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

	December 31, 2023	December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	$ 141,563	$ 281,279
Accounts receivable, net	50,373	44,971
Prepaid expenses and other current assets	63,647	41,101
Total current assets	255,583	367,351
Property, equipment and software, net	30,530	56,731
Right-of-use assets - operating leases, net	2,197	12,127
Goodwill	178,685	178,685
Intangible assets, net	11,404	17,641
Investments	74,823	119,541
Deferred income taxes	11,639	13,550
Other non-current assets	6,095	27,491
Total assets	$ 570,956	$ 793,117
Liabilities and equity		
Current liabilities:		
Short-term borrowings	$ 42,776	$ 75,000
Accounts payable	15,016	59,568
Accrued merchant and supplier payables	209,423	225,420
Accrued expenses and other current liabilities	101,939	171,452
Total current liabilities	369,154	531,440
Convertible senior notes, net	226,470	224,923
Operating lease obligations	2,382	9,310
Other non-current liabilities	13,262	18,586
Total liabilities	611,268	784,259
Commitment and contingencies		
Stockholders' equity		
Common Stock, par value $0.0001 per share, 100,500,000 shares authorized; 42,147,266 shares issued and 31,853,149 shares outstanding at December 31, 2023; 40,786,996 shares issued and 30,492,879 shares outstanding at December 31, 2022	4	4
Additional paid-in capital	2,337,565	2,322,672
Treasury stock, at cost, 10,294,117 shares at December 31, 2023 and December 31, 2022	(922,666)	(922,666)
Accumulated deficit	(1,449,887)	(1,394,477)
Accumulated other comprehensive income (loss)	(5,647)	2,942
Total Groupon, Inc. stockholders' equity	(40,631)	8,475
Noncontrolling interests	319	383
Total equity	(40,312)	8,858
Total liabilities and equity	$ 570,956	$ 793,117

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

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Revenue	$ 137,716	$ 148,159	$ 514,910	$ 599,085
Cost of Revenue	15,406	19,030	64,246	76,261
Gross profit	122,310	129,129	450,664	522,824
Operating expenses:				
Marketing	34,492	42,546	110,505	149,231
Selling, general and administrative	72,492	111,774	350,405	481,375
Goodwill impairment	—	—	—	35,424
Long-lived asset impairment	—	3,448	—	12,259
Restructuring and related charges	(2,327)	4,187	8,006	12,350
Total operating expenses	104,657	161,955	468,916	690,639
Income (loss) from operations	17,653	(32,826)	(18,252)	(167,815)
Other income (expense), net	16,086	25,606	(25,174)	(24,155)
Income (loss) before provision (benefit) for income taxes	33,739	(7,220)	(43,426)	(191,970)
Provision (benefit) for income taxes	5,250	47,015	9,508	42,410
Net income (loss)	28,489	(54,235)	(52,934)	(234,380)
Net (income) loss attributable to noncontrolling interests	(787)	(1,072)	(2,476)	(3,229)
Net income (loss) attributable to Groupon, Inc.	$ 27,702	$ (55,307)	$ (55,410)	$ (237,609)
Net income (loss) per share:				
Basic	$ 0.87	$ (1.82)	$ (1.77)	$ (7.88)
Diluted	$ 0.76	$ (1.82)	$ (1.77)	$ (7.88)
Weighted average number of shares outstanding				
Basic	31,854,446	30,351,523	31,243,179	30,166,100
Diluted	37,291,182	30,351,523	31,243,179	30,166,100

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

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Operating activities				
Net income (loss)	$ 28,489	$ (54,235)	$ (52,934)	$ (234,380)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization of property, equipment and software	9,291	11,998	43,401	54,170
Amortization of acquired intangible assets	1,611	2,096	7,817	8,493
Impairment of goodwill	—	—	—	35,424
Impairment of long-lived assets	—	3,448	—	12,259
Restructuring-related impairment	—	—	—	2,949
Stock-based compensation	710	5,812	14,481	30,006
Changes in fair value of investments	—	—	25,751	—
Deferred income taxes	1,735	49,099	1,735	49,099
(Gain) loss on early lease termination	(416)	—	(729)	(4,471)
Foreign currency (gains) losses, net	(14,633)	(28,945)	(5,105)	10,934
Change in assets and liabilities:				
Accounts receivable	(14,707)	(767)	(4,482)	(10,088)
Prepaid expenses and other current assets	7,007	13,898	21,364	9,812
Right-of-use assets - operating leases	1,762	(5,910)	9,747	16,986
Accounts payable	4,488	24,318	(44,594)	37,540
Accrued merchant and supplier payables	34,211	41,008	(18,286)	(39,428)
Accrued expenses and other current liabilities	6,865	(31,473)	(37,851)	(71,804)
Operating lease obligations	(5,138)	6,376	(27,149)	(30,295)
Payments for early lease terminations	—	—	(9,724)	—
Other, net	(6,775)	(20,860)	(1,427)	(13,193)
Net cash provided by (used in) operating activities	54,500	15,863	(77,985)	(135,987)
Investing activities				
Purchases of property and equipment and capitalized software	(3,368)	(5,673)	(19,285)	(36,168)
Proceeds from sale or divestment of investment	18,924	—	18,924	—
Proceeds from sale of fixed assets	14	—	1,489	—
Acquisitions of intangible assets and other investing activities	(2)	(600)	(2,525)	(2,677)
Net cash provided by (used in) investing activities	15,568	(6,273)	(1,397)	(38,845)
Financing activities				
Proceeds from borrowings under revolving credit agreement	—	—	—	40,000
Payments of borrowings under revolving credit agreement	(3,924)	(35,000)	(32,224)	(65,000)
Issuance costs for 2026 convertible notes and revolving credit agreement	—	(490)	(559)	(490)
Taxes paid related to net share settlements of stock-based compensation awards	(173)	(464)	(3,299)	(6,065)
Proceeds from stock option exercises and employee stock purchase plan	—	—	2,932	1,105
Payments of finance lease obligations	—	(34)	—	(687)
Other financing activities	(640)	(927)	(2,540)	(3,270)
Net cash provided by (used in) financing activities	(4,737)	(36,915)	(35,690)	(34,407)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	980	692	1,014	(8,548)
Net increase (decrease) in cash, cash equivalents and restricted cash	66,311	(26,633)	(114,058)	(217,787)
Cash, cash equivalents and restricted cash, beginning of period (1)	101,327	308,329	281,696	499,483
Cash, cash equivalents and restricted cash, end of period (1)	$ 167,638	$ 281,696	$ 167,638	$ 281,696

(1) The following table provides a reconciliation of Cash, cash equivalents and restricted cash shown above to amounts reported within the Consolidated Balance Sheets as of December 31, 2023 and December 31, 2022 (in thousands):

	December 31, 2023	December 31, 2022
Cash and cash equivalents	$ 141,563	$ 281,279
Restricted cash included in prepaid expenses and other current assets	26,075	417
Cash, cash equivalents and restricted cash	$ 167,638	$ 281,696

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

	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023			
North America Segment:						**Q4 2023**		
Gross billings [1]:						**Y/Y Growth**		
Local	$ 256,627	$ 221,746	$ 231,950	$ 260,425	$ 257,192	0.2 %		
Travel	18,164	20,649	21,630	19,811	18,856	3.8		
Goods	37,858	23,759	22,256	18,749	24,223	(36.0)		
Total gross billings	$ 312,649	$ 266,154	$ 275,836	$ 298,985	$ 300,271	(4.0) %		
Revenue:								
Local	$ 94,216	$ 81,379	$ 85,475	$ 88,558	$ 91,550	(2.8) %		
Travel	3,570	2,815	5,579	2,577	3,583	0.4		
Goods	8,309	5,065	4,780	3,801	4,790	(42.4)		
Total revenue	$ 106,095	$ 89,259	$ 95,834	$ 94,936	$ 99,923	(5.8) %		
Gross profit:								
Local	$ 81,951	$ 69,992	$ 74,463	$ 77,588	$ 80,720	(1.5) %		
Travel	2,796	1,830	4,647	1,763	2,830	1.2		
Goods	6,909	4,120	3,983	3,123	3,934	(43.1)		
Total gross profit	$ 91,656	$ 75,942	$ 83,093	$ 82,474	$ 87,484	(4.6) %		
Contribution profit [2]	$ 61,790	$ 60,639	$ 68,646	$ 63,484	$ 63,046	2.0 %		
International Segment:						**Q4 2023**		
Gross billings:						**Y/Y Growth**	**FX Effect**	**Y/Y Growth excluding FX [3]**
Local	$ 109,156	$ 93,800	$ 87,688	$ 93,645	$ 105,664	(3.2)	(4.6)	(7.8) %
Travel	14,249	14,215	9,934	9,294	9,510	(33.3)	(2.8)	(36.1)
Goods	32,143	22,256	20,000	16,923	20,883	(35.0)	(3.4)	(38.4)
Total gross billings	$ 155,548	$ 130,271	$ 117,622	$ 119,862	$ 136,057	(12.5)	(4.2)	(16.7) %
Revenue:								
Local	$ 32,945	$ 25,265	$ 27,374	$ 26,900	$ 32,004	(2.9)	(4.7)	(7.6) %
Travel	2,363	2,841	2,172	1,584	1,857	(21.4)	(3.5)	(24.9)
Goods	6,756	4,246	3,729	3,054	3,932	(41.8)	(3.0)	(44.8)
Total revenue	$ 42,064	$ 32,352	$ 33,275	$ 31,538	$ 37,793	(10.2)	(4.3)	(14.5) %
Gross profit:								
Local	$ 30,244	$ 22,642	$ 24,959	$ 24,367	$ 29,672	(1.9)	(4.8)	(6.7) %
Travel	2,032	2,469	1,916	1,346	1,644	(19.1)	(3.5)	(22.6)
Goods	5,197	3,658	2,997	2,491	3,510	(32.5)	(3.5)	(36.0)
Total gross profit	$ 37,473	$ 28,769	$ 29,872	$ 28,204	$ 34,826	(7.1)	(4.5)	(11.6) %
Contribution profit	$ 24,793	$ 19,224	$ 22,052	$ 18,296	$ 24,772	(0.1) %		
Consolidated Results of Operations:								
Gross billings:								
Local	$ 365,783	$ 315,546	$ 319,638	$ 354,070	$ 362,856	(0.8)	(1.4)	(2.2) %
Travel	32,413	34,864	31,564	29,105	28,366	(12.5)	(1.3)	(13.8)
Goods	70,001	46,015	42,256	35,672	45,106	(35.6)	(1.5)	(37.1)
Total gross billings	$ 468,197	$ 396,425	$ 393,458	$ 418,847	$ 436,328	(6.8)	(1.4)	(8.2) %
Revenue:								
Local	$ 127,161	$ 106,644	$ 112,849	$ 115,458	$ 123,554	(2.8)	(1.3)	(4.1) %
Travel	5,933	5,656	7,751	4,161	5,440	(8.3)	(1.4)	(9.7)
Goods	15,065	9,311	8,509	6,855	8,722	(42.1)	(1.4)	(43.5)
Total revenue	$ 148,159	$ 121,611	$ 129,109	$ 126,474	$ 137,716	(7.0)	(1.3)	(8.3) %
Gross profit:								
Local	$ 112,195	$ 92,634	$ 99,422	$ 101,955	$ 110,392	(1.6)	(1.3)	(2.9) %
Travel	4,828	4,299	6,563	3,109	4,474	(7.3)	(1.5)	(8.8)
Goods	12,106	7,778	6,980	5,614	7,444	(38.5)	(1.5)	(40.0)
Total gross profit	$ 129,129	$ 104,711	$ 112,965	$ 110,678	$ 122,310	(5.3)	(1.3)	(6.6) %
Contribution profit	$ 86,583	$ 79,863	$ 90,698	$ 81,780	$ 87,818	1.4 %		
Net cash provided by (used in) operating activities	$ 15,863	$ (76,320)	$ (42,310)	$ (13,855)	$ 54,500	NM		
Free cash flow	$ 10,190	$ (85,864)	$ (44,563)	$ (17,975)	$ 51,132	NM		

	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Active customers [4]					
North America	11.3	10.9	10.6	10.4	10.3
International	7.5	7.3	6.9	6.6	6.2
Total active customers	18.8	18.2	17.5	17.0	16.5
North America units					
Local	6,407	5,142	5,083	5,426	5,832
Goods	1,579	933	807	706	966
Travel	82	86	84	79	85
Total North America units	8,068	6,161	5,974	6,211	6,883
International units					
Local	3,971	3,328	2,862	3,306	3,536
Goods	1,488	886	746	550	684
Travel	91	84	53	49	55
Total International units	5,550	4,298	3,661	3,905	4,275
Consolidated units					
Local	10,378	8,470	7,945	8,732	9,368
Goods	3,067	1,819	1,553	1,256	1,650
Travel	173	170	137	128	140
Total consolidated units	13,618	10,459	9,635	10,116	11,158
Headcount					
Sales [5]	783	746	706	659	655
Other	2,121	2,032	1,945	1,763	1,558
Total headcount	2,904	2,778	2,651	2,422	2,213

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

(2) Represents gross profit less marketing.

(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.

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).

	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Net income (loss)	$ (54,235)	$ (28,613)	$ (12,004)	$ (40,806)	$ 28,489
Adjustments:					
Stock-based compensation	5,812	2,363	7,519	3,889	710
Depreciation and amortization	14,094	14,505	13,243	12,568	10,902
Long-lived asset impairment	3,448	—	—	—	—
Restructuring and related charges (1)	4,187	8,794	(689)	2,228	(2,327)
Other (income) expense, net (2)	(25,606)	(3,070)	4,805	39,525	(16,086)
Provision (benefit) for income taxes	47,015	1,118	2,323	817	5,250
Total adjustments	48,950	23,710	27,201	59,027	(1,551)
Adjusted EBITDA	$ (5,285)	$ (4,903)	$ 15,197	$ 18,221	$ 26,938

(1) Includes a settlement of $4.25 million related to Uptake for the three months ended December 31, 2023.

(2) Includes a $25.8 million remeasurement of our investment in SumUp during the three months ended September 30, 2023.

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 diluted net income (loss) per share to Diluted net income (loss) per share for the three months and years ended December 31, 2023 and 2022.

	Three Months Ended December 31,		Year Ended December 31,	
	2023	2022	2023	2022
Net income (loss) attributable to common stockholders	$ 27,702	$ (55,307)	$ (55,410)	$ (237,609)
Less: Net income (loss) attributable to noncontrolling interest	(787)	(1,072)	(2,476)	(3,229)
Net income (loss)	28,489	(54,235)	(52,934)	(234,380)
Less: Provision (benefit) for income taxes	5,250	47,015	9,508	42,410
Income (loss) before provision (benefit) for income taxes	33,739	(7,220)	(43,426)	(191,970)
Stock-based compensation	710	5,812	14,481	30,006
Amortization of acquired intangible assets	1,611	2,096	7,817	8,493
Goodwill impairment	—	—	—	35,424
Long-lived asset impairment	—	3,448	—	12,259
Restructuring and related charges	(2,327)	4,187	8,006	12,350
Changes in fair value of investments	—	—	25,751	—
Intercompany foreign currency losses (gains), foreign currency translation adjustments reclassified into earnings and other	(17,863)	(33,637)	(7,216)	16,186
Non-cash interest expense on convertible senior notes	389	383	1,547	1,520
Non-GAAP income (loss) before provision (benefit) for income taxes	16,259	(24,931)	6,960	(75,732)
Less: Non-GAAP provision (benefit) for income taxes	4,753	(14,333)	20,617	(12,574)
Non-GAAP net income (loss)	11,506	(10,598)	(13,657)	(63,158)
Net (income) loss attributable to noncontrolling interest	(787)	(1,072)	(2,476)	(3,229)
Non-GAAP net income (loss) attributable to common stockholders	10,719	(11,670)	(16,133)	(66,387)
Plus: Cash interest expense from assumed conversion of convertible senior notes (1)	492	—	—	—
Non-GAAP net Income (loss) attributable to common stockholders plus assumed conversions	$ 11,211	$ (11,670)	$ (16,133)	$ (66,387)
Weighted-average shares of Common Stock - diluted	37,291,182	30,351,523	31,243,179	30,166,100
Impact of dilutive securities	—	—	—	—
Weighted-average shares of Common Stock - non-GAAP	37,291,182	30,351,523	31,243,179	30,166,100
Diluted net income (loss) per share	$ 0.76	$ (1.82)	$ (1.77)	$ (7.88)
Impact of non-GAAP adjustments and related tax effects	(0.46)	1.44	1.25	5.68
Non-GAAP diluted net income (loss) per share	$ 0.30	$ (0.38)	$ (0.52)	$ (2.20)

(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.

	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023
Net cash provided by (used in) operating activities	$ 15,863	$ (76,320)	$ (42,310)	$ (13,855)	$ 54,500
Purchases of property and equipment and capitalized software	(5,673)	(9,544)	(2,253)	(4,120)	(3,368)
Free cash flow	$ 10,190	$ (85,864)	$ (44,563)	$ (17,975)	$ 51,132
Net cash provided by (used in) investing activities	$ (6,273)	$ (9,013)	$ (2,483)	$ (5,469)	$ 15,568
Net cash provided by (used in) financing activities	$ (36,915)	$ (29,197)	$ (2,939)	$ 1,183	$ (4,737)