

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

	June 30, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 178,089	\$ 141,563
Accounts receivable, net	41,595	50,373
Prepaid expenses and other current assets	51,607	63,647
Total current assets	271,291	255,583
Property, equipment and software, net	22,618	30,530
Right-of-use assets - operating leases, net	3,043	2,197
Goodwill	178,685	178,685
Intangible assets, net	5,543	11,404
Investments	74,823	74,823
Deferred income taxes	11,382	11,639
Other non-current assets	5,459	6,095
Total assets	\$ 572,844	\$ 570,956
Liabilities and equity (deficit)		
Current liabilities:		
Short-term borrowings	\$ —	\$ 42,776
Accounts payable	10,816	15,016
Accrued merchant and supplier payables	172,977	209,423
Accrued expenses and other current liabilities	106,079	101,939
Total current liabilities	289,872	369,154
Convertible senior notes, net	227,255	226,470
Operating lease obligations	1,086	2,382
Other non-current liabilities	14,221	13,262
Total liabilities	532,434	611,268
Commitment and contingencies		
Stockholders' equity (deficit)		
Common Stock, par value \$0.0001 per share, 100,500,000 shares authorized; 49,998,258 shares issued and 39,704,141 shares outstanding at June 30, 2024; 42,147,266 shares issued and 31,853,149 shares outstanding at December 31, 2023	5	4
Additional paid-in capital	2,423,780	2,337,565
Treasury stock, at cost, 10,294,117 shares at June 30, 2024 and December 31, 2023	(922,666)	(922,666)
Accumulated deficit	(1,472,193)	(1,449,887)
Accumulated other comprehensive income (loss)	11,307	(5,647)
Total Groupon, Inc. stockholders' equity (deficit)	40,233	(40,631)
Noncontrolling interests	177	319
Total equity (deficit)	40,410	(40,312)
Total liabilities and equity (deficit)	\$ 572,844	\$ 570,956

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,	
	2024	2023	2024	2023
Revenue	\$ 124,615	\$ 129,109	\$ 247,699	\$ 250,720
Cost of revenue	11,948	16,144	24,475	33,044
Gross profit	<u>112,667</u>	<u>112,965</u>	<u>223,224</u>	<u>217,676</u>
Operating expenses:				
Marketing	36,520	22,267	65,329	47,115
Selling, general and administrative	77,212	96,263	151,610	197,897
Restructuring and related charges (credits)	(379)	(689)	(283)	8,105
Gain on sale of assets	(5,044)	—	(5,160)	—
Total operating expenses	<u>108,309</u>	<u>117,841</u>	<u>211,496</u>	<u>253,117</u>
Income (loss) from operations	4,358	(4,876)	11,728	(35,441)
Other income (expense), net	<u>(4,483)</u>	<u>(4,805)</u>	<u>(17,165)</u>	<u>(1,735)</u>
Income (loss) before provision (benefit) for income taxes	(125)	(9,681)	(5,437)	(37,176)
Provision (benefit) for income taxes	9,287	2,323	15,481	3,441
Net income (loss)	(9,412)	(12,004)	(20,918)	(40,617)
Net (income) loss attributable to noncontrolling interests	<u>(623)</u>	<u>(603)</u>	<u>(1,388)</u>	<u>(1,137)</u>
Net income (loss) attributable to Groupon, Inc.	<u>\$ (10,035)</u>	<u>\$ (12,607)</u>	<u>\$ (22,306)</u>	<u>\$ (41,754)</u>
Basic and diluted net income (loss) per share:	\$ (0.25)	\$ (0.41)	\$ (0.58)	\$ (1.36)
Basic and diluted weighted average number of shares outstanding:	39,430,656	31,020,493	38,570,401	30,796,943

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Operating activities				
Net income (loss)	\$ (9,412)	\$ (12,004)	\$ (20,918)	\$ (40,617)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization of property, equipment and software	7,224	11,173	15,411	23,560
Amortization of acquired intangible assets	600	2,070	2,206	4,188
Stock-based compensation	6,418	7,519	8,792	9,882
Foreign currency (gains) losses, net	3,863	3,928	13,660	(159)
Foreign VAT assessments	4,092	—	4,092	—
Gain on sale of assets	(5,044)	—	(5,160)	—
Change in assets and liabilities:				
Accounts receivable	7,744	2,144	8,259	10,463
Prepaid expenses and other current assets	10,531	1,891	14,095	5,384
Right-of-use assets - operating leases	508	2,181	1,258	6,189
Accounts payable	1,936	(7,354)	(4,151)	(39,427)
Accrued merchant and supplier payables	(18,578)	(18,980)	(34,660)	(48,447)
Accrued expenses and other current liabilities	5,723	(31,339)	3,425	(30,557)
Operating lease obligations	(1,354)	(7,504)	(3,843)	(15,743)
Payment for early lease termination	—	(123)	(1,832)	(9,724)
Other, net	1,049	4,088	4,555	6,378
Net cash provided by (used in) operating activities	15,300	(42,310)	5,189	(118,630)
Investing activities				
Purchases of property and equipment and capitalized software	(4,474)	(2,253)	(8,183)	(11,797)
Proceeds from sale of assets, net	9,000	387	9,116	1,475
Acquisitions of intangible assets and other investing activities	(223)	(617)	(561)	(1,174)
Net cash provided by (used in) investing activities	4,303	(2,483)	372	(11,496)
Financing activities				
Payments of borrowings under revolving credit agreement	—	(1,000)	(42,776)	(28,300)
Proceeds from Rights Offering, net of issuance costs	—	—	79,619	—
Other financing activities	(1,721)	(1,939)	(3,223)	(3,836)
Net cash provided by (used in) financing activities	(1,721)	(2,939)	33,620	(32,136)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	129	2,115	(365)	1,967
Net increase (decrease) in cash, cash equivalents and restricted cash	18,011	(45,617)	38,816	(160,295)
Cash, cash equivalents and restricted cash, beginning of period ⁽¹⁾	188,443	167,018	167,638	281,696
Cash, cash equivalents and restricted cash, end of period ⁽¹⁾	\$ 206,454	\$ 121,401	\$ 206,454	\$ 121,401

(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 June 30, 2024, December 31, 2023, June 30, 2023 and December 31, 2022 (in thousands)

	June 30, 2024	December 31, 2023	June 30, 2023	December 31, 2022
Cash and cash equivalents	\$ 178,089	\$ 141,563	\$ 118,145	\$ 281,279
Restricted cash included in prepaid expenses and other current assets	28,365	26,075	3,256	417
Cash, cash equivalents and restricted cash	\$ 206,454	\$ 167,638	\$ 121,401	\$ 281,696

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

	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q2 2024			
North America Segment:									
Gross billings ⁽¹⁾ :						Y/Y Growth			
Local	\$ 231,950	\$ 260,425	\$ 257,192	\$ 231,053	\$ 243,587	5.0	%		
Travel	21,630	19,811	18,856	26,911	21,881	1.2			
Goods	22,256	18,749	24,223	14,968	13,501	(39.3)			
Total gross billings	<u>\$ 275,836</u>	<u>\$ 298,985</u>	<u>\$ 300,271</u>	<u>\$ 272,932</u>	<u>\$ 278,969</u>	1.1	%		
Revenue:									
Local	\$ 85,475	\$ 88,558	\$ 91,550	\$ 86,460	\$ 91,707	7.3	%		
Travel	5,579	2,577	3,583	4,596	3,858	(30.8)			
Goods	4,780	3,801	4,790	3,078	2,792	(41.6)			
Total revenue	<u>\$ 95,834</u>	<u>\$ 94,936</u>	<u>\$ 99,923</u>	<u>\$ 94,134</u>	<u>\$ 98,357</u>	2.6	%		
Gross profit:									
Local	\$ 74,463	\$ 77,588	\$ 80,720	\$ 77,826	\$ 83,259	11.8	%		
Travel	4,647	1,763	2,830	3,640	3,191	(31.3)			
Goods	3,983	3,123	3,934	2,662	2,429	(39.0)			
Total gross profit	<u>\$ 83,093</u>	<u>\$ 82,474</u>	<u>\$ 87,484</u>	<u>\$ 84,128</u>	<u>\$ 88,879</u>	7.0	%		
Contribution profit ⁽²⁾	\$ 68,646	\$ 63,484	\$ 63,046	\$ 62,346	\$ 59,402	(13.5)	%		
International Segment:						Q2 2024			
Gross billings:						Y/Y Growth	FX Effect	Y/Y Growth excluding FX ⁽³⁾	
Local	\$ 87,688	\$ 93,645	\$ 105,664	\$ 85,033	\$ 72,932	(16.8)	0.1	(16.7)	%
Travel	9,934	9,294	9,510	8,700	7,284	(26.7)	0.9	(25.8)	%
Goods	20,000	16,923	20,883	14,481	14,422	(27.9)	0.8	(27.1)	%
Total gross billings	<u>\$ 117,622</u>	<u>\$ 119,862</u>	<u>\$ 136,057</u>	<u>\$ 108,214</u>	<u>\$ 94,638</u>	(19.5)	0.2	(19.3)	%
Revenue:									
Local	\$ 27,374	\$ 26,900	\$ 32,004	\$ 24,750	\$ 22,401	(18.2)	0.2	(18.0)	%
Travel	2,172	1,584	1,857	1,755	1,588	(26.9)	0.8	(26.1)	%
Goods	3,729	3,054	3,932	2,445	2,269	(39.2)	0.7	(38.5)	%
Total revenue	<u>\$ 33,275</u>	<u>\$ 31,538</u>	<u>\$ 37,793</u>	<u>\$ 28,950</u>	<u>\$ 26,258</u>	(21.1)	0.3	(20.8)	%
Gross profit:									
Local	\$ 24,959	\$ 24,367	\$ 29,672	\$ 22,832	\$ 20,522	(17.8)	0.2	(17.6)	%
Travel	1,916	1,346	1,644	1,559	1,407	(26.6)	0.9	(25.7)	%
Goods	2,997	2,491	3,510	2,038	1,859	(38.0)	0.7	(37.3)	%
Total gross profit	<u>\$ 29,872</u>	<u>\$ 28,204</u>	<u>\$ 34,826</u>	<u>\$ 26,429</u>	<u>\$ 23,788</u>	(20.4)	0.3	(20.1)	%
Contribution profit	\$ 22,052	\$ 18,296	\$ 24,772	\$ 19,402	\$ 16,745	(24.1)	%		
Consolidated Results of Operations:									
Gross billings:									
Local	\$ 319,638	\$ 354,070	\$ 362,856	\$ 316,086	\$ 316,519	(1.0)	—	(1.0)	%
Travel	31,564	29,105	28,366	35,611	29,165	(7.6)	0.2	(7.4)	%
Goods	42,256	35,672	45,106	29,449	27,923	(33.9)	0.3	(33.6)	%
Total gross billings	<u>\$ 393,458</u>	<u>\$ 418,847</u>	<u>\$ 436,328</u>	<u>\$ 381,146</u>	<u>\$ 373,607</u>	(5.0)	—	(5.0)	%
Revenue:									
Local	\$ 112,849	\$ 115,458	\$ 123,554	\$ 111,210	\$ 114,108	1.1	0.1	1.2	%
Travel	7,751	4,161	5,440	6,351	5,446	(29.7)	0.2	(29.5)	%
Goods	8,509	6,855	8,722	5,523	5,061	(40.5)	0.3	(40.2)	%
Total revenue	<u>\$ 129,109</u>	<u>\$ 126,474</u>	<u>\$ 137,716</u>	<u>\$ 123,084</u>	<u>\$ 124,615</u>	(3.5)	0.1	(3.4)	%
Gross profit:									
Local	\$ 99,422	\$ 101,955	\$ 110,392	\$ 100,658	\$ 103,781	4.4	—	4.4	%
Travel	6,563	3,109	4,474	5,199	4,598	(29.9)	0.2	(29.7)	%
Goods	6,980	5,614	7,444	4,700	4,288	(38.6)	0.3	(38.3)	%
Total gross profit	<u>\$ 112,965</u>	<u>\$ 110,678</u>	<u>\$ 122,310</u>	<u>\$ 110,557</u>	<u>\$ 112,667</u>	(0.3)	0.1	(0.2)	%
Contribution profit	\$ 90,698	\$ 81,780	\$ 87,818	\$ 81,748	\$ 76,147	(16.0)	%		
Net cash provided by (used in) operating activities	\$ (42,310)	\$ (13,855)	\$ 54,500	\$ (10,111)	\$ 15,300	136.2	%		
Free cash flow	\$ (44,563)	\$ (17,975)	\$ 51,132	\$ (13,820)	\$ 10,826	124.3	%		

	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024
Active customers: ⁽⁴⁾					
North America	10.6	10.4	10.3	10.2	10.2
International	6.9	6.6	6.2	5.9	5.6
Total active customers	17.5	17.0	16.5	16.1	15.8
North America Units:					
Local	5,083	5,426	5,832	5,102	5,308
Goods	807	706	966	574	487
Travel	84	79	85	108	87
Total North America units	5,974	6,211	6,883	5,784	5,882
International Units:					
Local	2,862	3,306	3,536	2,888	2,259
Goods	746	550	684	404	381
Travel	53	49	55	49	39
Total International units	3,661	3,905	4,275	3,341	2,679
Consolidated Units:					
Local	7,945	8,732	9,368	7,990	7,567
Goods	1,553	1,256	1,650	978	868
Travel	137	128	140	157	126
Total consolidated units	9,635	10,116	11,158	9,125	8,561
Headcount:					
Sales ⁽⁵⁾	706	659	655	647	657
Other	1,945	1,763	1,558	1,431	1,403
Total headcount	2,651	2,422	2,213	2,078	2,060

(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.

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>Q2 2023</u>	<u>Q3 2023</u>	<u>Q4 2023</u>	<u>Q1 2024</u>	<u>Q2 2024</u>
Net income (loss)	\$ (12,004)	\$ (40,806)	\$ 28,489	\$ (11,506)	\$ (9,412)
Adjustments:					
Stock-based compensation	7,519	3,889	710	2,374	6,418
Depreciation and amortization	13,243	12,568	10,902	9,677	7,824
Restructuring and related charges (credits) ⁽¹⁾	(689)	2,228	(2,327)	96	(379)
Gain on sale of assets	—	—	—	(116)	(5,044)
Foreign VAT assessments ⁽²⁾	—	—	—	—	3,302
Other (income) expense, net ⁽³⁾	4,805	39,525	(16,086)	12,682	4,483
Provision (benefit) for income taxes	2,323	817	5,250	6,194	9,287
Total adjustments	27,201	59,027	(1,551)	30,907	25,891
Adjusted EBITDA	<u>\$ 15,197</u>	<u>\$ 18,221</u>	<u>\$ 26,938</u>	<u>\$ 19,401</u>	<u>\$ 16,479</u>

- (1) Includes a settlement of \$4.25 million related to Uptake for the three months ended December 31, 2023
- (2) The Foreign VAT assessments adjustment excludes related interest expense of \$0.8 million as the interest expense is included within Other (income) expense, net for the three months ended June 30, 2024.
- (3) 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 net income (loss) per share to Diluted net income (loss) per share for the three and six months ended June 30, 2024 and 2023.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income (loss) attributable to common stockholders	\$ (10,035)	\$ (12,607)	\$ (22,306)	\$ (41,754)
Less: Net income (loss) attributable to noncontrolling interest	(623)	(603)	(1,388)	(1,137)
Net income (loss)	(9,412)	(12,004)	(20,918)	(40,617)
Less: Provision (benefit) for income taxes	9,287	2,323	15,481	3,441
Income (loss) before provision (benefit) for income taxes	(125)	(9,681)	(5,437)	(37,176)
Stock-based compensation	6,418	7,519	8,792	9,882
Amortization of acquired intangible assets	600	2,070	2,206	4,188
Restructuring and related charges (credits)	(379)	(689)	(283)	8,105
Gain on sale of assets	(5,044)	—	(5,160)	—
Foreign VAT assessments	4,092	—	4,092	—
Intercompany foreign currency losses (gains), foreign currency translation adjustments reclassified into earnings and other	4,084	3,859	16,071	(673)
Non-cash interest expense on convertible senior notes	393	386	784	770
Non-GAAP income (loss) before provision (benefit) for income taxes	10,039	3,464	21,065	(14,904)
Less: Non-GAAP provision (benefit) for income taxes	10,023	5,965	17,882	6,942
Non-GAAP net income (loss)	16	(2,501)	3,183	(21,846)
Net (income) loss attributable to noncontrolling interest	(623)	(603)	(1,388)	(1,137)
Non-GAAP net income (loss) attributable to common stockholders	(607)	(3,104)	1,795	(22,983)
Weighted-average shares of Common Stock - diluted	39,430,656	31,020,493	38,570,401	30,796,943
Impact of dilutive securities	—	—	2,560,919	—
Weighted-average shares of Common Stock - non-GAAP	<u>39,430,656</u>	<u>31,020,493</u>	<u>41,131,320</u>	<u>30,796,943</u>
Diluted net income (loss) per share	\$ (0.25)	\$ (0.41)	\$ (0.58)	\$ (1.36)
Impact of non-GAAP adjustments and related tax effects	0.23	0.31	0.62	0.61
Non-GAAP diluted net income (loss) per share	\$ (0.02)	\$ (0.10)	\$ 0.04	\$ (0.75)

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.

	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024
Net cash provided by (used in) operating activities	\$ (42,310)	\$ (13,855)	\$ 54,500	\$ (10,111)	\$ 15,300
Purchases of property and equipment and capitalized software	(2,253)	(4,120)	(3,368)	(3,709)	(4,474)
Free cash flow	\$ (44,563)	\$ (17,975)	\$ 51,132	\$ (13,820)	\$ 10,826
Net cash provided by (used in) investing activities	\$ (2,483)	\$ (5,469)	\$ 15,568	\$ (3,931)	\$ 4,303
Net cash provided by (used in) financing activities	\$ (2,939)	\$ 1,183	\$ (4,737)	\$ 35,341	\$ (1,721)