

GROUPON

Shareholder Letter

Q3 2026

GROUPON

OUR MISSION

To get People Offline Through Quality Local Experiences at Great Value





OUR BELIEF

The Best Things in Life Happen Offline

GROUPON

Fellow shareholders,

We believe the best things in life happen offline. As the world becomes increasingly digitized, we believe demand will grow for analog, in-person experiences and for the digital pathways consumers use to identify, discover, and book those experiences. Groupon sits at that intersection of consumer intent and local supply, a natural bridge between the AI economy and the millions of local merchants who power Main Street.

During Q3, we continued to reshape how Groupon operates, strengthening our operating leadership with the addition of our new Chief Operating Officer, relaunching LivingSocial as an agent-first experience marketplace, and advancing Project Foundry through the introduction of FoundryAI, our company-wide AI platform. Together, these initiatives represent important steps in strengthening our marketplace, improving the customer experience and building the capabilities needed to compete as consumer discovery evolves.

In the quarter we delivered solid Billings growth, increasing 6% year-over-year to $439 million, near the top end of our guidance range. Revenue grew 2% to $125 million and Adjusted EBITDA was $15 million, both below our guidance. Free Cash Flow was negative $46 million, reflecting our seasonal cash low point.

Billings growth was led by Things to Do, Travel and International Local, while North America Local supply outside Things to Do remains an area of focus. Billings growth was held back 180 basis points by our Trust & Quality investments, which included honoring more customer refund requests. Revenue grew slower than Billings, driven by a mix shift toward Things to Do and Travel, our Trust & Quality investments, and other factors. Adjusted EBITDA fell short because of the Revenue shortfall along with higher marketing spend that did not earn the returns we expected. Reflecting our third quarter results and our outlook for the fourth quarter, we are lowering our full-year guidance, which we discuss in the Guidance section of this letter.

Taking a step back, we are proud of the progress made in strengthening Groupon's operating foundation, returning to Billings growth in 2025 for the first time in a decade, and expect 2026 to be our second consecutive year of Billings growth. Over the past year, the technology landscape has changed significantly, and we have leaned into becoming AI-native to help us navigate what we expect to be a very rapidly changing environment. This shift may have short-term impacts on our business results as we make trade-offs and reprioritize, but we remain confident in its long-term payoff.

Our priority is a marketplace that feeds itself. Better quality deals bring more customers, and more customers bring more merchants. We’re investing in three things to get there: better supply, a trusted experience and more reasons to come back, in one integrated marketplace under our Chief Operating Officer. Things to Do and Travel are already showing that we can get the flywheel working, and these green shoots, along with our AI-native transformation give us confidence that we will continue to improve the performance of this marketplace and deliver on our mission to get people offline.

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Project Foundry

Project Foundry, our project to redesign how Groupon works as an AI-native company, continues to drive meaningful change throughout our organization. We are seeing gains in productivity, enhancements in our capabilities and, with the relaunch of LivingSocial, we are optimistic that our push to become AI-native can help us unlock new AI products to serve the experience marketplace.

Building on the foundation established through Project Foundry, we launched FoundryAI (FAI), our company-wide AI platform designed to centralize data and tools and enable teams to share AI capabilities across the organization. The majority of our employees have moved onto the platform. By the end of 2026, we expect that FAI will be the default way our teams get work done.

The results are starting to show. AI resolved 84% of our customer support contacts on its own in Q3, up from 42% in January, and crossed 90% in early November. Engineering output (as measured by PRs merged) per developer more than doubled in the first half of the year and has continued to rise. Our revenue per employee is up approximately 50% year-over-year and we expect to continue to improve productivity.

We are scaling adoption across the company, with returns primarily reflected in lower costs and improved productivity, and growth benefits expected over time. While this initiative is only nine months old, we are pleased with the progress we are seeing across our operations. As the best people want to move fast and adopt AI, we expect our commitment to becoming AI-native to be a selling point as we recruit. In Q3, feedback we received from employees and candidates shows our progress is starting to register in the talent market.

Agentic Commerce & LivingSocial

Almost 20 years ago, Groupon was founded on the idea of helping merchants reach customers as consumer discovery shifted from print and radio to the internet. Today, personal AI agents, representing their owners and families, are emerging as a new type of customer, with the potential to rewire how consumers discover, compare and purchase local experiences.

In response to this development, we relaunched LivingSocial (agent.livingsocial.com) as an agent-first experience marketplace, built by agents for agents. LivingSocial is our agentic commerce lab that will be working closely with local merchants with the aim of filling the gap between the frontier of what agents can do and the current capabilities of experience operators.

Early feedback from both sides of the marketplace has been positive. Our early merchant launch partners welcome a partner helping them keep abreast of the accelerating pace of AI, while personal AI agents in our tests compared options faster on LivingSocial than on the open web. The agents also told us what would improve their experience, which informs our product roadmap going forward. Currently, more than 50,000 Groupon local experiences are available

through LivingSocial, and for more than 25,000 of them an agent can now reserve a specific date and time, with the customer completing the purchase on Groupon's checkout.

We expect the landscape of agentic commerce to continue to evolve significantly and are rebuilding LivingSocial with this opportunity in mind. Developed by a small internal team in approximately four weeks, the new LivingSocial demonstrates our ability to move quickly and efficiently to capitalize on emerging opportunities in agentic commerce. While it is still early days for agentic commerce and LivingSocial, and we do not expect a material impact on our Q4 results, we believe agentic commerce may become a meaningful channel for local experiences over time. Our established merchant relationships and increasingly AI-native way of working position us well to participate in this evolution.

Talent density

Talent density has always mattered. But in an AI-native world, we believe talent density becomes even more important, and we see growing evidence that small teams working on the frontier of AI can deliver 10x impact at 10x speed. In response to this market shift, we are investing to build a best-in-class, AI-native operating team with the track record to accelerate our velocity and performance.

In Q3, we made progress raising the bar across Groupon. As our work has moved from restructuring, to growth, to operating AI-first, we have rebuilt our leadership team with entrepreneurial, AI-native leaders who act like owners. Adi Rajkumar joined as Chief Operating Officer in August and now leads our core marketplace, and we have additional new hires including a new Chief Business Officer, Jake Stewart, and head of Marketplace Strategy and Operations, Mark Marge. In addition, today we announced the appointment of Ajay Mittal to serve on Groupon's Board of Directors. Together, they bring experience scaling successful marketplaces to both our management team and our Board as we build a best-in-class, AI-native experience marketplace.

I want to thank every Groupon employee for their work this quarter, and our shareholders for their continued support.

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Business and Operational Highlights

Billings of $439 million grew 6% year-over-year and Revenue of $125 million grew 2%. Revenue as a percentage of Billings (take rate) was 29%, compared with 30% in the prior year period, reflecting lower deal margins, due in part to growth in Things to Do and Travel, where our take rate is lower, and other factors. North America Local, our largest category, returned to growth, with Billings up 4%. International Local Billings grew 11%, accelerating from the second quarter, and Travel Billings grew 36% on higher hotel and resort bookings.

$439M Gross Billings **+6% year-over-year**	**$125M** Revenue **+2% year-over-year**
9.0M Total Units **(2)% year-over-year**	**16.2M** TTM Active Customers **flat year-over-year**

Things to Do

Things to Do, our largest Local vertical in Q3 by Billings, grew double digits year-over-year in both North America and International, its sixth double-digit quarter in the last eight. Q3 is our peak season, and customers came to us to find quality experiences at unbelievable value, including boat tours and cruises, theme parks and trips to the movie theater.

What we see working in Things to Do is a playbook of several things coming together. First, we are benefiting from an investment we made in connectivity, linking directly to our partners' booking systems. Connected Things to Do supply grew by strong double-digits and allows us to improve the experience for customers and merchants, making us easier to work with and reducing friction. The way we contract and structure our campaigns is changing, as our most successful partners increasingly run with us always on, with best-on-web pricing, and layer in promotional calendars dynamically as they execute through the season.

Looking ahead, we are doubling down on Things to Do. We are adding connections with new booking platforms, making bookability a standard feature for merchants joining our Things to Do marketplace, and expect to extend our success in connectivity internationally.

North America Supply

Outside Things to Do, our North America Core Local supply fell short of our expectations this quarter, and continues to be under pressure. Our Small Business merchant base and Health, Beauty & Wellness, our second-largest North America Local vertical in Q3, were both flat in Q3,

short of the priorities we set last quarter. Rebuilding Core Local and beauty & wellness supply is a priority under our new Chief Operating Officer.

We are rebuilding in three ways. First, we are bringing our sales organization together under our Chief Operating Officer, and expect to invest in scaling our Enterprise sales capacity under our new Chief Business Officer. Second, we expect to improve the number of merchants on our marketplace, through both new merchants and better retention of existing merchants. Revenue from new merchants in North America Core Local continues to run at the same pace as in the first half, roughly half of the target we have set for it. We are building AI tools that tell our sales representatives which merchants to call and which deals to improve, giving them more time with merchants and better information about where to spend it. Third, we are building new products which are more attractive to certain verticals, such as gift cards, gifting and mystery deals.

We are in the early days of this rebuild, and expect its effects to begin showing in our results in 2027.

Trust & Quality

Last quarter, we introduced Trust & Quality to build a curated experience marketplace where every deal earns its place and no one has to second-guess a purchase. The rise of personal AI agents is a signal to us that we are heading in the right direction here, as we expect agents will prioritize experiences that deliver quality and value over being ranked first in search placements.

In Q3, we made Groupon much easier to reach for customers, and we also made decisions to be more customer friendly in how we handle their inbound customer service requests. Since August, the reviews customers leave us on a leading independent review site are improving, with our average rating of new reviews rising from about 2.8 stars earlier this year to 3.9 in September.

Being easier to reach, and more flexible when something goes wrong, came at a higher near-term cost than we expected. Refunds grew double-digits year-over-year in Q3 as we honored more customer requests, which lowered reported Billings by 180 basis points. Alongside that, our Trust & Quality team is improving baseline quality standards on our marketplace, with the power to pause merchants with low quality scores and set product and sales priorities around improving the customer experience, which also hurts near-term business.

Over time, these investments are expected to drive an increase in purchase frequency and customer retention. While we have some early signals that this is the right direction, the data is still quite early and Trust & Quality is currently weighing on our reported results. We expect that it will take more time to see the returns of improving Trust & Quality in our results.

Customer Lifecycle

Active customers were 16.2 million on a trailing twelve-month basis, flat year-over-year. In Q3, new customers increased double-digits vs a year ago. Customers purchased less frequently,

with purchase frequency down by low single-digits as the composition of one-and-done customers in our customer base continued to increase.

Improving the customer lifecycle remains a focus for us to turn more first purchases into a second and third. With our new app, website and managed channel platform live in every geography, in Q3 we brought them together into one Customer Lifecycle, with personalization running across the app and our managed channels (push, email and SMS).

The migration of these new frontend systems has gone well with minimal disruption to our near-term financial performance, and we can now build a personalized experience for any customer segment, with its own deals and visuals, without engineering work or an app release. In North America, customers who come into our app soon after their first purchase are far more likely to buy again than those who stay on the web.

While the overall performance of our application is stable and the global decline in our managed channels narrowed each quarter this year as we send fewer, better-timed messages, we made less progress here than we expected and have not seen the gains show up in purchase frequency and our overall financial performance.

Our most loyal customers purchase an average of 5x a year; they make up a small share of our customer base but drive an outsized impact on Billings and an even higher share of contribution profit. That makes the opportunity with one-time customers clear: one more purchase from each of them would drive a meaningful improvement in topline. In Q4, we are focused on bringing more first-time customers into the app and getting them to a second purchase within 30 days.

Marketing

Marketing expense grew 25% year-over-year as we invested more in paid channels, marketing technology and brand. While revenue from paid channels and new customers grew double digits, we saw lower returns than expected this quarter.

In addition, as we did not make as much progress as expected on non-paid channels, we did not see the added marketing expense leveraged across a larger revenue base, which pressured our contribution profit in Q3. Our Customer Lifecycle work is aimed at improving our non-paid channels.

Despite this quarter's uneven execution, we continue to believe that we are building a best-in-class paid marketing team. For several years now, we had been keeping our marketing spend ROI focused on buying in-period revenue on a seven-day payback. In Q3, we started an experiment to shift our ROI model to buying new customers based on their acquisition cost and the lifetime value they bring to our platform. As we look forward, how much we decide to allocate to marketing spend will depend on both the progress on our app lifecycle and progress on shifting our acquisition model from the current transaction to lifetime value.

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North America Local

	3Q25	4Q25	1Q26	2Q26	3Q26
Billings	$294M	$300M	$261M	$291M	$306M
Year-over-year	*+18%*	*+9%*	*+2%*	*(1)%*	*+4%*
Revenue	$92M	$95M	$86M	$93M	$92M
Year-over-year	*+12%*	*+4%*	*(1)%*	*(2)%*	*flat*
Units	5.9M	6.2M	5.1M	5.7M	5.8M
Year-over-year	*+11%*	*+3%*	*(4)%*	*(6)%*	*(3)%*
Take rate	31.2%	31.5%	32.8%	32.0%	30.0%

North America Local is our largest category, representing approximately 70% of Global Billings and 73% of Global Revenue.

Billings grew 4% year-over-year to $306 million and Revenue was flat year-over-year at $92 million. Growth was driven by an 8% increase in average order value as customers purchased higher-value offerings, led by our Things to Do offerings, including growth in our Enterprise channel, partially offset by a 3% decline in units as customers purchased less frequently. North America Local take rate declined 114 basis points year-over-year to 30%, as a result of lower deal margins, due in part to growth in Things to Do, where our take rate is lower, and other factors.

On supply, Things to Do led growth and our Enterprise channel accelerated to double-digit growth year-over-year, while our Small Business merchant base was relatively flat. On demand, paid and organic channels led growth, and managed channels turned positive year-over-year. Health, Beauty & Wellness, our second-largest North America Local vertical in Q3, was flat year-over-year, as continued growth in Spa & Massage and Maintenance was offset by a decline in our High End sub-vertical.

Against the Q3 priorities we set last quarter, we executed our Things to Do pipeline, Health, Beauty & Wellness improved from a modest decline in the second quarter to flat, and our Small Business merchant base, slightly lower in the second quarter, was relatively flat and has not yet returned to growth. The supply rebuild described in our business highlights is focused first on North America. Q4 priorities in North America Local are to rebuild our supply organization and new-merchant acquisition, continue to lean into Things to Do through direct connections with our partners, and return Health, Beauty & Wellness to growth.

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International Local

	3Q25	4Q25	1Q26	2Q26	3Q26
Billings	$77M	$98M	$78M	$74M	$86M
Year-over-year	*+1%*	*0%*	*(3)%*	*+2%*	*+11%*
Revenue	$23M	$30M	$25M	$24M	$26M
Year-over-year	*(1)%*	*+3%*	*+10%*	*+8%*	*+12%*
Units	2.6M	3.1M	2.5M	2.4M	2.8M
Year-over-year	*+5%*	*(2)%*	*+4%*	*(3)%*	*+7%*
Take rate	30.0%	30.2%	31.5%	32.2%	30.2%

International Local is our second-largest category, representing approximately 19% of Global Billings and 21% of Global Revenue.

Billings grew 11% year-over-year to $86 million and Revenue grew 12% year-over-year to $26 million, reflecting growth in both units and average order value, with units up 7%. Growth accelerated from the second quarter, rather than moderating as we expected last quarter.

On supply, growth was driven by an expansion of seasonally relevant supply concentrated in major International cities, led by Health, Beauty & Wellness and Things to Do, which both grew double digits. On demand, growth was led by our paid channels, and our organic channel grew double digits for a second straight quarter.

Revenue growth was led by double-digit growth in France and Spain. Germany also grew, while the United Kingdom declined as the pressure in our Enterprise channel we described last quarter continued. International active customers grew 4% year-over-year to 5.3 million.

Against the Q3 priorities we set last quarter, we sustained the supply expansion in our major International cities, which drove the acceleration in our growth, and our relaunched Italian marketplace continued to grow from a small base. Q4 priorities in International Local are to sustain the supply expansion in our major International cities, built around seasonally relevant supply.

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Travel

In Travel, Billings were up 36%, Revenue up 21% and units up 17%. Growth came from North America, where Billings grew 60% on higher hotel and resort bookings.

The main driver of growth for Travel in Q3 was our portfolio of experiential resort destinations, where families chose Groupon to find affordable and quality experiences that included an overnight stay during the summer school holidays.

An additional driver of growth was the launch of an exciting new product: Mystery Getaways. We now offer six of the mystery getaways, trips where the destination is revealed only after booking, and more than a quarter of their buyers are new to Groupon.

We also continue to make investments in the customer experience and saw conversion on our North American travel pages improve significantly.

Our next step is to add supply, with more directly contracted resorts and tours, and mystery getaways in new regions and as gifts.

Goods

Goods declined as expected in Q3, with Billings down 35%, Revenue down 42% and units down 41%, reflecting our continued de-emphasis of the category. Our Goods category represents approximately 2% of Global Revenue.





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Third Quarter 2026 Summary Financial Results[1]

	Q3 2026	% Change YoY
Billings	$439M	+6%
Revenue	$125M	+2%
Take rate	*29 %*	
Gross Profit	$113M	+1%
Gross Profit as a % of revenue	*90 %*	
Marketing	$52M	+25%
Contribution Profit	$62M	(12)%
Selling, general, and administrative	$55M	(19)%
Adjusted EBITDA[1]	$15M	(16)%
Adjusted EBITDA[1] margin	*12 %*	
Free Cash Flow[1]	$(46)M	(86)%

In the third quarter, Global Billings were $439 million, an increase of 6% year-over-year and near the top end of our guidance range, and Revenue was $125 million, an increase of 2% year-over-year and below our guidance range. Revenue as a percentage of Billings (take rate) was 29%, compared with 30% in the prior year period, reflecting lower deal margins, due in part to growth in Things to Do and Travel, where our take rate is lower.

Gross profit as a percentage of Revenue was 90%, consistent with prior periods and within the range of our expectations.

Marketing expense was $52 million, or 41% of Revenue, an increase in marketing expense of approximately 25% year-over-year. The increase reflects higher investment in paid channels, higher marketing technology costs and higher brand marketing spend. Marketing expense as a percentage of Revenue increased as revenue growth did not keep pace with our marketing investment due to slower than expected progress in our non-paid channels and lower than expected returns on marketing spend.

Contribution profit was $62 million, a decrease of approximately 12% year-over-year, primarily due to the increase in marketing expense.

SG&A was $55 million in the quarter, a decrease of 19% year-over-year, and includes $4 million in stock-based compensation and $2 million in depreciation and amortization. Excluding stock-based compensation and depreciation and amortization, SG&A was down 10%, reflecting lower payroll related costs from reduced headcount, including our 2026 Restructuring Plan, and lower bonus expense, partially offset by higher technology expenses, as the prior year period

[1] Adjusted EBITDA and Free Cash Flow are non-GAAP financial measures. See the appendix for a reconciliation to the most comparable U.S. GAAP financial measure, "Income (loss) from continuing operations" and "Net cash provided by (used in) operating activities from continuing operations".

benefited from the usage of non-recurring indirect tax credits. SG&A excludes restructuring costs incurred in the current quarter of $2 million.

The 2026 Restructuring Plan includes an overall reduction of up to 400 positions globally, including employees and contractors, with a majority of these reductions having occurred by the end of the third quarter of 2026. In connection with these actions, we expect to record total pre-tax charges of $7.0 million to $10.0 million. Substantially all of the remaining pre-tax charges are expected to be paid in cash and relate to employee severance compensation and benefits, with an immaterial amount of charges related to other exit costs.

The payroll actions under the 2026 Restructuring Plan are estimated to result in $20.0 million to $25.0 million in annualized cost savings. The Company expects to realize up to $10.0 million of gross savings in 2026 with all of these savings reinvested into marketing, AI infrastructure, and talent density.

Adjusted EBITDA was positive $14.7 million, below our guidance range, primarily due to lower than expected revenue and continued investment in marketing spend, partially offset by lower SG&A.

Third quarter operating cash flow from continuing operations was negative $43 million and Free Cash Flow was negative $46 million. Free Cash Flow declined $21 million year-over-year primarily due to the timing of payments, lower Adjusted EBITDA and severance payments under our 2026 Restructuring Plan.

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Capital Allocation and Balance Sheet Updates

We ended Q3 with $177 million in cash and cash equivalents. Please note that our cash position excludes $26 million of restricted cash, which primarily relates to collateral posted against our outstanding letters of credit and is reported in Prepaid expenses and other current assets on our Condensed Consolidated Balance Sheets.

Our first priority remains investing in organic growth, and we expect our capital allocation approach to be flexible and disciplined to create the most long-term value for shareholders, based on our cash generation, investment priorities, balance sheet flexibility and market conditions.

In 2018, our Board authorized us to repurchase up to $300 million of our Common Stock. Since our last earnings release on August 6, 2026, we have repurchased 677,561 shares for $11.3 million at a weighted-average price of $16.75, representing 1.7% of shares outstanding, including 39,980 shares for $0.8 million during the third quarter. This takes our repurchases in 2026 to 3,482,040 shares for $43 million, or 8.5% of the shares outstanding at the start of the year. As of November 9, 2026, approximately $202 million remained available under this authorization.

Additionally, we continue to hold a minority stake in SumUp, a privately held European fintech company, which represents a valuable non-core asset. Should we have the opportunity to generate liquidity from this investment, we would have additional capital to be deployed in our capital allocation program.

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Guidance[2] and Closing Thoughts

As of November 9, 2026, management is issuing the following Guidance:

As of November 9, 2026	Q4 2026 Guidance		2026 Guidance	
	Low-End	High-End	Low-End	High-End
Billings	+4%	+6%	+3%	
Revenue	$133M *flat*	$136M *+2%*	$500M *flat*	$503M *+1%*
Adjusted EBITDA	$18M	$23M	$60M	$65M
Free Cash Flow	Positive		At Least $40M	

We are lowering our full-year outlook to reflect our third quarter results and our current view of the fourth quarter. Last quarter, we said our outlook depended on easier year-over-year comparisons, additional marketing investment and increasing contribution from our strategic bets, and that a slower ramp across these drivers would affect our ability to reach it. In Q3, four things held back our results: higher marketing spend at lower returns than we expected, a lower take rate from our mix shift, headwinds from Trust & Quality and slower progress in Customer Lifecycle. For the fourth quarter, our outlook reflects continued investment in Trust & Quality and lower take rates. We also expect slower growth in marketing expense than in the third quarter and continued progress in reducing SG&A.

Looking ahead to 2027, we will provide guidance with our fourth quarter results, and today we want to be clear about where we are focused to drive Billings and contribution profit growth:

- **Better supply:** Doubling down on Things to Do and experiential Travel, and rebuilding North America core local supply
- **Trusted experience:** Through Trust & Quality, we are building a curated marketplace customers can trust, ensuring every experience delivers quality & value.
- **More reasons to come back:** one customer lifecycle across our app, managed channels and personalization.
- **Operate AI-native:** FAI to power our operations, and LivingSocial as our lab for agentic commerce as personal AI agents become a new kind of customer.

Over the long term, we remain confident in the market opportunity in experience marketplace, a large category with fragmented local supply, and in the payoff from becoming AI-native. We are grateful for the continued support of our shareholders and the dedication of our team as we execute against the opportunity in front of us.

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[2] We do not provide a reconciliation for non-GAAP estimates on a forward-looking basis where we are unable to provide a meaningful calculation or estimation of reconciling items and the information is not available without unreasonable effort. This is due to the inherent difficulty of forecasting the timing or amount of various items that would impact the most directly comparable forward-looking U.S. GAAP financial measure that have not yet occurred, are out of the Company's control and/or cannot be reasonably predicted. Forward-looking non-GAAP financial measures provided without the most directly comparable U.S. GAAP financial measures may vary materially from the corresponding U.S. GAAP financial measures. Reconciling items to the amounts above include foreign currency gains and losses, restructuring and other cost savings-related charges, investment-related activity such as observable price changes, gains and losses on discrete transactions, certain income tax items, and impairment or other charges.

Appendix

01 Conference Call & Investor Information

02 Forward-Looking Statements

03 Financial Statements & Reconciliations

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INVESTOR RELATIONS

CONFERENCE CALL

Groupon will host a live webcast and question-and-answer session to discuss its Q3 2026 financial results.

DATE	Tuesday, November 10, 2026
TIME	7:00 a.m. CT / 8:00 a.m. ET
WEBCAST	investor.groupon.com

A replay of the webcast will be available on Groupon's investor relations website following the call and will remain accessible for one year.

Groupon uses its investor relations website at investor.groupon.com as a means of disclosing material non-public information and for complying with its disclosure obligations under Regulation FD.

COMPANY

ABOUT GROUPON

Groupon (NASDAQ: GRPN) is a trusted local marketplace where consumers go to buy services and experiences that make life more interesting and deliver boundless value.

To find out more about Groupon, please visit press.groupon.com.

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Note on Forward-Looking Statements

The statements contained in this release that refer to plans and expectations for the next quarter, the full year or the future are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended ("Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended ("Exchange Act"), including statements regarding our future results of operations and financial position, business strategy and plans and our objectives for future operations and future liquidity. The words "may," "will," "should," "could," "expect," "anticipate," "believe," "estimate," "intend," "continue" and other similar expressions are intended to identify forward-looking statements. We have based these forward-looking statements largely on current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy, short-term and long-term business operations and objectives, and financial needs. These forward-looking statements involve risks and uncertainties that could cause our actual results to differ materially from those expressed or implied in our forward-looking statements. Such risks and uncertainties include, but are not limited to, our ability to execute and achieve the expected benefits of our go-forward strategy, including our broader AI-native transformation; the risk that the anticipated benefits of our AI strategy may not be realized in the time frame we expect or at all and may have adverse effects on our operations, merchants and customers; the risk that our public statements regarding our AI strategy and deployment of AI agents are not adequately substantiated or are later viewed as inconsistent with our actual capabilities or results; execution of our business and marketing strategies; volatility in our operating results; challenges arising from our international operations, including fluctuations in currency exchange rates, tax, legal and regulatory developments in the jurisdictions in which we operate and geopolitical instability; global economic uncertainty, including as a result of inflationary pressures; any impact from U.S. and international financial reform legislation and regulations, and any potential trade protection measures, such as new or incremental tariffs and other trade policies; retaining and adding high quality merchants and third-party business partners; retaining existing customers and adding new customers; competing successfully in our industry; providing a strong mobile experience for our customers; managing refund risks; retaining and attracting members of our executive and management teams and other qualified employees and personnel; customer and merchant fraud; payment-related risks; our reliance on email, Internet search engines and mobile application marketplaces to drive traffic to our marketplace; cybersecurity breaches; maintaining and improving our information technology infrastructure; reliance on cloud-based computing platforms; the risks associated with our use and integration of AI and machine learning technologies; completing and realizing the anticipated benefits from acquisitions, dispositions, joint ventures and strategic investments; lack of control over minority investments; managing inventory and order fulfillment risks; claims related to product and service offerings; protecting our intellectual property; maintaining a strong brand; the impact of future and pending litigation; compliance with domestic and foreign laws and regulations, including the CARD Act, GDPR, CPRA, and other privacy-related laws and regulations of the Internet and e-commerce; classification of our independent contractors, agency workers, or employees; risks relating to information or content published or made available on our websites or service offerings we make available; exposure to greater than anticipated tax liabilities; adoption of tax laws; our ability to use our tax attributes; impacts if we become subject to the Bank Secrecy Act or other anti-money laundering or money transmission laws or regulations; our ability to raise capital if necessary; risks related to our access to capital and outstanding indebtedness, including our 2027 Notes and 2030 Notes; our Common Stock, including volatility in our stock price and financial markets; a potential economic slowdown; and those risks and other factors discussed in Part I, Item 1A. Risk Factors of our Annual Report on Form 10-K for the year ended December 31, 2025 and Part II, Item 1A. Risk Factors in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2026, and our other filings with the SEC. Moreover, we operate in a very competitive and rapidly changing environment, including with respect to emerging technologies such as AI, machine learning, and data analytics. New risks emerge from

time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we make. Neither the Company nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. We undertake no obligation to publicly update any forward-looking statements for any reason after the date of this release to conform these statements to actual results or to future events or circumstances. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.

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Appendix - Non-GAAP Reconciliations and Financial Statements

Adjusted EBITDA[3] *- Quarterly (in thousands)*

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

	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Q3 2026
Income (loss) from continuing operations	$ (117,782)	$ 8,081	$ (12,589)	$ (1,456)	$ (806)
Adjustments:					
Stock-based compensation	11,109	10,189	11,911	8,330	3,816
Depreciation and amortization	4,301	4,267	4,191	4,060	4,323
Restructuring and related charges (credits)	(64)	(61)	7	3,161	2,334
Loss on extinguishment of debt	99,925	—	—	—	—
Other (income) expense, net	(1,197)	(3,595)	4,371	3,275	1,565
Provision (benefit) for income taxes	21,248	2,022	4,899	(2,536)	3,502
Total adjustments	135,322	12,822	25,379	16,290	15,540
Adjusted EBITDA	$ 17,540	$ 20,903	$ 12,790	$ 14,834	$ 14,734

[3] See Q3 2026 earnings press release posted on our Investor Relations website for additional information regarding non-GAAP financial measures

GROUPON

Free Cash Flow[4] - Quarterly (in thousands)

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

	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Q3 2026
Net cash provided by (used in) operating activities from continuing operations	$ (20,506)	$ 56,607	$ (9,958)	$ 18,127	$ (43,208)
Purchases of property and equipment and capitalized software from continuing operations	(4,082)	(3,575)	(3,559)	(3,105)	(2,575)
Free cash flow	$ (24,588)	$ 53,032	$ (13,517)	$ 15,022	$ (45,783)
Net cash provided by (used in) investing activities from continuing operations	$ (3,024)	$ 2,423	$ (3,559)	$ (3,105)	$ (2,575)
Net cash provided by (used in) financing activities	$ (3,275)	$ (1,097)	$ (55,669)	$ (13,827)	$ (6,684)

Supplemental Information - Quarterly (in thousands)

	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Q3 2026
Selling, general and administrative	$ 68,264	$ 64,955	$ 73,028	$ 67,683	$ 55,062
Stock-based compensation in SG&A	10,900	10,087	11,700	8,200	3,700
Depreciation and amortization in SG&A	2,400	2,334	2,300	2,300	2,100

[4] See Q3 2026 earnings press release posted on our Investor Relations website for additional information regarding non-GAAP financial measures

GROUPON

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

	September 30, 2026	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 177,439	$ 296,080
Accounts receivable, net	21,117	25,792
Prepaid expenses and other current assets	51,041	52,548
Total current assets	249,597	374,420
Property, equipment and software, net	14,172	16,120
Right-of-use assets - operating leases, net	5,130	6,316
Goodwill	178,685	178,685
Intangible assets, net	2,284	3,224
Investments	74,823	74,823
Deferred income taxes	9,041	9,648
Other non-current assets	6,382	7,170
Total assets	$ 540,114	$ 670,406
Liabilities and equity (deficit)		
Current liabilities:		
Current portion of convertible senior notes, net	$ 46,028	$ 33,691
Accounts payable	7,416	8,688
Accrued merchant and supplier payables	171,231	235,473
Accrued expenses and other current liabilities	105,769	106,057
Total current liabilities	330,444	383,909
Convertible senior notes, net	260,366	309,155
Operating lease obligations	1,966	3,206
Other non-current liabilities	19,908	16,526
Total liabilities	612,684	712,796
Commitments and contingencies		
Stockholders' equity (deficit)		
Common Stock, par value $0.0001 per share, 100,500,000 shares authorized; 53,781,360 shares issued and 40,642,784 shares outstanding at September 30, 2026; 51,026,430 shares issued and 40,732,313 shares outstanding at December 31, 2025	5	5
Additional paid-in capital	2,493,428	2,478,038
Treasury stock, at cost, 13,138,576 shares at September 30, 2026 and 10,294,117 shares at December 31, 2025	(954,891)	(922,666)
Accumulated deficit	(1,608,131)	(1,592,434)
Accumulated other comprehensive income (loss)	(2,981)	(5,505)
Total Groupon, Inc. stockholders' equity (deficit)	(72,570)	(42,562)
Noncontrolling interests	—	172
Total equity (deficit)	(72,570)	(42,390)
Total liabilities and equity (deficit)	$ 540,114	$ 670,406

GROUPON

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Revenue	$ 125,450	$ 122,825	$ 367,325	$ 365,714
Cost of revenue	12,058	10,989	34,492	33,154
Gross profit	113,392	111,836	332,833	332,560
Operating expenses:				
Marketing	51,735	41,442	131,333	117,278
Selling, general and administrative	55,062	68,264	195,773	208,773
Restructuring and related charges (credits)	2,334	(64)	5,502	27
Gain on sale of business	—	—	—	(10,650)
Total operating expenses	109,131	109,642	332,608	315,428
Income (loss) from operations	4,261	2,194	225	17,132
Loss on extinguishment of debt	—	(99,925)	—	(99,925)
Other income (expense), net	(1,565)	1,197	(9,211)	27,234
Income (loss) from continuing operations before provision (benefit) for income taxes	2,696	(96,534)	(8,986)	(55,559)
Provision (benefit) for income taxes	3,502	21,249	5,865	33,603
Income (loss) from continuing operations	(806)	(117,783)	(14,851)	(89,162)
Income (loss) from discontinued operations, net of tax	—	—	(46)	(471)
Net income (loss)	(806)	(117,783)	(14,897)	(89,633)
Net (income) loss attributable to noncontrolling interests	(269)	(590)	(800)	(1,227)
Net income (loss) attributable to Groupon, Inc.	$ (1,075)	$ (118,373)	$ (15,697)	$ (90,860)
Basic net income (loss) per share:				
Continuing operations	$ (0.03)	$ (2.92)	$ (0.39)	$ (2.25)
Discontinued operations	—	—	—	(0.01)
Basic net income (loss) per share	$ (0.03)	$ (2.92)	$ (0.39)	$ (2.26)
Diluted net income (loss) per share:				
Continuing operations	$ (0.03)	$ (2.92)	$ (0.39)	$ (2.25)
Discontinued operations	—	—	—	(0.01)
Diluted net income (loss) per share	$ (0.03)	$ (2.92)	$ (0.39)	$ (2.26)
Weighted average number of shares outstanding:				
Basic	40,632,310	40,582,370	40,042,676	40,164,733
Diluted	40,632,310	40,582,370	40,042,676	40,164,733

GROUPON

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Operating activities				
Net income (loss)	$ (806)	$ (117,782)	$ (14,897)	$ (89,633)
Less: Income (loss) from discontinued operations, net of tax	—	—	(46)	(471)
Income (loss) from continuing operations	(806)	(117,782)	(14,851)	(89,162)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization of property, equipment and software	4,045	3,940	11,634	13,213
Amortization of acquired intangible assets	278	361	940	1,122
Stock-based compensation	3,816	11,109	24,057	27,585
Amortization of debt discount (premium) on convertible senior notes	(926)	102	(2,712)	102
Deferred income taxes	—	236	3,459	236
Foreign currency (gains) losses, net	(634)	(2,093)	2,388	(22,066)
Gain on sale of business	—	—	—	(10,650)
Italy unrecognized tax benefit expense	—	25,368	—	25,368
Loss on extinguishment of debt	—	99,925	—	99,925
Change in assets and liabilities:				
Accounts receivable	2,601	2,680	4,489	7,049
Prepaid expenses and other current assets	2,835	(3,095)	(2,565)	(6,064)
Right-of-use assets - operating leases	943	899	2,857	2,407
Accounts payable	(13,706)	(1,488)	(957)	(2,360)
Accrued merchant and supplier payables	(29,429)	(22,912)	(62,741)	(21,804)
Accrued expenses and other current liabilities	(12,974)	(10,291)	763	1,015
Operating lease obligations	(790)	(875)	(2,957)	(2,731)
Other, net	1,539	(6,590)	1,157	(15,294)
Net cash provided by (used in) operating activities from continuing operations	(43,208)	(20,506)	(35,039)	7,891
Net cash provided by (used in) operating activities from discontinued operations	—	—	—	—
Net cash provided by (used in) operating activities	(43,208)	(20,506)	(35,039)	7,891
Investing activities				
Purchases of property and equipment and capitalized software	(2,575)	(4,082)	(9,239)	(11,049)
Proceeds from sale of business, net	—	1,058	—	15,049
Net cash provided by (used in) investing activities from continuing operations	(2,575)	(3,024)	(9,239)	4,000
Net cash provided by (used in) investing activities from discontinued operations	—	—	—	—
Net cash provided by (used in) investing activities	(2,575)	(3,024)	(9,239)	4,000
Financing activities				
Repayment of Notes	—	—	(33,740)	—
Payments for purchases of treasury stock	(792)	—	(32,225)	—
Issuance costs for 2030 Notes	—	(2,296)	—	(2,296)
Taxes paid related to net share settlements of stock-based compensation awards	(5,691)	(3,223)	(9,512)	(5,680)
Proceeds from settlement of capped call transactions	—	2,732	—	2,732

	Three Months Ended September 30,		Nine Months Ended September 30,	
Other financing activities	(201)	(488)	(703)	(1,169)
Net cash provided by (used in) financing activities	(6,684)	(3,275)	(76,180)	(6,413)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(305)	(2,083)	(1,903)	(241)
Net increase (decrease) in cash, cash equivalents and restricted cash	(52,772)	(28,888)	(122,361)	5,237
Less: Net increase (decrease) in cash classified within current assets of discontinued operations	—	—	—	—
Net increase (decrease) in cash, cash equivalents and restricted cash	(52,772)	(28,888)	(122,361)	5,237
Cash, cash equivalents and restricted cash, beginning of period [1]	256,023	296,694	325,612	262,569
Cash, cash equivalents and restricted cash, end of period [1]	$ 203,251	$ 267,806	$ 203,251	$ 267,806

(1) The following table provides a reconciliation of Cash, cash equivalents and restricted cash shown above to amounts reported within the Condensed Consolidated Balance Sheets as of September 30, 2026, December 31, 2025, September 30, 2025 and December 31, 2024 (in thousands):

	September 30, 2026	December 31, 2025	September 30, 2025	December 31, 2024
Cash and cash equivalents	$ 177,439	$ 296,080	$ 238,451	$ 228,843
Restricted cash included in prepaid expenses and other current assets	25,812	29,532	29,355	33,726
Cash, cash equivalents and restricted cash	$ 203,251	$ 325,612	$ 267,806	$ 262,569

GROUPON

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

	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Q3 2026		
North America Segment:					Q3 2026		
Gross billings[1]:					Y/Y Growth		
Local	$ 293,761	$ 300,487	$ 260,643	$ 290,649	$ 306,245	4.2	%
Travel	17,701	13,877	20,394	27,738	28,365	60.2	
Goods	7,645	9,431	4,991	5,147	4,124	(46.1)	
Total gross billings	$ 319,107	$ 323,795	$ 286,028	$ 323,534	$ 338,734	6.2	%
Revenue:							
Local	$ 91,562	$ 94,797	$ 85,537	$ 92,888	$ 91,959	0.4	%
Travel	3,221	2,338	3,482	4,463	4,443	37.9	
Goods	1,224	1,580	894	863	682	(44.3)	
Total revenue	$ 96,007	$ 98,715	$ 89,913	$ 98,214	$ 97,084	1.1	%
Gross profit:							
Local	$ 83,766	$ 86,295	$ 78,090	$ 84,171	$ 82,269	(1.8)	%
Travel	2,868	2,030	3,037	3,840	3,845	34.1	
Goods	1,074	1,382	796	756	603	(43.9)	
Total gross profit	$ 87,708	$ 89,707	$ 81,923	$ 88,767	$ 86,717	(1.1)	%
Contribution profit[2]	$ 55,962	$ 53,479	$ 55,002	$ 54,939	$ 46,172	(17.5)	%

International Segment:						Q3 2026		
Gross billings:						Y/Y Growth	FX Effect	Y/Y Growth excluding FX[3]
Local	$ 77,270	$ 98,219	$ 78,128	$ 74,398	$ 85,573	10.7	0.8	11.5 %
Travel	7,856	8,279	7,088	5,661	6,285	(20.0)	0.6	(19.4)
Goods	11,879	16,177	11,302	10,156	8,512	(28.3)	1.1	(27.2)
Total gross billings	$ 97,005	$ 122,675	$ 96,518	$ 90,215	$ 100,370	3.5	0.7	4.2 %
Revenue:								
Local	$ 23,182	$ 29,710	$ 24,597	$ 23,980	$ 25,869	11.6	0.8	12.4 %
Travel	1,461	1,422	1,106	1,044	1,205	(17.5)	0.8	(16.7)
Goods	2,175	2,861	1,584	1,437	1,292	(40.6)	0.8	(39.8)
Total revenue	$ 26,818	$ 33,993	$ 27,287	$ 26,461	$ 28,366	5.8	0.8	6.6 %
Gross profit:								
Local	$ 21,037	$ 26,593	$ 21,963	$ 22,530	$ 24,410	16.0	0.5	16.5 %
Travel	1,260	1,237	883	914	1,114	(11.6)	0.4	(11.2)
Goods	1,831	2,442	1,280	1,181	1,151	(37.1)	0.6	(36.5)
Total gross profit	$ 24,128	$ 30,272	$ 24,126	$ 24,625	$ 26,675	10.6	0.5	11.1 %
Contribution profit	$ 14,432	$ 17,922	$ 14,714	$ 15,188	$ 15,485	7.3	%	

Consolidated Results of Operations:								
Gross billings:								
Local	$ 371,031	$ 398,706	$ 338,771	$ 365,047	$ 391,818	5.6	0.2	5.8 %
Travel	25,557	22,156	27,482	33,399	34,650	35.6	0.2	35.8
Goods	19,524	25,608	16,293	15,303	12,636	(35.3)	0.7	(34.6)
Total gross billings	$ 416,112	$ 446,470	$ 382,546	$ 413,749	$ 439,104	5.5	0.2	5.7 %
Revenue:								
Local	$ 114,744	$ 124,507	$ 110,134	$ 116,868	$ 117,828	2.7	0.1	2.8 %
Travel	4,682	3,760	4,588	5,507	5,648	20.6	0.3	20.9
Goods	3,399	4,441	2,478	2,300	1,974	(41.9)	0.5	(41.4)
Total revenue	$ 122,825	$ 132,708	$ 117,200	$ 124,675	$ 125,450	2.1	0.2	2.3 %
Gross profit:								
Local	$ 104,803	$ 112,888	$ 100,053	$ 106,701	$ 106,679	1.8	0.3	2.1 %
Travel	4,128	3,267	3,920	4,754	4,959	20.1	0.7	20.8
Goods	2,905	3,824	2,076	1,937	1,754	(39.6)	0.5	(39.1)
Total gross profit	$ 111,836	$ 119,979	$ 106,049	$ 113,392	$ 113,392	1.4	0.4	1.8 %
Contribution profit	$ 70,394	$ 71,402	$ 69,716	$ 70,127	$ 61,657	(12.4)	%	
Net cash provided by (used in) operating activities from continuing operations	$ (20,506)	$ 56,607	$ (9,958)	$ 18,127	$ (43,208)	110.7	%	
Free cash flow	$ (24,588)	$ 53,032	$ (13,517)	$ 15,022	$ (45,783)	86.2	%	

	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Q3 2026
Active customers[4]:					
North America	11.0	11.1	11.0	10.9	10.9
International	5.1	5.2	5.2	5.2	5.3
Total active customers	16.1	16.2	16.2	16.1	16.2
North America Units:					
Local	5,942	6,189	5,132	5,656	5,754
Goods	199	246	137	128	106
Travel	69	55	76	105	106
Total North America units	6,210	6,490	5,345	5,889	5,966
International Units:					
Local	2,605	3,100	2,539	2,380	2,794
Goods	272	395	227	210	170
Travel	49	48	37	29	33
Total International units	2,926	3,543	2,803	2,619	2,997
Consolidated Units:					
Local	8,546	9,289	7,671	8,036	8,548
Goods	471	641	364	338	277
Travel	119	103	113	134	139
Total consolidated units	9,136	10,033	8,148	8,508	8,963
Headcount:					
Sales [5]	560	634	643	553	447
Other	1,179	1,100	1,002	889	727
Total headcount	1,739	1,734	1,645	1,442	1,174

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

(2) Represents gross profit less marketing expense.

(3) 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.

(4) 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.

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