense (benefit), net	28	655	28	655
Restructuring charges	(47)	(399)	(114)	(116)
IBM patent litigation	—	75,000	—	75,000
Losses (gains), net from changes in fair value of investments	27,577	3,035	68,985	8,068
Intercompany foreign currency losses (gains) and reclassifications of translation adjustments to earnings	(3,322)	11,047	872	7,620
Non-cash interest expense on convertible senior notes	3,256	2,940	6,431	5,806
<b>Non-GAAP income (loss) from continuing operations before provision (benefit) for income taxes</b>	<b>22,199</b>	<b>21,420</b>	<b>46,554</b>	<b>43,311</b>
Less: Non-GAAP provision for income taxes	12,806	7,925	16,937	9,486
<b>Non-GAAP net income (loss)</b>	<b>9,393</b>	<b>13,495</b>	<b>29,617</b>	<b>33,825</b>
Net income attributable to noncontrolling interest	(2,601)	(2,780)	(6,080)	(6,873)
<b>Non-GAAP net income (loss) attributable to common stockholders</b>	<b>\$ 6,792</b>	<b>\$ 10,715</b>	<b>\$ 23,537</b>	<b>\$ 26,952</b>
Weighted-average shares of common stock - diluted	567,962,461	565,284,705	569,014,065	563,502,954
Effect of dilutive securities	5,538,657	8,982,700	5,317,430	9,527,932
Weighted-average shares of common stock - non-GAAP	573,501,118	574,267,405	574,331,495	573,030,886
<b>Diluted net loss per share</b>	<b>\$ (0.07)</b>	<b>\$ (0.17)</b>	<b>\$ (0.14)</b>	<b>\$ (0.18)</b>
Impact of non-GAAP adjustments and related tax effects	0.08	0.19	0.18	0.23
<b>Non-GAAP net income per share</b>	<b>\$ 0.01</b>	<b>\$ 0.02</b>	<b>\$ 0.04</b>	<b>\$ 0.05</b>



Free cash flow is a non-GAAP liquidity measure. The following is a reconciliation of free cash flow and free cash flow excluding the IBM settlement to the most comparable U.S. GAAP liquidity measure, Net cash provided by (used in) operating activities from continuing operations.

	Q2 2018	Q3 2018	Q4 2018	Q1 2019	Q2 2019
Net cash provided by (used in) operating activities from continuing operations	\$ 44,175	\$ (57,389)	\$ 323,816	\$ (147,483)	\$ (1,219)
Purchases of property and equipment and capitalized software from continuing operations	(17,373)	(16,094)	(16,084)	(17,477)	(16,684)
Free cash flow	\$ 26,802	\$ (73,483)	\$ 307,732	\$ (164,960)	\$ (17,903)
Operating cash outflow related to the IBM settlement <sup>(1)</sup>	—	42,100	—	—	—
Free cash flow, excluding the impact of the IBM settlement	\$ 26,802	\$ (31,383)	\$ 307,732	\$ (164,960)	\$ (17,903)
Net cash provided by (used in) investing activities from continuing operations	\$ (75,714)	\$ (22,389)	\$ (17,497)	\$ (18,115)	\$ (17,235)
Net cash provided by (used in) financing activities	\$ (18,729)	\$ (9,720)	\$ (35,069)	\$ (27,777)	\$ (31,581)

- (1) This amount represents the portion of the \$57.5 million IBM settlement that was classified as an operating cash outflow. The remaining \$15.4 million was capitalized for the license to use the patented technology in future periods under the terms of the settlement and license agreements and has been classified as an investing cash outflow. For additional information about the IBM settlement, refer to Item 8, Note 10, *Commitments and Contingencies*, in our Annual Report on Form 10-K for the year ended December 31, 2018.

Our International gross profit per active customer for the TTM ended June 30, 2019 and 2018 were as follows:

	2018 Q2	2019 Q2	Y/Y Growth	FX Effect	Y/Y Growth excluding FX <sup>(1)</sup>
International TTM Gross Profit / Active Customer	\$25.24	\$23.37	(7.4)%	(4.3)%	(3.1)%

- (1) Represents the change in financial measures that would have resulted had average exchange rates in the reporting periods been the same as those in effect in the prior year periods.