

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

	<u>September 30, 2022</u>	<u>December 31, 2021</u>
	(unaudited)	
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 307,998	\$ 498,726
Accounts receivable, net	42,589	36,755
Prepaid expenses and other current assets	52,663	52,570
Total current assets	403,250	588,051
Property, equipment and software, net	61,117	73,581
Right-of-use assets - operating leases, net	18,007	47,958
Goodwill	178,685	216,393
Intangible assets, net	18,795	24,310
Investments	119,541	119,541
Deferred income taxes	60,157	62,945
Other non-current assets	29,419	25,102
<b>Total assets</b>	<b>\$ 888,971</b>	<b>\$ 1,157,881</b>
<b>Liabilities and equity</b>		
Current liabilities:		
Short-term borrowings	\$ 110,000	\$ 100,000
Accounts payable	35,195	22,165
Accrued merchant and supplier payables	178,627	269,509
Accrued expenses and other current liabilities	198,308	239,313
Total current liabilities	522,130	630,987
Convertible senior notes, net	224,540	223,403
Operating lease obligations	14,636	58,747
Other non-current liabilities	30,551	34,448
<b>Total liabilities</b>	<b>791,857</b>	<b>947,585</b>
Commitment and contingencies		
<b>Stockholders' equity</b>		
Common stock, par value \$0.0001 per share, 100,500,000 shares authorized; 40,693,600 shares issued and 30,399,483 shares outstanding at September 30, 2022; 40,007,255 shares issued and 29,713,138 shares outstanding at December 31, 2021	4	4
Additional paid-in capital	2,317,003	2,294,215
Treasury stock, at cost, 10,294,117 shares at September 30, 2022 and December 31, 2021	(922,666)	(922,666)
Accumulated deficit	(1,339,170)	(1,156,868)
Accumulated other comprehensive income (loss)	41,657	(4,813)
<b>Total Groupon, Inc. stockholders' equity</b>	<b>96,828</b>	<b>209,872</b>
Noncontrolling interests	286	424
<b>Total equity</b>	<b>97,114</b>	<b>210,296</b>
<b>Total liabilities and equity</b>	<b>\$ 888,971</b>	<b>\$ 1,157,881</b>

**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,	
	2022	2021	2022	2021
<b>Revenue:</b>				
Service	\$ 144,390	\$ 198,976	\$ 450,926	\$ 577,761
Product	—	15,195	—	166,185
Total revenue	144,390	214,171	450,926	743,946
<b>Cost of revenue:</b>				
Service	18,668	19,127	57,231	58,719
Product	—	13,605	—	142,862
Total cost of revenue	18,668	32,732	57,231	201,581
Gross profit	125,722	181,439	393,695	542,365
<b>Operating expenses:</b>				
Marketing	37,897	53,159	106,685	130,545
Selling, general and administrative	119,243	119,494	369,601	384,606
Goodwill impairment	—	—	35,424	—
Long-lived asset impairment	—	—	8,811	—
Restructuring and related charges	4,912	12,483	8,163	34,150
Total operating expenses	162,052	185,136	528,684	549,301
<b>Income (loss) from operations</b>	<b>(36,330)</b>	<b>(3,697)</b>	<b>(134,989)</b>	<b>(6,936)</b>
Other income (expense), net	(23,541)	82,533	(49,761)	97,729
<b>Income (loss) from operations before provision (benefit) for income taxes</b>	<b>(59,871)</b>	<b>78,836</b>	<b>(184,750)</b>	<b>90,793</b>
Provision (benefit) for income taxes	(4,328)	135	(4,605)	773
<b>Net income (loss)</b>	<b>(55,543)</b>	<b>78,701</b>	<b>(180,145)</b>	<b>90,020</b>
Net (income) loss attributable to noncontrolling interests	(680)	(594)	(2,157)	(737)
<b>Net income (loss) attributable to Groupon, Inc.</b>	<b>\$ (56,223)</b>	<b>\$ 78,107</b>	<b>\$ (182,302)</b>	<b>\$ 89,283</b>
<b>Net income (loss) per share:</b>				
Basic	\$ (1.86)	\$ 2.64	\$ (6.06)	\$ 3.05
Diluted	\$ (1.86)	\$ 2.36	\$ (6.06)	\$ 2.80
<b>Weighted average number of shares outstanding:</b>				
Basic	30,307,734	29,567,802	30,070,598	29,282,932
Diluted	30,307,734	33,364,538	30,070,598	32,393,891

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
<b>Operating activities</b>				
Net income (loss)	\$ (55,543)	\$ 78,701	\$ (180,145)	\$ 90,020
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization of property, equipment and software	12,614	15,449	42,172	46,879
Amortization of acquired intangible assets	2,092	2,168	6,397	6,728
Impairment of goodwill	—	—	35,424	—
Impairment of long-lived assets	—	—	8,811	—
Restructuring-related impairment	1,769	7,651	2,949	7,651
Stock-based compensation	8,116	8,204	24,194	25,121
Changes in fair value of investments	—	(91,288)	—	(95,533)
Foreign currency translation adjustments reclassified into earnings	—	16	—	(32,268)
Change in assets and liabilities:				
Accounts receivable	912	2,581	(9,321)	7,985
Prepaid expenses and other current assets	(4,676)	(6,552)	(4,086)	(11,155)
Right-of-use assets - operating leases	13,638	4,961	22,896	16,016
Accounts payable	7,149	(3,125)	13,222	3,996
Accrued merchant and supplier payables	(25,531)	(57,530)	(80,436)	(175,079)
Accrued expenses and other current liabilities	(4,264)	(36,917)	(40,331)	(43,654)
Operating lease obligations	(22,840)	(8,437)	(36,671)	(24,614)
Other, net	23,070	9,942	43,075	22,961
<b>Net cash provided by (used in) operating activities</b>	<b>(43,494)</b>	<b>(74,176)</b>	<b>(151,850)</b>	<b>(154,946)</b>
<b>Investing activities</b>				
Purchases of property and equipment and capitalized software	(8,346)	(13,405)	(30,495)	(37,865)
Proceeds from sale or divestment of investment	—	2,614	—	6,859
Acquisitions of intangible assets and other investing activities	(531)	(739)	(2,077)	(2,491)
<b>Net cash provided by (used in) investing activities</b>	<b>(8,877)</b>	<b>(11,530)</b>	<b>(32,572)</b>	<b>(33,497)</b>
<b>Financing activities</b>				
Proceeds from borrowings under revolving credit agreement	50,000	—	50,000	—
Payments of borrowings under revolving credit agreement	—	—	(40,000)	(100,000)
Proceeds from issuance of 2026 convertible notes	—	—	—	230,000
Issuance costs for 2026 convertible notes and revolving credit agreement	—	167	—	(7,747)
Purchase of capped call transactions	—	—	—	(27,416)
Payments for the repurchase of Atairos convertible notes	—	—	—	(254,000)
Proceeds from the settlement of convertible note hedges	—	—	—	2,315
Payments for the settlement of warrants	—	—	—	(1,345)
Taxes paid related to net share settlements of stock-based compensation awards	(898)	(1,444)	(5,601)	(17,591)
Payments of finance lease obligations	(218)	(879)	(653)	(4,887)
Other financing activities	(73)	109	(1,238)	203
<b>Net cash provided by (used in) financing activities</b>	<b>48,811</b>	<b>(2,047)</b>	<b>2,508</b>	<b>(180,468)</b>
<b>Effect of exchange rate changes on cash, cash equivalents and restricted cash</b>	<b>(4,532)</b>	<b>(878)</b>	<b>(9,240)</b>	<b>(4,894)</b>
<b>Net increase (decrease) in cash, cash equivalents and restricted cash</b>	<b>(8,092)</b>	<b>(88,631)</b>	<b>(191,154)</b>	<b>(373,805)</b>
Cash, cash equivalents and restricted cash, beginning of period	316,421	565,911	499,483	851,085
Cash, cash equivalents and restricted cash, end of period	<u>\$ 308,329</u>	<u>\$ 477,280</u>	<u>\$ 308,329</u>	<u>\$ 477,280</u>

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

	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q3 2022			
<b>North America Segment:</b>									
Gross billings <sup>(1)</sup> :						<b>Y/Y Growth</b>			
Local	\$ 318,825	\$ 327,268	\$ 249,290	\$ 265,114	\$ 248,929	(21.9)	%		
Travel	23,519	24,304	24,014	21,692	21,118	(10.2)			
Goods	43,096	61,248	36,608	30,462	28,334	(34.3)			
Total gross billings	<u>\$ 385,440</u>	<u>\$ 412,820</u>	<u>\$ 309,912</u>	<u>\$ 317,268</u>	<u>\$ 298,381</u>	(22.6)	%		
Revenue:									
Local	\$ 129,131	\$ 136,110	\$ 96,921	\$ 101,469	\$ 97,843	(24.2)	%		
Travel	4,791	5,500	4,949	4,451	4,065	(15.2)			
Goods	9,189	14,302	8,294	6,204	5,978	(34.9)			
Total revenue	<u>\$ 143,111</u>	<u>\$ 155,912</u>	<u>\$ 110,164</u>	<u>\$ 112,124</u>	<u>\$ 107,886</u>	(24.6)	%		
Gross profit:									
Local	\$ 115,184	\$ 119,845	\$ 83,758	\$ 87,592	\$ 84,455	(26.7)	%		
Travel	3,762	4,349	3,654	3,355	3,057	(18.7)			
Goods	7,864	12,089	6,835	4,956	4,836	(38.5)			
Total gross profit	<u>\$ 126,810</u>	<u>\$ 136,283</u>	<u>\$ 94,247</u>	<u>\$ 95,903</u>	<u>\$ 92,348</u>	(27.2)	%		
Contribution profit <sup>(2)</sup>	\$ 88,508	\$ 92,505	\$ 66,256	\$ 76,274	\$ 65,972	(25.5)	%		
<b>International Segment:</b>						<b>Q3 2022</b>			
Gross billings:						<b>Y/Y Growth</b>	<b>Fx Effect</b>	<b>Y/Y Growth excluding FX <sup>(3)</sup></b>	
Local	\$ 103,984	\$ 129,960	\$ 99,660	\$ 96,784	\$ 96,592	(7.1)	14.5	7.4	%
Travel	20,154	19,583	15,762	15,252	13,374	(33.6)	10.3	(23.3)	
Goods	43,412	58,234	35,350	30,861	25,509	(41.2)	9.6	(31.6)	
Total gross billings	<u>\$ 167,550</u>	<u>\$ 207,777</u>	<u>\$ 150,772</u>	<u>\$ 142,897</u>	<u>\$ 135,475</u>	(19.1)	12.7	(6.4)	%
Revenue:									
Local	\$ 46,071	\$ 46,277	\$ 33,150	\$ 32,111	\$ 30,089	(34.7)	10.4	(24.3)	%
Travel	3,915	4,797	3,227	3,233	1,956	(50.0)	7.6	(42.4)	
Goods	21,074	16,176	6,779	5,748	4,459	(78.8)	3.5	(75.3)	
Total revenue	<u>\$ 71,060</u>	<u>\$ 67,250</u>	<u>\$ 43,156</u>	<u>\$ 41,092</u>	<u>\$ 36,504</u>	(48.6)	8.1	(40.5)	%
Gross profit:									
Local	\$ 43,876	\$ 43,409	\$ 30,554	\$ 29,435	\$ 27,415	(37.5)	9.9	(27.6)	%
Travel	3,576	4,442	2,817	2,886	1,625	(54.6)	6.9	(47.7)	
Goods	7,177	10,617	6,383	5,748	4,334	(39.6)	9.7	(29.9)	
Total gross profit	<u>\$ 54,629</u>	<u>\$ 58,468</u>	<u>\$ 39,754</u>	<u>\$ 38,069</u>	<u>\$ 33,374</u>	(38.9)	9.7	(29.2)	%
Contribution profit	\$ 39,772	\$ 44,011	\$ 28,329	\$ 28,326	\$ 21,853	(45.1)	%		
<b>Consolidated Results of Operations:</b>									
Gross billings:									
Local	\$ 422,809	\$ 457,228	\$ 348,950	\$ 361,898	\$ 345,521	(18.3)	3.6	(14.7)	%
Travel	43,673	43,887	39,776	36,944	34,492	(21.0)	4.7	(16.3)	
Goods	86,508	119,482	71,958	61,323	53,843	(37.8)	4.8	(33.0)	
Total gross billings	<u>\$ 552,990</u>	<u>\$ 620,597</u>	<u>\$ 460,684</u>	<u>\$ 460,165</u>	<u>\$ 433,856</u>	(21.5)	3.8	(17.7)	%
Revenue:									
Local	\$ 175,202	\$ 182,387	\$ 130,071	\$ 133,580	\$ 127,932	(27.0)	2.8	(24.2)	%
Travel	8,706	10,297	8,176	7,684	6,021	(30.8)	3.4	(27.4)	
Goods	30,263	30,478	15,073	11,952	10,437	(65.5)	2.4	(63.1)	
Total revenue	<u>\$ 214,171</u>	<u>\$ 223,162</u>	<u>\$ 153,320</u>	<u>\$ 153,216</u>	<u>\$ 144,390</u>	(32.6)	2.7	(29.9)	%
Gross profit:									
Local	\$ 159,060	\$ 163,254	\$ 114,312	\$ 117,027	\$ 111,870	(29.7)	2.8	(26.9)	%
Travel	7,338	8,791	6,471	6,241	4,682	(36.2)	3.4	(32.8)	
Goods	15,041	22,706	13,218	10,704	9,170	(39.0)	4.6	(34.4)	
Total gross profit	<u>\$ 181,439</u>	<u>\$ 194,751</u>	<u>\$ 134,001</u>	<u>\$ 133,972</u>	<u>\$ 125,722</u>	(30.7)	2.9	(27.8)	%
Contribution profit	\$ 128,280	\$ 136,516	\$ 94,585	\$ 104,600	\$ 87,825	(31.5)	%		
Net cash provided by (used in) operating activities	\$ (74,176)	\$ 30,988	\$ (78,164)	\$ (30,192)	\$ (43,494)	41.4	%		
Free cash flow	\$ (87,581)	\$ 19,223	\$ (91,165)	\$ (39,340)	\$ (51,840)	40.8	%		

	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
Active customers: <sup>(4)</sup>					
North America	15.0	14.8	14.0	13.1	12.3
International	9.0	8.5	8.2	8.0	7.9
Total active customers	24.0	23.3	22.2	21.1	20.2
North America Units:					
Local	8,196	8,811	6,181	6,355	6,043
Goods	1,849	2,631	1,450	1,141	1,119
Travel	128	130	123	91	91
Total North America units	10,173	11,572	7,754	7,587	7,253
International Units:					
Local	3,683	4,283	3,329	3,181	3,900
Goods	1,770	2,843	1,471	1,205	1,046
Travel	120	115	112	79	79
Total International units	5,573	7,241	4,912	4,465	5,025
Consolidated Units:					
Local	11,879	13,094	9,510	9,536	9,943
Goods	3,619	5,474	2,921	2,346	2,165
Travel	248	245	235	170	170
Total consolidated units	15,746	18,813	12,666	12,052	12,278
Headcount:					
Sales <sup>(5)</sup>	1,104	1,079	1,028	974	799
Other	2,702	2,596	2,536	2,442	2,278
Total headcount <sup>(6)</sup>	3,806	3,675	3,564	3,416	3,077

(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.

(6) Includes 318 employees terminated under the 2022 Restructuring Plan who were completing their notice period as of September 30, 2022.

**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, Net income (loss):

	<u>Q3 2021</u>	<u>Q4 2021</u>	<u>Q1 2022</u>	<u>Q2 2022</u>	<u>Q3 2022</u>
<b>Net income (loss)</b>	\$ 78,701	\$ 30,328	\$ (34,352)	\$ (90,250)	\$ (55,543)
Adjustments:					
Stock-based compensation	8,204	8,048	7,506	8,572	8,116
Depreciation and amortization	17,617	19,212	17,369	16,494	14,706
Goodwill impairment	—	—	—	35,424	—
Long-lived asset impairment	—	—	—	8,811	—
Restructuring and related charges <sup>(1)</sup>	12,483	7,745	312	2,939	4,912
Other (income) expense, net <sup>(2)</sup>	(82,533)	5,049	4,880	21,340	23,541
Provision (benefit) for income taxes	135	(33,096)	(2,675)	2,398	(4,328)
Total adjustments	(44,094)	6,958	27,392	95,978	46,947
<b>Adjusted EBITDA</b>	<u>\$ 34,607</u>	<u>\$ 37,286</u>	<u>\$ (6,960)</u>	<u>\$ 5,728</u>	<u>\$ (8,596)</u>

- (1) Restructuring and related charges includes \$7.7 million of long-lived asset impairments for the three months ended September 30, 2021, \$1.2 million for the three months ended June 30, 2022, and \$1.8 million for the three months ended September 30, 2022.
- (2) Other income (expense), net includes an \$89.1 million unrealized gain due to an upward adjustment for an observable price change of an other equity investment for the three months ended September 30, 2021.

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 nine months ended September 30, 2022 and 2021.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
<b>Net income (loss) attributable to common stockholders</b>	\$ (56,223)	\$ 78,107	\$ (182,302)	\$ 89,283
Less: Net income (loss) attributable to noncontrolling interest	(680)	(594)	(2,157)	(737)
<b>Net income (loss)</b>	<b>(55,543)</b>	<b>78,701</b>	<b>(180,145)</b>	<b>90,020</b>
Less: Provision (benefit) for income taxes	(4,328)	135	(4,605)	773
<b>Income (loss) before provision (benefit) for income taxes</b>	<b>(59,871)</b>	<b>78,836</b>	<b>(184,750)</b>	<b>90,793</b>
Stock-based compensation	8,116	8,204	24,194	25,121
Amortization of acquired intangible assets	2,092	2,168	6,397	6,728
Goodwill impairment	—	—	35,424	—
Long-lived asset impairment	—	—	8,811	—
Restructuring and related charges	4,912	12,483	8,163	34,150
Changes in fair value of investments	—	(91,288)	—	(95,533)
Intercompany foreign currency losses (gains), foreign currency translation adjustments reclassified into earnings and other	24,047	7,901	49,823	(13,355)
Non-cash interest expense on convertible senior notes and loss on extinguishment of debt	380	374	1,137	6,316
<b>Non-GAAP income (loss) before provision (benefit) for income taxes</b>	<b>(20,324)</b>	<b>18,678</b>	<b>(50,801)</b>	<b>54,220</b>
Less: Non-GAAP provision (benefit) for income taxes	(364)	5,992	1,759	23,217
<b>Non-GAAP net income (loss)</b>	<b>(19,960)</b>	<b>12,686</b>	<b>(52,560)</b>	<b>31,003</b>
Net (income) loss attributable to noncontrolling interest	(680)	(594)	(2,157)	(737)
<b>Non-GAAP net income (loss) attributable to common stockholders</b>	<b>(20,640)</b>	<b>12,092</b>	<b>(54,717)</b>	<b>30,266</b>
Plus: Cash interest expense from assumed conversion of convertible senior notes <sup>(1)</sup>	—	436	—	825
<b>Non-GAAP net income (loss) attributable to common stockholders plus assumed conversions</b>	<b>\$ (20,640)</b>	<b>\$ 12,528</b>	<b>\$ (54,717)</b>	<b>\$ 31,091</b>
Weighted-average shares of common stock - diluted	30,307,734	33,364,538	30,070,598	32,393,891
Impact of dilutive securities	—	—	—	—
Weighted-average shares of common stock - non-GAAP	<u>30,307,734</u>	<u>33,364,538</u>	<u>30,070,598</u>	<u>32,393,891</u>
<b>Diluted net income (loss) per share</b>	<b>\$ (1.86)</b>	<b>\$ 2.36</b>	<b>\$ (6.06)</b>	<b>\$ 2.80</b>
Impact of non-GAAP adjustments and related tax effects	1.18	(1.98)	4.24	(1.84)
<b>Non-GAAP diluted net income (loss) per share</b>	<b>\$ (0.68)</b>	<b>\$ 0.38</b>	<b>\$ (1.82)</b>	<b>\$ 0.96</b>

(1) Adjustment to interest expense for assumed conversion of convertible senior notes excludes non-cash interest expense that has been added back above in calculating Non-GAAP net income (loss) attributable to common stockholders.

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.

	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
Net cash provided by (used in) operating activities	\$ (74,176)	\$ 30,988	\$ (78,164)	\$ (30,192)	\$ (43,494)
Purchases of property and equipment and capitalized software	(13,405)	(11,765)	(13,001)	(9,148)	(8,346)
Free cash flow	\$ (87,581)	\$ 19,223	\$ (91,165)	\$ (39,340)	\$ (51,840)
Net cash provided by (used in) investing activities	\$ (11,530)	\$ (12,314)	\$ (13,916)	\$ (9,779)	\$ (8,877)
Net cash provided by (used in) financing activities	\$ (2,047)	\$ (3,382)	\$ (2,964)	\$ (43,340)	\$ 48,811