

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2024

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____
Commission File Number: **1-35335**

Groupon, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

27-0903295

(I.R.S. Employer Identification No.)

**35 West Wacker Drive
25th Floor
Chicago
Illinois**

(Address of principal executive offices)

60601

(Zip Code)

(773) 945-6801

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.0001 per share	GRPN	NASDAQ Global Select Market

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C.7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error in previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to § 240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

As of June 30, 2024, the aggregate market value of shares held by non-affiliates of the registrant was \$376,952,000 based on the number of shares of Common Stock held by non-affiliates as of June 30, 2024 and based on the last reported sale price of the registrant's Common Stock on June 30, 2024.

As of March 6, 2025, there were 39,810,936 shares of the registrant's Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

The information required by Part III of this Report, to the extent not set forth herein, is incorporated herein by reference from the registrant's definitive proxy statement relating to the Annual Meeting of Stockholders to be held in 2025 or, if not filed with the Securities and Exchange Commission within 120 days after the end of the fiscal year to which this Report relates, from an amended report on Form 10-K/A filed in the same time period.

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GLOSSARY OF DEFINED TERMS AND ABBREVIATIONS

Groupon, Inc. (the "Company," "we," "our," "us," and similar terms include Groupon, Inc. and its subsidiaries, unless the context indicates otherwise. The Company also uses several other terms in this Annual Report on Form 10-K, which are defined in the list below (the "Glossary"). Newly defined terms within this Annual Report on Form 10-K are included within the Glossary and may also be defined within applicable sections of this Annual Report.

Abbreviation	Description
2011 Plan	The Company's 2011 Incentive Stock Plan, as amended
2020 Restructuring Plan	April 2020 Board approved multi-phase restructuring plan
2022 Cost Savings Plan	August 2022 Board approved multi-phase cost savings plan
2022 Restructuring Plan	August 2022 Board approved restructuring plan, included within the 2022 Cost Savings Plan
2024 Executive PSUs	Awards granted for our executive team under the 2024 PSU Program, which are earned based on the performance of our stock price and a service condition
2025 Proxy	The Company's 2025 Annual Meeting of Stockholders, which will be filed with the SEC within 120 days of December 31, 2024
2026 Notes	The Company's 1.125% convertible senior notes due March 2026
2026 Notes Indenture	Indenture agreement governing the 2026 Notes
2027 Notes	The Company's 6.250% convertible senior secured notes due March 2027
2027 Notes Indenture	Indenture agreement governing the 2027 Notes
600 West Chicago	The Company's previously leased headquarters located in Chicago, Illinois
ABR	Alternate Base Rate
ASC	Accounting Standards Codification
Assessment	Income tax assessment from the Italian tax authority pertaining to Groupon S.r.l., which primarily relates to transfer pricing on transactions occurring in 2011
ASU	Accounting Standards Update
Audit Committee	The Audit Committee of our Board of Directors
Backstop Party	Pale Fire Capital SICAV a.s.
Bank Secrecy Act	Bank Secrecy Act of 1970
Board	The Company's Board of Directors
CARD Act	Credit Card Accountability Responsibility and Disclosure Act of 2009
Cash Collateral Agreement	Agreement dated March 2, 2023 with JPMorgan Chase Bank, N.A.
CCPA	California Consumer Privacy Act
CDPA	Virginia Consumer Data Protection Act
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Code	United States Internal Revenue Code of 1986, as amended
CODM	Chief Operating Decision Maker
Common Stock	Company common stock, par value \$0.00001 per share
Compensation Committee	Compensation Committee of the Board
COO	Chief Operations Officer
CPA	Colorado Privacy Act
CPRA	California Privacy Rights Act
Credit Agreement	Second amended and restated credit agreement JPMorgan Chase Bank, N.A., dated May 14, 2019, as amended from time to time and as terminated as of February 12, 2024
CSRD	European Union's Corporate Sustainability Reporting Directive
Dodd-Frank Wall Street Reform and Consumer Protection Act	A 2010 U.S. law aimed at reducing financial risk, increasing transparency, protecting consumers, and preventing another financial crisis through stricter regulations on financial institutions and markets.
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
ESG	Environmental, Social, Governance

ESPP	The Company's 2012 Employee Stock Purchase Plan
Excess Shares	Shares exceeding the Exchange Cap
Exchange Act	Securities Exchange Act of 1934, as amended
Exchange and Subscription Agreements	The privately-negotiated agreements entered into on November 12, 2024.
Exchange Cap	The limit on ownership percentage defined in 2027 Notes Indenture
Expiration Date	January 17, 2024, 5:00 p.m., New York City time, representing the date the subscription period for the Rights Offering expired
FASB	Financial Accounting Standards Board
FCPA	Foreign Corruption Practices Act
FinCEN	Financial Crimes Enforcement Network
GAAP	U.S. Generally Accepted Accounting Principles
GDPR	General Data Protection Regulation
Guarantors	Company's certain material wholly owned domestic subsidiaries guarantee 2027 Notes
Italy Restructuring Plan	July 2024 Board approved exit of the local business in Italy and the related restructuring actions associated with the exit
Major Rocket	Major Rocket LLC
Major Rocket Agreement	Incentive marketing agreement with Major Rocket entered into on March 11, 2025
Monster LP	Monster Holdings LP
NBH	NetBrokers Holdings
Nearbuy	Nearbuy Pte Ltd.
NOL	Net Operating Loss
Offering Participants	Institutional "accredited investors" and/or "qualified institutional buyers"
Payoff Amount	Payment of \$43.1 million to terminate all commitments to extend further credit under the Credit Agreement
PCAOB	Public Company Accounting Oversight Board
PCI	Payment Card Industry
PFC	Pale Fire Capital
PSU	Performance Share Units
Rights Offering	Board approved \$80 million fully backstopped rights offering to the Company's stockholders that commenced on November 20, 2023
RSU	Restricted Stock Units
SEC	Securities and Exchange Commission
Securities Act	Securities Act of 1933, as amended
SEM	Search Engine Marketing
SEO	Search Engine Optimization
SFDR	Sustainable Finance Disclosure Regulation
SG&A	Selling, general and administrative
Share Purchase Agreement	Agreement to sell shares of SumUp
SMS	Short messaging services
SOFR	Term Secured Overnight Financing Rate
SumUp	SumUp Holdings S.a.r.l, a privately-held mobile payments company
Transactions	The transactions that took place when 2026 Notes were exchanged for the 2027 Notes.
TTM	Trailing twelve months
Uptake	Uptake, Inc.
USA PATRIOT Act	A 2001 U.S. law that expanded surveillance and investigative powers for law enforcement to enhance national security and combat terrorism, while also raising concerns about civil liberties and privacy.
VAT	Value added tax

PART I
FORWARD-LOOKING STATEMENTS

This Annual Report contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the 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," "confident," "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; 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 resulting from the conflicts in Ukraine and the Middle East; 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; 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; 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; our ability to remediate our material weakness over internal control over financial reporting; 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 2026 Notes and 2027 Notes; our Common Stock, including volatility in our stock price and financial markets; our ability to realize the anticipated benefits from the capped call transactions relating to our 2026 Notes; and those risks and other factors discussed in Part I, Item 1A, *Risk Factors* of this Annual Report on Form 10-K, as well as in our Consolidated Financial Statements, related notes, and the other financial information appearing elsewhere in this report and our other filings with the SEC. Moreover, we operate in a very competitive and rapidly changing environment. 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 report 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.

As used herein, "Groupon," "the Company," "we," "our," "us" and similar terms include Groupon, Inc. and its subsidiaries, unless the context indicates otherwise.

ITEM 1. BUSINESS

Groupon is a global scaled two-sided marketplace that connects consumers to merchants. Consumers access our marketplace through our mobile applications and our websites, which are primarily localized groupon.com sites in thirteen countries. We operate in two segments, North America and International, and in three categories, Local, Goods and Travel. See Item 8, Note 18, *Segment and Geographical Information*, for additional information.

Revenue is earned through transactions during which we generate commissions by selling goods or services on behalf of third-party merchants. Revenue also includes commissions we earn when customers make purchases with retailers using digital coupons accessed through our digital properties.

Our Strategy

Our strategy is to be the trusted marketplace where customers go to buy local services and experiences. We plan to grow our revenue by building long-term relationships with local merchants to strengthen our online selection and by enhancing the customer reach through experience curation and improved convenience in order to drive customer demand and purchase frequency.

We are investing significant resources in making our platform more efficient, stable and agile. By improving our technology, our customer base can enjoy a modernized experience along with seamless execution of new product innovation, improved customer experience and customer satisfaction. Our platform migrations are strategic investments in our ability to innovate faster, serve merchants better, and create more engaging experiences for our customers.

Our Categories

Local. Our Local category includes experiences and services from local and national merchants, and other revenue sources that are primarily generated through our relationships with local and national merchants. Our local inventory includes, things to do, beauty and wellness and dining, as well as other types of experiences and services.

Goods. In our Goods category, we earn revenue from transactions in which third-party merchants sell products to customers through our marketplaces. Our Goods category includes merchandise across multiple product lines, such as electronics, sporting goods, jewelry, toys, household items and apparel.

Travel. Through our Travel category, we feature travel experiences at both discounted and market rates, including hotels, airfare and package deals covering both domestic and international travel. For many of our travel experiences, the customer must contact the merchant directly to make a travel reservation after purchasing a travel voucher from us. However, for some of our hotel offerings, customers make room reservations directly through our websites and mobile applications.

Traffic Channels and Platforms

Our customers access our online local commerce marketplaces through our mobile applications and our websites. Our applications and mobile websites enable consumers to browse, purchase, manage and redeem deals on their mobile devices. For the year ended December 31, 2024, approximately 80% of our global transactions were completed on mobile devices.

We use a variety of marketing channels to direct customers to the offerings available through these marketplaces, as described in the *Marketing* section below.

Marketing

We use marketing to acquire and retain customers and promote awareness of our marketplaces and brand. We use a variety of marketing channels to make customers aware of our offerings, including search engines, email and push notifications, affiliate channels, social and display advertising and offline marketing.

Search engines. Customers can access our offerings indirectly through third-party search engines. We use SEO and SEM to increase the visibility of our offerings in web search results.

Email and mobile messaging. We communicate offerings through email, push notifications and SMS to our customers based on their locations and personal preferences. A customer who interacts with these communications is directed to our website or mobile application to learn more about the deal and to make a purchase.

Affiliate channels. We have an affiliate program that uses third parties to promote our offerings online. Affiliates earn commissions when customers access our offerings through links on their websites and make purchases on our platform.

Social and display. We promote and publish our content and offerings through various social networks and adapt our notifications to the particular format of each of these social networking platforms. Our websites and mobile applications enable consumers to share our offerings with their personal social networks. We also promote our offerings via display advertising across various content publishers.

Human Capital Management

Attracting and securing top-notch talent from around the world is the cornerstone of our future. Our senior leadership, guided by our Board, oversees this mission by crafting and implementing our human capital strategy. This involves recruiting, developing, and retaining the best minds to fuel our operations, drive our strategic goals, and shape competitive compensation and benefits packages.

Our Workforce

As of December 31, 2024, we had employees across various geographies and roles:

	Sales	Corporate, Operational and Customer Support	Total Employees
North America	295	161	456
International	381	1,242	1,623
Total	676	1,403	2,079

Our sales representatives create partnerships, while our support staff ensures smooth transactions. Other teams, such as engineers, product designers, marketers and editors, power the platform to curate the experiences.

Human Capital Strategy Pillars

Our human capital strategy is anchored in three core pillars: People & Culture, Diversity, Equity & Inclusion, and Compensation & Benefits.

People & Culture

At Groupon we empower a diverse, collaborative global team.

In 2023 and 2024, we gathered employee feedback through initiatives such as the "Transformation Truths" engagement survey. This anonymous company-wide survey provided valuable insights into ongoing organizational changes such as the status of our transformation efforts.

We uphold ethical standards through bi-annual training, including the Global Code of Conduct, Anti-Corruption, and Respectful Workplace courses, reinforcing a safe, ethical workplace.

Our career development offerings include diverse training programs such as Unconscious Bias training and Respect in the Workplace training for managers. Additionally, our Internal Talent Mobility process supports cross-functional growth, while our Employee Referral Program incentivizes hiring top talent globally.

Diversity, Equity & Inclusion

In 2024, we have focused on establishing strong organizational foundations. We remain committed to fostering a high-performance culture by promoting diversity in thought, experience, and background. Given our role in connecting people and communities, we recognize the importance of maintaining a workforce that reflects the diversity of our customer base. During the year, we introduced several initiatives aimed at enhancing workplace support and employee engagement in alignment with its core values:

- Employee Resource Groups (ERGs): We have strengthened ERGs to give our team members platforms for connection, advocacy, and celebration of shared identities and interests. We now have functioning ERGs for BlacksandAllies@Groupon, LatinosandAllies@Groupon, Wellness@Groupon, PrideandAllies@Groupon, WomenandAllies@Groupon. Together they have updated our recently launched Diversity, Equity and Inclusion library to ensure teams have access to online resources, run workshops, developed educational content and been a sounding board for internal initiatives.
- Internal Workshops: Training and education have been important in fostering awareness and growth, with workshops that challenge biases and drive equity in decision-making. This year our workshops focused on Menopause and Fertility in the workplace.
- Policy Enhancements: We have introduced progressive policies, including support for menopause with our new company Charter, and our Fertility Policy, ensuring we continue to address diverse needs and create an inclusive workplace for all.
- External Campaigns: Beyond our walls, we have supported diverse communities through marketing campaigns that reflect our commitment to inclusivity and representation, this year focusing on Black History Month, Martin Luther King Day, Cinco de Mayo and Pride Month.

Compensation & Benefits

To attract and retain top talent, we offer competitive compensation and comprehensive benefits. These include health, dental, vision, life, and disability insurance, along with a 401(k) plan with company matching for U.S. employees.

Our Cultural Foundation

In early 2024, we revamped our values to align with the culture and behaviors needed to drive Groupon's transformation. These values—Ownership and Accountability, High Performance, Transparency, Innovation, Customer Focus, and Respect, Integrity, and Inclusion—form the foundation of our culture.

Together, they foster a resilient workforce prepared to navigate challenges and seize opportunities, driving us toward our vision of becoming the go-to platform for experiences.

Technology

In early 2023, we completed the migration of our public-facing websites, internal applications and services, as well as our back-end business intelligence systems from being hosted at our data centers to a multi-cloud infrastructure. Additionally, in the third quarter of 2023, we migrated our Payment Card Information data to a third-party provider so that these details are no longer stored within Groupon's cloud environment. In the third quarter of 2024, we successfully migrated our cloud systems in North America to allow us to run in a further stream-lined multi-cloud infrastructure, further reducing our technological footprint and attack and threat vectors. Our platform migrations are strategic investments in our ability to innovate faster, serve merchants better, and create more engaging experiences for our customers. We have also made significant improvements to our search functionality. Our enhanced search now provides real-time query suggestions, corrects spelling errors, and supports synonyms for improved accuracy. It can recognize destinations and brands, automatically applying relevant filters to refine search results. Additionally, it suggests related queries and categorizes results into experiences, travel deals, and merchants, optimizing relevance based on precise location for a more intuitive user experience. We employ security practices and modern tools to try to recognize intrusions to our technology infrastructure. We engage independent third-party Internet security firms to regularly test the security of our websites and identify vulnerabilities. In financial transactions with customers conducted on our websites and mobile applications, we use data encryption protocols

to secure information while in transit. See Item 1A. *Risk Factors* and Item 1C. *Cybersecurity* for additional information relating to potential cyber threats.

Competition

Our customers and merchants are at the center of our two-sided marketplace. The quality and stability of both our customers and merchants are key to our business model. We face competition on both sides of our marketplace.

We compete with other marketplaces, and some of our competitors have longer operating histories, significantly greater financial, technical, marketing and other resources. In addition, we compete with companies who address only specific verticals in the local experiences market, and in our Goods and Travel categories, companies who have greater scale and larger customer bases than we do. These factors may allow our competitors to benefit from their existing customer base with lower acquisition costs or to respond more quickly than we can to new or emerging technologies and changes in customer trends. These competitors may engage in more extensive research and development efforts, undertake more far-reaching marketing campaigns and adopt more aggressive pricing policies, which may allow them to build a larger subscriber base or to monetize that subscriber base more effectively than we do.

We also compete with companies that can offer alternative services for our merchants. There are companies that offer other types of advertising and promotional services to local businesses. Our merchants could choose to leverage these other platforms to attract customers to their businesses. We believe we can compete due to the access we provide our merchants to our large customer base, our trusted brand, and the investments we are making in self-service tools that will allow merchants to manage demand more effectively and better attract and retain customers.

Regulation

We are subject to a number of foreign and domestic laws and regulations that affect companies conducting business on the Internet. Additionally, those laws and regulations may be interpreted differently across domestic and foreign jurisdictions. As a company in a rapidly innovating industry, we are exposed to the risk that many of those laws may evolve or be interpreted by regulators or in the courts in ways that could materially affect our business. Those laws and regulations may involve taxation, unclaimed property, intellectual property, product liability, travel, distribution, electronic contracts and other communications, competition, consumer protection, the provision of various online payment services, employee, merchant and customer privacy and data security or other areas.

In addition to these regulatory areas mentioned, we are also subject to increasing legal and regulatory requirements related to ESG matters. Emerging ESG regulations, particularly in the European Union, the United Kingdom, and the United States, may require us to enhance our sustainability reporting and disclosures. For example, the CSRD and the SFDR impose enhanced sustainability disclosure obligations on companies operating in the European Union.

Additionally, we are subject to emerging ESG regulations in California and New York that may impact our reporting and compliance obligations. The Climate Corporate Data Accountability Act (SB 253) and the Climate-Related Financial Risk Disclosure Act (SB 261) impose climate-related disclosure requirements on companies operating in California, including mandatory reporting of greenhouse gas emissions and climate-related financial risks. Additionally, if enacted in New York, SB 3697 would require entities operating in New York whose revenue exceeded \$500 million in the prior fiscal year to release reports that would need to include disclosures aligned with the Task Force on Climate-related Financial Disclosures framework or another equivalent reporting requirement. These regulations, along with evolving international ESG frameworks, may require us to enhance our sustainability disclosures, implement additional compliance measures, and allocate additional resources to ESG reporting.

The CARD Act, as well as the laws of most states, contain provisions governing gift cards, gift certificates, stored value or pre-paid cards or coupons (collectively, "gift cards"). Groupon vouchers may be included within the definition of gift cards under many laws. In addition, certain foreign jurisdictions have laws that govern disclosure and certain product terms and conditions, including restrictions on expiration dates and fees, that may apply to Groupon vouchers. There are also a number of legislative proposals pending before the U.S. Congress, various state legislative bodies and foreign governments that could affect us, and our global operations may be constrained.

by regulatory regimes and laws in Europe and other jurisdictions outside the United States that may be more restrictive and adversely impact our business.

Various U.S. laws and regulations, such as the Bank Secrecy Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the USA PATRIOT Act and the CARD Act impose certain anti-money laundering requirements on companies that are financial institutions or that provide financial products and services. Those laws and regulations broadly define financial institutions to include money services businesses such as money transmitters, check cashers and sellers or issuers of stored value. Requirements imposed on financial institutions under those laws include customer identification and verification programs, record retention policies and procedures and transaction reporting. We do not believe that we are a financial institution subject to those laws and regulations.

We are subject to a variety of U.S. federal, state and international laws and regulations governing consumer data. The GDPR, which was adopted by the European Union and became effective in May 2018, and the CPRA, which expands on and effectively replaces the CCPA and became effective January 1, 2023, requires companies to satisfy specific requirements regarding the handling of personal and sensitive data, including its collection, use, protection and the ability of persons whose data is stored to, among other things, access and/or delete such data about themselves. The CDPA, effective as of January 1, 2023, and the CPA, effective as of July 1, 2023, provide new data privacy rights to their respective residents. Our ongoing efforts to comply with these laws and regulations and other relevant privacy and data protection laws and regulations, have required updates to certain business practices and systems. Non-compliance with any privacy and data protection laws and regulations could result in significant monetary fines. For instance, non-compliance with the GDPR could result in proceedings against us by governmental entities or others and fines up to the greater of €20 million or 4% of annual global revenue, and non-compliance with CPRA could result in fines of up to \$7,500 per violation in addition to providing consumers with a private right of action. We continue to monitor developments in laws and regulations relating to privacy and consumer data, and we expect these evolving laws and regulations will continue to impact our business in the future.

Intellectual Property

We protect our intellectual property rights by relying on federal, state and common law rights, as well as contractual restrictions. We control access to our proprietary technology by entering into confidentiality and invention assignment agreements with our employees and contractors, and confidentiality agreements with third parties.

In addition to those contractual arrangements, we also rely on a combination of trade secrets, copyrights, trademarks, service marks, trade dress, domain names and patents to protect our intellectual property. Groupon and its related entities own a number of trademarks and service marks registered or pending in the United States and internationally.

Circumstances outside our control could pose a threat to our intellectual property rights and the efforts we have taken to protect our proprietary rights may not be sufficient or effective or deter independent development of equivalent or superior intellectual property rights by others. Any significant impairment of our intellectual property rights could harm our business or our ability to compete. Also, protecting our intellectual property rights is costly and time-consuming. Any unauthorized disclosure or use of our intellectual property could make it more expensive to do business and harm our operating results.

Companies in the Internet, technology and other industries as well as non-practicing entities may own large numbers of patents, copyrights and trademarks or other intellectual property rights and may request license agreements, threaten litigation or file suit against us based on allegations of infringement or other violations of intellectual property rights. We are currently subject to, and expect to face in the future, lawsuits and allegations that we have infringed the intellectual property rights of third parties. As our business evolves, we may face more claims of infringement, and may experience an adverse result which could impact our business and/or our operating results.

We have received in the past, and we anticipate we will receive in the future, communications alleging that items offered or sold through our website infringe third-party copyrights, trademarks, patents and trade names or other intellectual property rights or that we have otherwise infringed third parties' past, current or future intellectual property rights. We may be unable to prevent third parties from offering and selling unlawful or infringing goods or goods of disputed authenticity, and we may be subject to allegations of civil or criminal liability for unlawful activities.

carried out by third parties through our website. We may implement measures in an effort to protect against these potential liabilities that could require us to spend substantial resources and/or to reduce revenue by discontinuing certain service offerings. Any costs incurred as a result of liability or asserted liability relating to the sale of unlawful or infringing goods or goods of disputed authenticity or other infringement related claims could harm our business.

Information About Our Executive Officers

The following table sets forth information about our executive officers (as of the date of this filing):

Name	Age	Position
Dusan Senkyp	49	CEO
Jiri Ponrt	51	CFO

Dusan Senkyp was appointed as our CEO in May 2024, he previously served as our Interim CEO beginning in March 2023. He has served as a member of our Board since June 2022. He joined Groupon from PFC, a Groupon shareholder and a private equity investment group that invests in e-commerce companies both in Europe and worldwide. He co-founded PFC in 2015 and serves as Chairman and as a partner. Prior to joining PFC, he served as founder and CEO of NBH, which became the largest insurance and finance marketplace in the Czech Republic and Slovakia, from 2014 to December 2018, when it was sold to German media company, Bauer Media Group. Prior to NBH, he co-founded and operated multiple e-commerce projects, including ePojisteni.cz, an insurance technology company, where he served as CEO and a director, from 2009 until February 2019. In conjunction with his appointment as Groupon CEO, he stepped down from his day-to-day responsibilities at PFC.

Jiri Ponrt was appointed as our CFO in April 2023. He joined Groupon from PFC where he served as a partner since July 2022 and Group CFO since November 2021. Prior to joining PFC, he served as CFO of Alza.cz, one of the largest e-commerce companies in Central and Eastern Europe, from May 2014 to October 2021. Prior to his time at Alza.cz, he spent 15 years at Nutricia, a Danone brand, in a variety of financial and commercial roles. In conjunction with his appointment to Groupon CFO, he stepped down from day-to-day responsibilities at PFC.

Available Information

We electronically file reports with the SEC. The SEC maintains an Internet site (www.sec.gov) that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC. Copies of our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act are also available free of charge through our website (www.groupon.com), as soon as reasonably practicable after electronically filing with or otherwise furnishing such information to the SEC, and are available in print to any stockholder who requests them. Our Code of Conduct, Corporate Governance Guidelines and committee charters are also posted on the site. We use our Investor Relations website (investor.groupon.com) and our press site (www.groupon.com/press) as a means of disclosing material non-public information and for complying with our disclosure obligations under Regulation FD. Information contained on our website and press site is not a part of this Annual Report on Form 10-K.

ITEM 1A. RISK FACTORS

Our business, prospects, financial condition, operating results and the trading price of our Common Stock could be materially adversely affected by the risks described below. In assessing those risks, you should also refer to the other information contained in this Annual Report on Form 10-K, including Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) and the Consolidated Financial Statements and the related notes in Part II, Item 8. Financial Statements and Supplementary Data of this Annual Report on Form 10-K.

Summary Risk Factors

The following is a summary of some of the risks and uncertainties that could materially adversely affect our business, prospects, financial condition, operating results and the trading price of our Common Stock. You should read this summary together with the more detailed description of each risk factor contained below.

Risks Related to Our Business, Operations and Strategy

- Our strategy may be unsuccessful and may expose us to additional risks. If our strategy does not achieve its expected benefits, there could be negative impacts to our business, financial condition and results of operations.
- Current or future restructuring plans could be disruptive to our operations and adversely affect our results of operations and financial condition, and we may not realize some or all of the anticipated benefits of the plans in the time frame anticipated or at all.
- Our operating results may vary significantly from quarter to quarter.
- Our U.S. and international operations are subject to varied and evolving sociopolitical conditions as well as commercial, employment and regulatory challenges, and our inability to adapt to the diverse and changing landscapes of our U.S. and international markets may adversely affect our business.
- Our success is dependent upon our ability to provide a superior mobile experience for our customers and our customers' continued ability to access our offerings through mobile devices.
- An increase in our refund rates or estimated liabilities with respect to unredeemed vouchers could adversely affect our financial results.
- The loss of key executives, members of our management team and employees across our organization, or our failure to attract and retain other highly qualified personnel in the future could harm our business.
- Our material weakness in internal control over financial reporting could impair our ability to report accurate and timely financial information and have a material and adverse effect on our financial condition and results of operations.

Risks Related to Technology and Cybersecurity

- We may be subject to breaches of our information technology systems, which could harm our relationships with our customers, merchants, employees and third-party business partners, subject us to negative publicity and litigation, and cause substantial harm to our business or brand.
- Our business depends on our ability to maintain and improve the technology infrastructure necessary to send our emails and operate our websites, mobile applications and transaction processing systems, and any significant disruption in service on our email network infrastructure, websites, mobile applications or transaction processing systems could result in a loss of customers or merchants.
- As we have increased our reliance on cloud-based applications and platforms to operate and deliver our products and services, any disruption or interference with these platforms could adversely affect our financial condition and results of operations.

Risks Related to Transactions and Investments

- Acquisitions, dispositions, joint ventures and strategic investments could result in operating difficulties, dilution and other consequences.
- We do not have the ability to exert control over our minority investments, and therefore we are dependent on others in order to realize their potential benefits.

Risks Related to Our Brand and Intellectual Property

- We allow third parties to sell products via our site, which increases our risk of litigation and other losses.
- We may be subject to substantial liability claims and damage to our brand and reputation if people or property are harmed by the products or services offered through our marketplace.
- We may not be able to adequately protect our intellectual property rights or may be accused of infringing intellectual property rights of third parties.

Risks Related to Legal, Regulatory, Privacy and Tax Matters

- We are involved in pending litigation and other claims and an adverse resolution of such matters may adversely affect our business, financial condition, results of operations and cash flows.
- The application of certain laws and regulations, including, among other laws, the CARD Act and similar state and foreign laws, may harm our business and results of operations.
- Federal laws and regulations, such as the Bank Secrecy Act and the USA PATRIOT Act and similar foreign laws, could be expanded to include Groupon vouchers or other offerings.
- State and foreign laws regulating money transmission could be expanded to include Groupon vouchers or other Groupon products or services.
- Failure to comply with existing, expanding or newly enacted U.S. federal, state and international privacy laws and regulations, could adversely affect our business.
- Misclassification or reclassification of our independent contractors, agency workers or employees could increase our costs and adversely impact our business.
- We may have exposure to greater than anticipated tax liabilities, including the Italy tax Assessment.
- The adoption of tax reform policies, including the enactment of legislation or regulations implementing changes in the tax treatment of companies engaged in Internet commerce and U.S. taxation could materially affect our financial position and results of operations.
- We may be adversely affected by global climate change or by legal, regulatory, or market responses to such change.

Risks Related to Our Capital Structure

- Our access to capital may be limited and our ability to successfully manage and raise capital in the future may fail, which could prevent us from growing and adversely impact our liquidity.
- We may not have the ability to raise the funds necessary to settle conversions of the 2026 Notes and 2027 Notes in cash, to repurchase the 2026 Notes and 2027 Notes upon a fundamental change or to repay the 2026 Notes and 2027 Notes in cash at their maturity (if not earlier converted, redeemed or repurchased), and our current outstanding and future debt may contain limitations on our ability to pay cash upon conversions of the 2026 Notes and 2027 Notes or at their maturity or to repurchase the 2026 Notes and 2027 Notes.
- The terms of the 2026 Notes and 2027 Notes could delay or prevent an attempt to take over our Company.
- The conditional conversion feature of the 2026 Notes and 2027 Notes, if triggered, may adversely affect our financial condition and operating results.

Risks Related to Ownership of Our Common Stock

- The trading price of our Common Stock is highly volatile.
- The capped call transactions may affect the value of our 2026 Notes Common Stock.
- We are subject to counterparty risk with respect to the capped call transactions.

Risks Related to Our Business, Operations and Strategy

Our strategy may be unsuccessful and may expose us to additional risks. If our strategy does not achieve its expected benefits, there could be negative impacts to our business, financial condition and results of operations.

We are implementing a strategy to become the trusted marketplace where customers go to buy local services and experiences and return the Company to growth. We intend to execute our strategy by building long-term relationships with local merchants to improve our inventory selection and improving the customer experience through inventory curation and improved convenience in order to drive customer demand and purchase frequency.

There are no assurances that our actions will be successful in executing our strategy and returning the Company to growth. Our efforts may prove more difficult than we currently anticipate. Further, we may not succeed in realizing the benefits of these efforts on our anticipated timeline or at all. In addition, as we implement our strategy, the macroeconomic environment, including but not limited to, inflationary pressures, higher labor costs, tariff policy, labor shortages, supply chain challenges and resulting changes in consumer and merchant behavior may make it more difficult to effectively execute our strategy, including to quickly test, learn and scale initiatives relating to improving inventory selection or improving customer experience. Even if fully implemented, our strategy may not result in a return to growth or the other anticipated benefits to our business, financial condition and results of operations. If we are unable to effectively execute our strategy and realize its anticipated benefits, it could negatively impact our business, financial condition and results of operations.

Current or future restructuring plans could be disruptive to our operations and adversely affect our results of operations and financial condition, and we may not realize some or all of the anticipated benefits of the plans in the time frame anticipated or at all.

In August 2022, we initiated a multi-phase cost savings plan designed to reduce our expense structure and align with our go-forward business and financial objectives. The cost savings plan included a restructuring plan and each phase of the restructuring plan was approved by our Board as follows: the first phase was approved in August 2022, the second phase was approved in January 2023 and the third phase was approved in July 2023. The implementation of the restructuring plan, including the impact of workforce reductions and other non-payroll cost savings measures could be disruptive to our operations, make it difficult to attract or retain employees, result in higher than anticipated charges, and otherwise adversely affect our results of operations and financial condition. In addition, our ability to complete the restructuring plan and achieve the anticipated benefits from the plan within the expected time frame, or at all, is subject to estimates and assumptions and may vary materially from our expectations, including as a result of factors that are beyond our control. Furthermore, following completion of the restructuring plan, our business may not be more efficient or effective than prior to implementation of the restructuring plan.

Our operating results may vary significantly from quarter to quarter.

Our operating results may vary significantly from quarter to quarter due to the rapidly evolving nature of our business and other reasons. We believe that our ability to achieve and maintain revenue growth and profitability will depend, among other factors, on our ability to:

- respond to macroeconomic challenges, including but not limited to, inflationary pressures, higher labor costs, labor shortages, supply chain challenges and resulting changes in consumer and merchant behavior and the ability to optimize our supply to take into account consumer preferences at a particular point in time;
- acquire new customers, retain existing customers, and increase customer purchase frequency;
- attract and retain high-quality merchants;
- maintain our current relationships with or attract new vendors, suppliers and service providers on agreeable terms;
- maintain contracts that are critical to our operations;
- attract and retain key employees, including attracting and retaining talent with an appropriate level of skill and experience, including product and technology expertise, cybersecurity expertise, GAAP knowledge and experience to create the proper control environment for effective internal control over financial reporting;

- effectively address and respond to challenges in international markets;
- increase the variety, quality, density and relevance of supply, including through third party business partners and technology integrations;
- deliver a marketplace experience on our website and mobile applications that meets the needs of our customers and merchants;
- increase booking capabilities;
- increase the awareness of, and evolve, our brand to a local experiences marketplace;
- continue to reduce costs and maintain cost discipline to benefit from our reduced cost structure;
- maintain the performance of our Goods category following transition to a third party marketplace model;
- successfully achieve the anticipated benefits of business combinations or acquisitions, strategic investments and divestitures;
- complete the multi-phased cost savings plan and achieve the anticipated benefits from the plan;
- provide a superior customer service experience for our customers;
- avoid interruptions to our services, including as a result of attempted or successful cybersecurity attacks or breaches;
- respond to continuous changes in consumer and merchant use of technology;
- optimize and diversify our traffic channels;
- react to challenges from existing and new competitors;
- respond to periodic changes in supply and demand; and
- address challenges from existing and new laws and regulations.

In addition, our margins and profitability may depend on our inventory mix, geographic revenue mix, discount rates mix and merchant and third-party business partner pricing terms. Accordingly, our operating results and profitability may vary significantly from quarter to quarter.

Our U.S. and international operations are subject to varied and evolving sociopolitical conditions as well as commercial, employment and regulatory challenges, and our inability to adapt to the diverse and changing landscapes of our U.S. and international markets may adversely affect our business.

Our operations require management attention and resources and also require us to localize our services to conform to a wide variety of local cultures, business practices, laws and policies. Our operations are subject to numerous risks, including the following:

- our ability to maintain merchant and customer satisfaction such that our marketplace will continue to attract high quality merchants;
- our ability to successfully respond to macroeconomic challenges, including but not limited to, inflationary pressures, higher labor costs, tariff policy, labor shortages, supply chain challenges and resulting changes in consumer and merchant behavior and the ability to optimize our supply to take into account consumer preferences at a particular point in time;
- political, economic and civil instability and uncertainty (including macroeconomic conditions impacting us, our customers, merchants, or our vendors, acts of terrorism, civil unrest, labor unrest, violence and outbreaks of war and pandemics or other disease outbreaks);
- disruptions and instability in the international markets in which we operate, including Poland, as a result of the ongoing conflict in Ukraine and the Middle East;
- Challenges in navigating legal and judicial systems in international jurisdictions, which may vary significantly in complexity, efficiency, and enforceability, and where we do not employ legal staff locally, further increasing the difficulty of addressing and resolving disputes;
- currency exchange rate fluctuations;

- strong local competitors who may better understand the local market and/or have greater resources in the local market;
- different regulatory or other legal requirements (including potential fines and penalties that may be imposed for failure to comply with those requirements), such as regulation of gift cards and coupon terms, Internet services, professional selling, distance selling, bulk emailing, privacy and data protection (including GDPR), cybersecurity, business licenses and certifications, taxation (including the European Union's voucher directive, digital service tax and similar regulations and any audits), consumer protection laws including those restricting the types of services we may offer (e.g., medical-related services), banking and money transmitting, that may limit or prevent the offering of our services in some jurisdictions, cause unanticipated compliance expenses or limit our ability to enforce contractual obligations;
- our ability to use a common technology platform in our North America and International segments to operate our business without significant business interruptions or delays;
- difficulties in integrating with local payment providers, including banks, credit and debit card networks and electronic funds transfer systems;
- the ability to quickly and effectively consult with, negotiate and seek the consent or opinion of, various employee groups, our international workers' councils and trade unions that represent our international employees on various matters including restructuring actions, strategic decisions, any changes to our activities or employee benefits and other business critical matters, which could result in the delay of executing key actions or product delivery and increase costs;
- the local legal restrictions relating to employment and staffing;
- difficulty in staffing, including attracting and retaining talent with an appropriate level of skill and experience, including knowledge and experience in developing and managing foreign operations, including through centralized shared service centers, as a result of distance, language barriers and cultural differences;
- periodic reductions in business activity;
- expenses associated with localizing our products; and
- differing intellectual property laws.

We are subject to complex laws and regulations that apply to our international operations, such as data privacy and protection requirements, including GDPR, the FCPA, the UK Anti-Bribery Act and similar local laws prohibiting certain payments to government officials, banking and payment processing regulations and anti-competition regulations, among others. The cost of complying with these various, and sometimes conflicting, laws and regulations is substantial. We have implemented and continue to implement policies and procedures to ensure compliance with these laws and regulations, however, we cannot ensure that our employees, contractors, or agents will not violate our policies. Changing laws, regulations and enforcement actions in the United States and throughout the world could harm our business. If commercial and regulatory constraints in our international markets restrict our ability to conduct our operations or execute our strategic plan, our business may be adversely affected.

Our future success depends upon our ability to attract and retain high quality merchants and third-party business partners.

We must continue to attract and retain high quality merchants in order to increase profitability and grow our marketplace. A key priority of our strategy is to improve inventory selection on our marketplace, which depends on our ability to attract and retain the right merchants. We are also focused on improving the merchant experience on our platform, including improving tools available to merchants to help grow their businesses. Further, when the macroeconomic environment negatively impacts our merchants, including through staffing shortages and supply chain issues, we have not been, and may not be able to retain or re-acquire these merchants in the future. In addition, our Goods category utilizes a third-party marketplace model, and we may not be able to maintain vendor relationships on favorable payment terms, margins or at all. If we are not able to effectively attract and retain merchants or third party partners, it could adversely affect our business and results of operations.

In addition, in most instances, we do not have long-term arrangements to guarantee the availability of deals that offer attractive quality, value and variety to customers or favorable payment terms to us. If merchants or third party partners decide that utilizing our services no longer provides an effective means of attracting new customers or selling their offerings, they may stop working with us or negotiate to pay us lower margins or fees. In addition,

current or future competitors may accept lower margins, or negative margins, to secure offers that attract attention and acquire new customers. We also may experience attrition in our merchants resulting from several factors, including losses to competitors and merchant closures or merchant bankruptcies. If we are unable to attract and retain high quality merchants and third party partners in numbers sufficient to grow our business, or if merchants and third party partners are unwilling to offer products or services with compelling terms through our marketplace, our operating results may be adversely affected.

If we fail to retain our existing customers or acquire new customers, our operating results and business will be harmed.

We must continue to retain and acquire customers who make purchases on our platform in order to increase profitability and grow our marketplace. Although we remain focused on re-engaging prior customers and acquiring new customers, our efforts may not be successful. We also expect to continue to invest significant resources to retain existing customers and acquire new customers. There can be no assurance that new customers will stay with us or that the net revenues from any new customers we acquire will ultimately exceed the cost of acquiring those customers. If customers do not perceive our offerings to be attractive or if we fail to introduce new and more relevant deals or increase awareness and understanding of the offerings on our marketplace platform, we may not be able to retain or acquire customers at levels necessary to grow our business and profitability. In addition, changes to search engine algorithms or similar actions are not within our control and could adversely affect traffic to our websites and mobile applications. If we are unable to re-engage and acquire new customers in numbers sufficient to grow our business and offset the number of customers that have ceased to make purchases, or if new customers do not make purchases at expected levels, our revenue may decrease and our operating results may be adversely affected.

We operate in a highly competitive industry with relatively low barriers to entry and must compete successfully in order to grow our business.

Competition in our industry may increase in future periods. We compete against e-commerce sites that attempt to replicate our business model by offering other types of advertising and promotional services to local businesses and companies who address only specific verticals in the local experiences market. In addition to such competitors, we may experience increased competition from other large businesses who offer deals similar to ours as an add-on to their core business. We also compete with other companies that offer digital coupons through their websites or mobile applications. Further, we compete against other e-commerce companies that serve niche markets and interests, including within the local experiences market. In our Travel and Goods categories, we compete against much larger companies who have more resources and significantly greater scale. In addition, we compete with traditional offline coupon and discount services, as well as newspapers, magazines and other traditional media companies who provide coupons and discounts on products and services.

We believe that our ability to compete successfully depends upon many factors both within and beyond our control, including the following:

- the continued consequences of the macroeconomic environment, including but not limited to, inflationary pressures, higher labor costs, tariff policy, labor shortages, supply chain challenges and resulting changes in consumer and merchant behavior;
- the size, composition and retention of our customer and merchant bases;
- density and quality of our inventory;
- delivery of a modern user experience for customers and modern experience and tools for merchants;
- mobile penetration;
- our ability to drive traffic to our marketplace;
- the quality and performance of our merchants;
- our ability to maintain our current relationships with or attract new vendors, suppliers and service providers on agreeable terms;
- understanding local business trends;
- our ability to structure deals to generate positive return on investment for merchants;

- ease of use, performance, price and reliability of services offered either by us or our competitors;
- our ability to improve customer purchase frequency and customer lifetime value;
- the timing and market acceptance of deals we offer, including the developments and enhancements to those deals offered by us or our competitors;
- our customer and merchant service and support efforts;
- our ability to maintain contracts that are critical to our operations;
- selling and marketing efforts;
- the number, quality and reliability of the digital coupons that can be accessed through our platform;
- our ability to cost-effectively manage our operations and to complete the multi-phased cost savings plan and achieve the anticipated benefits from the plan; and
- our reputation and brand strength relative to our competitors.

Some of our competitors have longer operating histories, greater financial, marketing and other resources and larger customer bases than we do. These factors may allow our competitors to benefit from their existing customer base with lower customer acquisition costs or to respond more quickly than we can to new or emerging technologies and changes in consumer habits. Further, the macroeconomic environment may not have had, or in the future have, a comparable impact on these competitors' businesses. In addition, our competitors may engage in more extensive research and development efforts, undertake more far-reaching marketing campaigns and adopt more aggressive pricing policies than we do, which may allow them to build larger customer and/or merchant bases or generate revenue from their customer bases more effectively than we do. Our competitors may offer deals that are similar to the deals we offer or that achieve greater market acceptance than the deals we offer. This could divert customers away from our websites and mobile applications, reduce our market share and adversely impact our gross profit. In addition, we are dependent on some of our existing or potential competitors for display advertisements and other marketing initiatives to acquire new customers. Our ability to utilize their platforms to acquire new customers may be adversely affected if they choose to compete more directly with us or prevent us from using their services.

Our success is dependent upon our ability to provide a superior mobile experience for our customers and our customers' continued ability to access our offerings through mobile devices.

In the year ended December 31, 2024, approximately 80% of our global transactions were completed on mobile devices. In order to continue to grow our mobile transactions and improve mobile conversion rates, it is critical that our applications are compatible with a range of mobile technologies, systems, networks and standards and that we provide a good, modern customer experience. Our business may be adversely affected if our customers choose not to access our offerings on their mobile devices, we are not successful in increasing mobile conversion rates, or if we fail to develop applications and product enhancements with adequate functionality and a positive customer experience on a wide range of mobile devices. In addition, the success of our mobile application depends on our continued ability to distribute it through mobile application marketplaces (e.g., an app store).

An increase in our refund rates or estimated liabilities with respect to unredeemed vouchers could adversely affect our financial results.

Any downturns in general economic conditions or extended period of low consumer confidence in the future could increase our refund rates. An increase in our refund rates could significantly reduce our liquidity, profitability and financial results. We estimate future refunds based on historical refund experience by category. We assess the trends that could affect our estimates on an ongoing basis and make adjustments to the refund reserve calculations if it appears that changes in circumstances, including changes to our refund policies or general economic conditions, may cause future refunds to differ from our initial estimates. Our actual level of refund claims could prove to be greater than the level of refund claims we estimate. If our refund reserves are not adequate to cover future refund claims, this inadequacy could have a material adverse effect on our financial results. In addition, we may not be able to obtain reimbursement from merchants for refunds that we issue, which could have an adverse effect on our financial results.

We primarily use redemption payment terms with our merchants globally, and we are required under the applicable revenue recognition standard to estimate variable consideration from unredeemed vouchers. As a result,

a significant percentage of our transactions require us to use projections in order to estimate revenue and liabilities associated with unredeemed vouchers. If the estimates that we use in projecting the likelihood of vouchers being redeemed prove to be inaccurate, our liabilities with respect to unredeemed vouchers may be materially different than the amounts shown in our financial statements, and our revenue and net income could be materially affected.

The loss of key executives, members of our management team and employees across our organization, or our failure to attract and retain other highly qualified personnel in the future could harm our business.

In order to be successful, we must attract, retain and motivate executives and other key employees, including those in managerial, technical, accounting and sales positions. Hiring and retaining qualified executives, engineers, sales representatives and other key personnel are critical to our success, and competition can be intense for experienced and well qualified executives and employees, particularly in recent periods. In February 2023, our Chief Administrative Officer, General Counsel and Corporate Secretary resigned, in March 2023, we appointed a new Interim CEO who was then appointed as CEO in May 2024. In April 2023, we appointed a new CFO and in May 2023 we appointed a new Interim Chief Accounting Officer who was then appointed as Chief Accounting Officer in November 2023. Furthermore, we experienced disruption in our business due to the previously announced cost savings plan and significant turnover in our senior management team in 2023. Reductions in our workforce have led to employees filling certain key roles and we may experience additional changes in key roles in the future. Executive leadership and senior management transitions, reductions in workforce and significant employee turnover can be time consuming, difficult to manage, create instability, cause disruption to our business and the loss of institutional knowledge, and any of these issues could impede the execution of our day-to-day operations and our ability to fully implement our business and growth strategy. These impacts also make it more difficult to attract and retain talent.

In order to attract and retain key executives and employees in a competitive marketplace, we must provide a competitive compensation package, including cash and equity-based compensation. If the anticipated value of such equity-based compensation does not materialize, if our equity-based compensation otherwise ceases to be viewed as a valuable benefit or if our total compensation package is not viewed as competitive, our ability to attract, retain and motivate key executives and employees could be weakened. The failure to successfully hire and retain key executives and employees or the further loss of any key executives, senior management and employees could have a significant impact on our operations, including declining product identity and competitive differentiation, eroding employee morale and productivity or an inability to maintain internal controls, regulatory or other compliance related requirements.

Our material weakness in internal control over financial reporting could impair our ability to report accurate and timely financial information and have a material and adverse effect on our financial condition and results of operations.

The material weakness in our internal control over financial reporting identified as of December 31, 2022 is not yet fully remediated. The material weakness is due to inadequate preventative and detective controls over complex manual calculations used to record certain month-end balances. While management has made improvements to our internal controls, as described in Item 9A, *Controls and Procedures*, the material weakness will not be remediated until we have concluded, through testing, that our controls are operating effectively for a sufficient period of time.

If we fail to maintain effective internal controls, our ability to record, process, summarize and report financial information accurately and within the time periods specified in the rules and forms of the SEC could be adversely affected. This could cause our financial reporting to be unreliable and potentially result in a restatement of our financial statements, which in turn could lead to a loss of investor confidence and a decline in the trading price of our common stock, and could subject us to investigation or sanctions by the SEC. Any such consequence or other negative effect could have a material adverse effect on our business, financial condition, and results of operations.

Failure to deal effectively with fraudulent transactions and customer disputes would increase our loss rate and harm our business.

We sell a variety of offerings to consumers through our marketplace, including our vouchers and digital coupon offerings with unique identifier codes. It is possible that consumers or other third parties will seek to create counterfeit vouchers or codes, fraudulent accounts or fraudulent banking information in order to improperly purchase or redeem goods and services. While we use advanced anti-fraud technologies, criminals may attempt to

circumvent our anti-fraud systems using increasingly sophisticated methods. In addition, our service could be subject to employee fraud or other internal security breaches or merchant fraud, and we may be required to reimburse customers or merchants for any funds stolen or revenue lost as a result of such breaches. If merchants are affected by buyer fraud or other types of fraud, they could also request reimbursement, or stop offering goods or services on our marketplaces.

Although we have not incurred material losses from fraud or counterfeit vouchers or digital codes in the past, we could incur material losses from such activities in future periods. Additionally, we may incur losses from claims that the customer did not authorize a purchase, from credit card fraud, from merchant fraud, from erroneous transmissions, and from customers who have closed bank accounts or have insufficient funds in them to satisfy payments. We also may incur losses as a result of purchases made with fraudulent credit card information, even if the associated financial institution approved payment of the transaction. In addition to the direct costs of any such losses, if the losses are related to credit card transactions and become excessive, they could potentially result in our losing the right to accept credit cards for payment. If we were unable to accept credit cards for payment, we would suffer substantial reductions in revenue, which would cause our business to suffer. While we have taken measures to detect and reduce the risk of fraud, these measures need continual improvement and may not be effective against new and continually evolving forms of fraud and may not timely detect fraud. If we are unable to effectively combat fraudulent transactions or if we otherwise experience increased levels of fraud or disputed credit card payments, our business could materially suffer.

We are subject to payments-related risks.

We accept payments using a variety of methods, including credit cards, debit cards and gift certificates. As we offer new payment options to customers, we may be subject to additional regulations, compliance requirements and fraud. For certain payment methods, including credit and debit cards, we pay interchange and other fees, which may increase over time and raise our operating costs and lower profitability. In addition, our credit card and other payment processors generally have broad discretion to impose receivable holdbacks or reserve requirements based on changes to our business model or material changes in our financial condition, and could do so in the future. Any material increase in receivable holdbacks or reserve requirements could have a material impact on our cash flow and available liquidity. In the event our strategy is unsuccessful or our business and financial condition deteriorates significantly, these payment processors could increase holdback amounts or reserve requirements due to concerns with our financial condition, which could adversely affect our liquidity. Additionally, if any of our payment processors, who we rely on for processing of credit cards and debit cards, were to become unwilling or unable to provide these services to us, including by terminating a relationship with us, whether as a result of a failure by us to meet our contractual obligations or for other reasons, or if any of them were to refuse to renew or renegotiate its agreement with us on commercially acceptable terms, it could disrupt our business, which could adversely impact our financial condition and reputation.

We are also subject to payment card association operating rules, certification requirements and rules governing electronic funds transfers, which could change or be reinterpreted to make it difficult or impossible for us to comply. Specifically, we are required to meet certain PCI Data Security Standards issued by the Payment Card Industry Security Standards Council. If we fail to maintain PCI compliance or compliance with other related rules or requirements, we may be subject to fines and higher transaction fees and lose our ability to accept credit and debit card payments from customers or facilitate other types of online payments, and our business and operating results could be adversely affected.

We are also subject to or voluntarily comply with a number of other laws and regulations relating to money laundering, international money transfers, and privacy and information security and electronic fund transfers. If we were found to be in violation of applicable laws or regulations, we could be subject to civil and criminal penalties. In addition, events affecting our third-party payment processors or our integrations with them, including cyber-attacks, Internet or other infrastructure or communications impairment or other events that could interrupt the normal operation of our payment processors or our integrations with them, could result in unauthorized access to customer information and could have a material adverse effect on our business.

Risks Related to Technology and Cybersecurity

We rely on email, Internet search engines and mobile application marketplaces to drive traffic to our marketplace.

The traffic to our websites and mobile applications, including from consumers responding to our emails and SEO has declined in recent years. As such, we must focus on diversifying our sources of traffic, including by developing sources of traffic in addition to email and SEO and optimizing the efficiency of our marketing spending. If we are not able to diversify our sources of traffic and acquire and retain customers efficiently, our business and results of operations could be adversely affected.

Email continues to be a significant source of organic traffic for us. If email providers or Internet service providers implement new or more restrictive email or content delivery or accessibility policies, including with respect to net neutrality, it may become more difficult to deliver emails to our customers or for customers to access our site and services. For example, certain email providers, including Google, categorize our emails as "promotional," and these emails are directed to an alternate, and less readily accessible, section of a customer's inbox. If email providers materially limit or halt the delivery of our emails, or if we fail to deliver emails to customers in a manner compatible with email providers' email handling or authentication technologies, our ability to contact customers through email could be significantly restricted. In addition, if we are placed on "spam" lists or lists of entities that have been involved in sending unwanted, unsolicited emails, our operating results and financial condition could be substantially harmed.

We also rely heavily on Internet search engines to generate traffic to our websites, principally through SEM and SEO. The number of consumers we attract from search engines to our platform is due in large part to how and where information from, and links to, our websites are displayed on search engine results pages. The display, including rankings, of search results can be affected by a number of factors, many of which are not in our control and may change at any time. Search engines frequently update and change the logic that determines the placement and display of the results of a user's search such that the purchased or algorithmic placement of links to our websites can be negatively affected. In addition, a search engine could, for competitive or other purposes, alter its search algorithms or results causing our websites to place lower in search query results. If a major Internet search engine changes its algorithms in a manner that negatively affects our search engine ranking it could create additional traffic headwinds for us and negatively affect our results of operations.

Furthermore, web browser providers have implemented and may continue to implement changes in their browsers.

We also rely on mobile marketplace operators (i.e., app store operators) to drive downloads of our mobile application. If any mobile marketplace operator determines that our mobile application is non-compliant with its vendor policies, the operator may revoke our rights to distribute through its marketplace or refuse to permit a mobile application update at any time. These operators may also change their mobile application marketplaces or mobile operating systems in a way that negatively affects the prominence of, effectiveness of, or ease with which users can access, our mobile application.

Email, Internet service and web browser providers, as well as Internet search engines and mobile marketplace operators continue to remain focused on concerns surrounding user and data privacy and protection. Any of these parties may take additional action in the future to respond to such concerns, which could have a negative impact on our business and results of operations.

We may be subject to breaches of our information technology systems, which could harm our relationships with our customers, merchants, employees and third-party business partners, subject us to negative publicity and litigation, and cause substantial harm to our business or brand.

In operating a global online business, with operations in thirteen countries, we and our third-party service providers maintain significant proprietary information and maintain large amounts of personal data and confidential information about our employees, customers and merchants. We and such service providers are at constant risk of cyber-attacks or cyber intrusions via the Internet, computer viruses, break-ins, malware, ransomware, phishing attacks, hacking, denial-of-service attacks or other attacks and similar disruptions from the unauthorized use of or access to computer systems (including from internal and external sources). These types of incidents continue to be prevalent and pervasive across industries, including in our industry, and such attacks on our systems have occurred.

in the past and are expected to occur in the future. In addition, we expect the amount and sophistication of the perpetrators of these attacks to continue to expand, which could include state-sponsored actors. Further, we believe that our websites and mobile applications are attractive targets for such attacks as a result of the high profile of our brand and the amount and type of information we maintain relating to our customers and merchants. Any such attack could lead to interruptions, delays or website outages, causing loss of critical data or the unauthorized disclosure or use of personally identifiable or other confidential information. Further, third party service providers we utilize in our operations could be targeted by such cyber attacks, which could indirectly impact our business, by way of similar adverse consequences to a direct attack depending on the type of service.

Any failure to prevent or mitigate cybersecurity breaches or other improper access to, or disclosure of, our data or confidential information, including non-public financial information, could result in: the loss or misuse of such data or information; significant reputational harm, including a negative impact on customers', merchants', employees' and third-party business partners' confidence in the security of our services which could potentially result in significant customer or merchant attrition; a decline in customer purchase frequency; litigation and/or regulatory investigations; and/or damage to our brand and reputation.

Our risk and exposure to these matters remains heightened because of, among other things, the evolving nature of these threats, our prominent size and scale, the large number of transactions that we process, our geographic footprint and international presence, the complexity of our systems, our number of employees, the jurisdictions in which we operate and the various and evolving laws and regulatory schemes governing data and data protection applicable to us, the extent to which our current systems, controls, processes and practices permit us to detect, log and monitor security events, our use of cloud based technologies and the outsourcing of some of our business operations.

Although cybersecurity and the continued development and enhancement of our controls, processes and practices designed to protect our systems, computers, software, data and networks from attack, damage or unauthorized access are a high priority for us, our activities and investment may not be deployed quickly enough or successfully protect our systems against all vulnerabilities, including technologies developed to bypass our security measures or zero day vulnerabilities. In addition, outside parties may attempt to fraudulently induce employees, merchants or customers to disclose access credentials or other sensitive information in order to gain access to our systems and networks. We also may be subject to additional vulnerabilities as we utilize third parties to provide various services for our operations (e.g., cloud services) and integrate the systems, computers, software and data of acquired businesses and third-party business partners into our networks and separate the systems, computers, software and data of disposed businesses from our networks.

As described in Item 1.C - *Cybersecurity*, we maintain a cybersecurity risk management program that is overseen by our IT and Information Security teams. A member of our IT and Information Security teams regularly reports to the Audit Committee on the state of our cybersecurity program and provides updates on cybersecurity matters. We also conduct an annual cybersecurity review with our Board. As part of our cybersecurity risk management program, we employ security practices to protect and maintain the systems located at our hosting providers, invest in intrusion, anomaly, and vulnerability detection tools and engage third-party security firms to test the security of our websites and systems. In addition, we regularly evaluate and assess our systems and the controls, processes and practices to protect those systems and also conduct penetration testing against our own systems. The evaluations, assessments and testing identify areas of potential weakness in, and suggested improvements to, the maturity of our systems, processes, and risk management framework as well as vulnerabilities in those systems, processes and risk management framework that could be attacked and exploited to access and acquire proprietary and confidential information, including information about our customers and merchants. There are no assurances that our cybersecurity risk mitigation program or actions and investments to improve the maturity of our systems, processes and risk management framework or remediate vulnerabilities will be sufficient or completed quickly enough to prevent or limit the impact of any cyber intrusion or related attack.

In addition, in the future we may be required to expend significant additional resources to rebuild our internal systems; implement additional threat protection measures; provide modifications or enhancements to our websites, mobile applications, protective measures, controls, systems, processes, and risk management framework; or investigate or remediate any information security vulnerabilities. These improvements, modifications and enhancements may take significant time to implement. Further, the sophistication of potential attacks or the capabilities of our systems and processes may not permit us to detect the occurrence of cyber incidents until significant data loss has occurred. Moreover, because the techniques used to gain access to or sabotage systems often are not recognized until launched against a target, we may be unable to anticipate the methods necessary to

defend against these types of attacks and we cannot predict the extent, frequency or impact these problems may have on us. Any actual breach, the perceived threat of a breach, or a perceived breach could cause our customers, merchants, employees and payment card processors to cease doing business with us or do business with us less frequently, subject us to lawsuits (including claims for damages), investigations, regulatory fines or other action or liability or damage to our brand and reputation, which would harm our business, financial condition and results of operations.

Our business depends on our ability to maintain and improve the technology infrastructure necessary to send our emails and operate our websites, mobile applications and transaction processing systems, and any significant disruption in service on our email network infrastructure, websites, mobile applications or transaction processing systems could result in a loss of customers or merchants.

Customers access our marketplaces through our websites and mobile applications, as well as via emails that are often targeted by location, purchase history and personal preferences. Customers can also access our deal offerings indirectly through third-party search engines. Our reputation and ability to acquire, retain and serve our current and potential customers are dependent upon the reliable performance of our websites, mobile applications, email delivery and transaction processing systems and the underlying network infrastructure. Our systems may not be adequately designed with the necessary reliability and redundancy to avoid performance delays or outages that could be prolonged and harmful to our business. If our websites or mobile applications are unavailable when users attempt to access them, or if they do not load as quickly as expected, users may not return as often in the future, or at all. We have spent and expect to continue to spend substantial amounts on cloud-based technology and related network infrastructure and services to handle the traffic on our websites and mobile applications and to help shorten the time of or prevent system interruptions. The operation of these systems is expensive, complex and not immune to operational failures. While resiliency and redundancy are considerations in the design and operation of Groupon's systems, interruptions, delays or failures in these systems, whether due to earthquakes, adverse weather conditions, other natural disasters, power loss, computer viruses, cybersecurity attacks, physical break-ins, terrorism, errors in our software or otherwise, could be prolonged and could affect the security or availability of our websites and applications, and prevent our customers from accessing our services. If we do not maintain or expand our infrastructure successfully or if we experience operational failures or prolonged disruptions or delays in the availability of our systems, we could lose current and potential customers and merchants, which could harm our operating results and financial condition.

In addition, a portion of our infrastructure is hosted by third-party providers. We also rely on a variety of tools and third-party commercial partners to provide certain services and offerings (e.g., booking and ticketing tools). Any disruption or failure of these providers, tools and/or other third parties to handle existing or increased traffic and transactions could significantly harm our business. Any financial or other difficulties these providers face may adversely affect our business, and we exercise little control over these providers, which increases our vulnerability to problems with the services they provide.

As we have increased our reliance on cloud-based applications and platforms to operate and deliver our products and services, any disruption or interference with these platforms could adversely affect our financial condition and results of operations.

We rely on cloud-based applications and platforms for critical business functions. In early 2023, we completed the migration of our public-facing websites, internal applications and services, as well as our back-end business intelligence systems from being hosted at our data centers to a multi-cloud infrastructure. If we are not able to realize the anticipated benefits of our migration to this multi-cloud infrastructure, our business could be harmed. To date, although we may be subject to additional risk of cybersecurity breaches or other improper access to our data or confidential information following our migration to cloud-based computing platforms, the risk is less than us building and managing our own data centers before we moved to these cloud-based services. In addition, cloud computing services may operate differently than anticipated when introduced or when new versions or enhancements are released. As we have increased our reliance on cloud-based computing services, our exposure to damage from service interruptions may increase. In the event any such issues arise, it may be difficult for us to switch our operations from our primary cloud-based providers to alternative providers. Further, any such transition could involve significant time and expense and could negatively impact our ability to deliver our products and services, which could harm our financial condition and results of operations.

Risks Related to Transactions and Investments

Acquisitions, dispositions, joint ventures and strategic investments could result in operating difficulties, dilution and other consequences.

We routinely evaluate and consider a wide array of potential strategic transactions, including acquisitions and dispositions of businesses, joint ventures, technologies, services, products and other assets and minority investments. The pursuit and consummation of such transactions can result in operating difficulties, dilution, management distraction and other potentially adverse consequences. In the past, we have acquired and divested a number of companies and may complete additional transactions in the future.

Acquisitions involve significant risks and uncertainties, including uncertainties as to the future financial performance of the acquired business and the performance of acquired customers, valuation of the acquired business and integration risks such as difficulties integrating acquired personnel into our business, the potential loss of key employees, customers or suppliers, difficulties in integrating different computer, payment and accounting systems and exposure to unknown or unforeseen liabilities of acquired companies. In addition, the integration of an acquisition could divert management's time and our resources. If we pay for an acquisition or a minority investment in cash, it would reduce our cash available for operations or cause us to incur debt, and if we pay with our stock, it could be dilutive to our stockholders. In addition, dispositions and attempted dispositions also involve significant risks and uncertainties, such as the risk of destabilizing the applicable operations, the loss of key personnel, the terms and timing of any dispositions, the ability to obtain necessary governmental or regulatory approvals, post-disposal disputes and indemnification obligations and risks and uncertainties with respect to the separation of disposed operations, including, for example, transition services, access by purchasers to certain of our systems and tools during transition periods, the migration of data and separation of systems, data privacy matters and misuse of trademarks and intellectual property. We may be unable to successfully complete potential strategic transactions or dispositions on a timely basis or at all, or we may not realize the anticipated benefits of any of our strategic transactions or dispositions (including any transactions involving minority investments) in the time frame expected or at all.

We do not have the ability to exert control over our minority investments, and therefore we are dependent on others in order to realize their potential benefits.

We currently hold non-controlling minority investments in entities, including SumUp, and we may make additional strategic minority investments in the future. Such minority investments inherently involve a lesser degree of control over business operations, thereby potentially increasing the financial, legal, operational and/or compliance risks associated with the investments. We are dependent on such entities in order to realize the potential benefits of these investments. Further, currently there is no public market for the securities of any such entity, and we may not have rights with respect to transactions involving any of these entities. Other investors in these entities may have business goals and interests that are not aligned with ours, or may exercise their rights in a manner in which we do not approve. These circumstances could lead to delayed decisions or disputes and litigation with those other investors, all of which could have a material adverse impact on our reputation, business, financial condition and results of operations.

If these entities seek additional financing, such financing or other transactions may result in further dilution of our ownership stakes, and such transactions have, and in the future may, occur at lower valuations than the investment transactions through which we acquired such interests, which could significantly decrease the fair values of our investments in those entities. Alternatively, if any such financing or other transactions occur at higher valuations in the future, we may not be able to realize the potential benefits of such higher valuation. In addition, the lack of availability of financing on commercially reasonable terms or a decline in the business performance, financial condition and competitive environment of any of our minority investments could result in lower financial results or forecasted results, which also could significantly decrease the fair values of our investments in those entities. Further, we have made an irrevocable election to account for our investments in Monster Holdings LP and Nearby Pte Ltd at fair value with changes in fair value reported in earnings. Our other equity method investments, including SumUp, are accounted for at cost adjusted for observable price changes and impairments. The accounting for our investments has and may continue to cause fluctuations in our earnings from period to period, which could be significant.

Risks Related to Our Brand and Intellectual Property

We allow third parties to sell products via our site, which increases our risk of litigation and other losses.

Our Goods category is operated on a third-party marketplace model in which we allow third party merchants to sell products to our customers via our marketplace platforms. By allowing third parties to sell products on our platform, we are subject to intellectual property and other risks, including that the merchandise may be of disputed authenticity, obtained or sourced outside of the rights holder's established distribution channels or damaged, which could result in potential liability under applicable laws, regulations, agreements and orders and increase the amount of returned merchandise or customer refunds. Further, we may be found to be directly liable for actions by third party merchants who sell goods on our site. In addition, brand owners or regulators may take legal action against us. Even if we prevail, any such legal action could result in costly litigation, generate adverse publicity for us, and have a material adverse impact on our business, financial condition, results of operations, brand and reputation. Further, in any such matter, we may not be entitled to indemnification from the third-party merchant, or able to effectively enforce the merchant's contractual indemnification obligations.

We may be subject to substantial liability claims and damage to our brand and reputation if people or property are harmed by the products or services offered through our marketplace.

Some of the products and services offered through our marketplace may expose us to liability claims relating to personal injury, death, negligence, intentional misconduct, assault, abuse or environmental or property damage. Certain merchants and third parties sell products and offer services using our marketplace that based on the type of product or service, may increase our exposure to substantial claims and litigation, especially if these merchants or third-party sellers do not have sufficient protection from such claims or ability to pay for any judgments, liens, or fines that may be assessed. Although we believe we are not liable for the goods or services that merchants or third-parties offer through our marketplace, there is no assurance that a court would rule in our favor on such issues. Further, while we maintain liability insurance, we cannot be certain our coverage will apply to the claims at issue, be adequate for liabilities actually incurred or that insurance will continue to be available to us on economically reasonable terms, or at all. In addition, some of our agreements with vendors, merchants and third-party sellers do not indemnify us from certain liability and costs or we may not be able to effectively enforce our contractual indemnification rights. Claims relating to products or services offered through our marketplace also could result in significant damage to our brand and reputation regardless of whether we are ultimately liable for any such claims.

Our processes and procedures for onboarding merchants and third-party sellers also may expose us to liability claims or damage to our brand and reputation, if the processes or procedures are deemed inadequate. Additionally, while we maintain multiple channels through which our customers can submit feedback or complaints about their experiences with merchants and other third-party sellers on our platform, because our customers often deal directly with the sellers, pertinent feedback may not be provided to us. Moreover, our evaluation of any customer feedback or complaints we receive is subjective based on the information, which is sometimes very limited, that our customers provide, and we may not take, or be able to take, action in response to feedback or complaints. If our systems and procedures with respect to any such feedback or complaints are determined to be inadequate or any action or inaction is found to be inadequate, including, by way of example, not discontinuing on a timely basis offers of deals with merchants or sellers that have been the subject of material complaints, we could face substantial additional liability and damage to our brand and reputation for the misconduct of such merchants or third-party sellers.

We may not be able to adequately protect our intellectual property rights or may be accused of infringing intellectual property rights of third parties.

We regard our trademarks, service marks, copyrights, trade dress, trade secrets, proprietary technology, merchant lists, subscriber lists, sales methodology and similar intellectual property as critical to our success, and we rely on trademark, copyright and patent law, trade secret protection and confidentiality and/or license agreements with our employees and others to protect our proprietary rights. Effective intellectual property protection may not be available in every country in which our deals are made available. We also may not be able to acquire or maintain appropriate domain names or trademarks in all countries in which we do business. Furthermore, regulations governing domain names may not protect our trademarks and similar proprietary rights. We may be unable to prevent third parties from acquiring and using domain names or trade names that are similar to, infringe upon or diminish the value of our trademarks and other proprietary rights. We may be unable to prevent third parties from

using and registering our trademarks, or trademarks that are similar to, or diminish the value of, our trademarks in some countries.

We may not be able to discover or determine the extent of any unauthorized use of our proprietary rights. Third parties that license our intellectual property rights also may take actions that diminish the value of our proprietary rights or reputation. The protection of our intellectual property may require the expenditure of significant financial and managerial resources. Moreover, the steps we take to protect our intellectual property may not adequately protect our rights or prevent third parties from infringing or misappropriating our proprietary rights. We are currently subject to multiple lawsuits and disputes related to our intellectual property and service offerings. We may in the future be subject to additional litigation and disputes. The costs of engaging in such litigation and disputes are considerable, and there can be no assurances that favorable outcomes will be obtained.

We are currently subject to third-party claims that we infringed upon proprietary rights or trademarks and expect to be subject to additional claims in the future. Such claims, whether or not meritorious, may result in the expenditure of significant financial and managerial resources, injunctions against us or the payment of damages by us. We may need to obtain licenses from third parties who allege that we have infringed their rights, but such licenses may not be available on terms acceptable to us or at all. These risks have been amplified by the increase in third parties whose sole or primary business is to assert such claims.

Our business depends on a strong brand, and if we are not able to maintain and enhance our brand, our ability to expand our base of customers and merchants could be impaired and our business and operating results could be harmed.

We believe that the brand identity that we have developed has significantly contributed to the success of our business. We also believe that maintaining and enhancing the "Groupon" brand is critical to expanding our base of customers and merchants. In addition, maintaining and enhancing our brand may require us to make substantial additional investments over time and these investments may not be successful. If we fail to promote, maintain and protect the "Groupon" brand, our business, operating results and financial condition may be adversely affected. We anticipate that, as the local experiences market becomes increasingly competitive, maintaining and enhancing our brand may become more difficult and expensive. Maintaining and enhancing our brand will depend largely on our ability to continue to provide reliable, trustworthy and high quality inventory on our marketplace, which we may not do successfully.

We receive a high degree of media coverage around the world. Unfavorable publicity or consumer perception of our websites, mobile applications, practices or service offerings, or the offerings of our merchants or their products, could adversely affect our reputation, resulting in difficulties in recruiting, decreased revenue and a negative impact on the number of merchants we feature and the size of our customer base, the loyalty of our customers and the number and variety of our offerings. As a result, our business, financial condition and results of operations could be materially and adversely affected.

Risks Related to Legal, Regulatory, Privacy and Tax Matters

We are involved in pending litigation and other claims and an adverse resolution of such matters may adversely affect our business, financial condition, results of operations and cash flows.

We are involved from time to time in litigation regarding, among other matters, patent and other intellectual property claims, consumer claims, contract disputes with merchants and vendors, employment claims, and securities law claims. Litigation, dispute resolution proceedings and investigations can be expensive, time-consuming and disruptive to normal business operations. The results of complex legal proceedings are often uncertain and difficult to predict. An unfavorable outcome with respect to any of these lawsuits or claims could have a material adverse effect on our business, financial condition, results of operations and cash flows. For additional information, see Item 8, Note 9, *Commitments and Contingencies* to the Consolidated Financial Statements.

We may also be the target of tort or negligence claims relating to incidents, injuries or illnesses incurred by customers visiting merchants. Although we disclaim legal liability for such claims and advise all of our customers that the merchants are solely responsible to purchasers for the care and quality of the advertised goods and services, there is no assurance that a court would rule in our favor on such issues. We also hold indemnity rights with respect to merchants in relation to any such claims, but there is no assurance that merchants will be sufficiently capitalized to cover all incurred losses.

Although we maintain insurance, we cannot be certain our coverage will apply to the claims at issue, be adequate for any liability incurred, or continue to be available to us on economically reasonable terms, or at all. The cost of insurance, including directors and officer insurance, errors and omission insurance, product liability, general liability insurance and other types of policies, has increased and could increase further at any time or become more limited based on market conditions or other circumstances outside of our control. Furthermore, certain insurance coverages may not be available for specific risks faced by us. Insurance premium increases and increased risk due to lack of availability, reduced coverage or increased deductibles could have a material adverse effect on our business, financial condition, results of operations and cash flows.

The application of certain laws and regulations, including, among other laws, the CARD Act and similar state and foreign laws, may harm our business and results of operations.

The application of certain laws and regulations to vouchers is uncertain. Vouchers may be considered gift cards, gift certificates, stored value cards or prepaid cards and therefore governed by, among other laws, the CARD Act, state laws governing gift cards, stored value cards and coupons, and, in certain instances, potentially subject to unclaimed and abandoned property laws. Other foreign jurisdictions have similar laws in place, in particular European jurisdictions where the European E-Money Directive regulates the business of electronic money institutions. Many of these laws contain provisions governing the use of gift cards, gift certificates, stored value cards or prepaid cards, including specific disclosure requirements and prohibitions or limitations on the use of expiration dates and the imposition of certain fees. For example, if vouchers are subject to the CARD Act and are not included in the exemption for promotional programs, it is possible that the purchase value, which is the amount equal to the price paid for the voucher, or the promotional value, which is the add-on value of the voucher in excess of the price paid, or both, may not expire before the later of (i) five years after the date on which the voucher was issued; (ii) the voucher's stated expiration date (if any); or (iii) a later date provided by applicable state law. In the event that it is determined that vouchers sold through our platform are subject to the CARD Act or any similar state or foreign law or regulation, and are not within various exemptions that may be available under the CARD Act or under some of the various state or foreign jurisdictions, our liabilities with respect to unredeemed vouchers may be materially higher than the amounts shown in our financial statements and we may be subject to additional fines and penalties.

In addition, from time to time, we may be notified of additional laws, or developments in existing laws and regulations that governmental organizations or others may claim should be applicable to our business, or that otherwise affect our operations. If we are required to alter our business practices, or there are other market changes, as a result of any laws and regulations, our revenue could decrease, our costs could increase and our business could otherwise be harmed. In addition, the costs and expenses associated with defending any actions related to, or otherwise reacting to, such legal or regulatory developments, and any related payments (including penalties, judgments, settlements or fees) could adversely impact our profitability. To the extent that we expand into new lines of business and new geographies, we will become subject to additional laws and regulations.

Government regulation of the Internet and e-commerce is evolving, and unfavorable changes or failure by us to comply with these regulations could substantially harm our business and results of operations.

We are subject to general business regulations and laws as well as regulations and laws specifically governing the Internet and e-commerce, which could impede our growth or limit our ability to offer certain online services in the future. These regulations and laws may involve taxation, tariffs, subscriber privacy, anti-spam, data protection, content, reference pricing, copyrights, distribution, communications, consumer protection, the provision of online payment services and the characteristics and quality of services. The application of existing laws governing issues such as property ownership, sales and other taxes, libel and personal privacy to the Internet is not clear as the vast majority of these laws were adopted prior to the advent of, and do not contemplate or address the unique issues raised by, the Internet or e-commerce. In addition, it is possible that governments of one or more countries may seek to censor, or entirely block access to the content available on our websites, mobile applications, or marketing emails. Adverse legal or regulatory developments also could substantially harm our business. In particular, in the event that we are restricted, in whole or in part, from operating in one or more countries, our ability to retain or increase our customer base may be adversely affected and we may not be able to maintain or grow our gross profit as anticipated.

Federal laws and regulations, such as the Bank Secrecy Act and the USA PATRIOT Act and similar foreign laws, could be expanded to include Groupon vouchers or other offerings.

Various federal laws, such as the Bank Secrecy Act and the USA PATRIOT Act and foreign laws and regulations, such as the European Directive on the prevention of the use of the financial system for the purpose of money laundering and terrorist financing, impose certain anti-money laundering requirements on companies that are financial institutions or that provide financial products and services. For these purposes, financial institutions are broadly defined to include money services businesses such as money transmitters, check cashers and sellers or issuers of stored value cards. Examples of anti-money laundering requirements imposed on financial institutions include subscriber identification and verification programs, record retention policies and procedures and transaction reporting. We do not believe that we are a financial institution subject to these laws and regulations based, in part, upon the characteristics of Groupon vouchers and our role with respect to the distribution of Groupon vouchers to customers. For example, the FinCEN, a division of the U.S. Treasury Department tasked with implementing the requirements of the BSA, has adopted regulations expanding the scope of the BSA and requirements for parties involved in stored value or prepaid access cards, including a proposed expansion of financial institutions to include sellers or issuers of prepaid access cards. While we believe Groupon vouchers are not subject to these regulations, it is possible that FinCEN or a court of law could consider Groupon vouchers (or other Groupon products) a financial product and thus deem Groupon to be subject to such laws and obligations as a financial institution. In the event that we become subject to the requirements of the Bank Secrecy Act or any other anti-money laundering law or regulation imposing obligations on us as a money services business, our regulatory compliance costs to meet these obligations would likely increase which could adversely impact our operating results.

State and foreign laws regulating money transmission could be expanded to include Groupon vouchers or other Groupon products or services.

Many states and certain foreign jurisdictions impose license and registration obligations on those companies engaged in the business of money transmission, with varying definitions of what constitutes money transmission. We currently believe that we are not a money transmitter given our role and the product terms of Groupon vouchers or other Groupon products or services. However, a successful challenge to our position or expansion of state or foreign laws could subject us to increased compliance costs and delay our ability to offer Groupon vouchers or other products or services in certain jurisdictions pending receipt of any necessary licenses or registrations.

Failure to comply with existing, expanding or newly enacted U.S. federal, state and international privacy laws and regulations could adversely affect our business.

A variety of U.S. federal, state and international laws and regulations govern the collection, use, retention, sharing and security of consumer data. The existing privacy-related laws and regulations are evolving and subject to potentially differing interpretations. In addition, various U.S. federal, state and foreign legislative and regulatory bodies continue to enact new laws regarding privacy, as well as expand the scope of existing laws. For example, GDPR requires companies to satisfy requirements regarding the handling of personal and sensitive data, including its collection, use, security and the ability of persons whose data is stored to correct or delete such data about themselves. European countries continue to expand the scope of its application of GDPR within their local legislation. The CPRA, which expands on and effectively replaces the CCPA that became effective January 1, 2023, similarly regulates the collection and use of consumers' data, and includes additional protection for sensitive personal data. The CDPA, effective as of January 1, 2023, and the CPA, effective as of July 1, 2023, provide new data privacy rights to their respective residents. Complying with the GDPR, CCPA, CPRA, CDPA, CPA and similar laws and regulations may cause us to incur substantial operational costs or require us to change our business practices. Further, despite our diligent efforts to comply with these laws and regulations, we may not be successful either due to internal or external factors such as resource allocation limitations or a lack of vendor cooperation. Noncompliance could result in proceedings against us by governmental entities or others and fines. For example, fines under GDPR could be up to the greater of €20 million or 4% of annual global revenue and damage our reputation and brand and non-compliance with CPRA could result in fines of up to \$7,500 per violation in addition to providing consumers with a private right of action. As a result of GDPR, CCPA, CPRA and similar laws and regulations, we may experience difficulty retaining or obtaining new customers due to the compliance cost, potential risk exposure and portability of customer data. We also may find it necessary to establish and maintain systems and procedures to comply with these evolving laws and regulations that involve substantial expense and distraction from other aspects of our business. Additionally, there could be uncertainty around how to comply with privacy laws, in

various jurisdictions such as country or state-specific laws that may conflict with or deviate from established privacy directives, or future laws and regulations in other jurisdictions.

We have posted privacy policies concerning the collection, use and disclosure of subscriber data as well as detailed cookie policies on our websites and applications. Several Internet companies have incurred substantial penalties for failing to abide by the representations made in their privacy policies and practices. In addition, several states in the U.S. have adopted legislation that requires businesses to implement and maintain reasonable security procedures and practices to protect sensitive personal information and to provide notice to consumers in the event of a security breach resulting in a loss or likely loss of personal information. Any failure, or perceived failure, by us to comply with our posted privacy policies or with any data-related consent orders, Federal Trade Commission requirements or orders or other U.S. federal, state or international privacy or consumer protection-related laws, regulations or industry self-regulatory principles could result in claims, proceedings or actions against us by governmental entities or other third-parties or other liabilities, which could adversely affect our business. In addition, a failure or perceived failure to comply with industry standards or with our own privacy policies and practices could result in a loss of subscribers or merchants and adversely affect our business. U.S. federal, state and international governmental authorities also continue to evaluate the privacy implications inherent in the use of web trackers, including the use of "cookies" for tracking and behavioral advertising. For example, member states in the European Union are working to align on a draft of the "ePrivacy Regulation," that would govern data privacy and the protection of personal data in electronic communications, in particular for direct marketing purposes. The regulation of web trackers and other current online advertising practices could adversely affect our business.

Misclassification or reclassification of our independent contractors, agency workers or employees could increase our costs and adversely impact our business.

Our workers are classified as either employees or non-employees (including as independent contractors or agency workers), and if employees in the U.S., as either exempt from overtime or non-exempt (and therefore overtime eligible). The U.S., certain foreign regulatory authorities, and private parties have recently asserted within several industries that some non-employee classified individuals should be classified as employees and that some exempt employees, including those in sales-related positions, should be classified as non-exempt based upon the applicable facts and circumstances and their interpretations of existing rules and regulations. If we are found to have misclassified employees, including as independent contractors, agency workers or non-exempt employees as exempt, we could face penalties and have additional exposure under U.S. federal and state tax, workers' compensation, unemployment benefits, labor, employment and tort laws, as well as similar international laws, including for prior periods, as well as potential liability for employee overtime and benefits and tax withholdings. U.S. or foreign legislative, judicial, or regulatory (including tax) authorities could also introduce proposals or assert interpretations of existing rules and regulations that would change the classification of a significant number of independent contractors doing business with us from independent contractor to employee and a significant number of exempt employees to non-exempt. A reclassification in either case could result in a significant increase in employment-related costs such as wages, benefits and taxes as well as punitive damages in any related litigation. The costs associated with employee classification, including any related regulatory action or litigation could have a significant impact on our flexibility in managing costs and responding to market changes, and, could have a material adverse effect on our results of operations and our financial position.

We may suffer liability as a result of information or content retrieved from or transmitted over the Internet and claims related to our service offerings.

We may be, and in certain cases have been, sued for defamation, civil rights infringement, negligence, patent, copyright or trademark infringement, invasion of privacy, personal injury, product liability, breach of contract, unfair competition, discrimination, antitrust reference pricing or other legal claims relating to information or content that is published or made available on our websites or service offerings we make available (including provision of an application programming interface platform for third parties to access our website, mobile device services and geolocation applications). This risk is enhanced in certain jurisdictions outside the U.S., where our liability for such third-party actions may be less clear. In addition, we could incur significant costs in investigating and defending such claims, even if we ultimately are not found liable. If any of these events occur, our business could be materially and adversely affected.

We are subject to risks associated with information disseminated through our websites and mobile applications, including consumer data, content that is produced by our editorial staff and errors or omissions related to the offerings on our marketplaces. Such information, whether accurate or inaccurate, may result in us being sued

by our merchants, subscribers or third parties and as a result our results of operations and our financial position could be materially and adversely affected.

We may have exposure to greater than anticipated tax liabilities, including the Italy tax Assessment.

We are subject to income taxes in the U.S. (federal, state, and local) and numerous foreign jurisdictions. Tax laws, regulations, and administrative practices in various jurisdictions may be subject to significant change due to economic, political, and other conditions, and significant judgment is required in evaluating and estimating our provision and accruals for these taxes. Our income tax obligations are based on our corporate operating structure, including the manner in which we develop, value and use our intellectual property and the scope of our international operations.

The tax laws applicable to our domestic and international business activities, including the laws of the U.S. and other jurisdictions, are subject to interpretation. The taxing authorities of the jurisdictions in which we operate may challenge our methodologies for valuing developed technology or our intercompany arrangements, which could potentially increase our worldwide effective tax rate and harm our financial position and results of operations. In addition, there are many transactions that occur during the ordinary course of business for which the ultimate tax determination is uncertain. Our effective tax rates could be adversely affected by the following: earnings being lower than anticipated in jurisdictions where we have lower statutory rates; earnings being higher than anticipated in jurisdictions where we have higher statutory rates; losses incurred in jurisdictions for which we are not able to realize the related tax benefits; changes in foreign currency exchange rates; entry into new businesses and geographies; changes to our existing businesses; acquisitions and investments; changes in our deferred tax assets and liabilities and their valuation; and changes in the relevant tax, accounting, and other laws, regulations and administrative practices, principles, and interpretations, including fundamental changes to the tax laws applicable to corporate multinationals. In addition, we consider various factors that involve significant judgment by management, including projected future earnings, in determining whether we believe deferred tax assets will be realized and whether a valuation allowance should be recorded against such deferred tax assets. Our conclusions in these matters could prove to be incorrect, resulting in a reduction to deferred tax assets and lower income. Further, developments in an audit, litigation or the relevant laws, regulations, administrative practices, principles and interpretations could have a material effect on our financial position, operating results and cash flows in the period or periods for which that development occurs, as well as for prior and subsequent periods.

We also are subject to regular review and audit by both U.S. (federal, state, local) and foreign tax authorities. In particular, we currently are, and expect to continue to be, subject to numerous federal, state and international tax audits relating to income, transfer pricing, sales, VAT and other tax liabilities. Some of these pending and future audits could involve significant liabilities and/or penalties. We are subject to claims for tax assessments by foreign jurisdictions, including a proposed Assessment for \$122.3 million (inclusive of estimated incremental interest from the original Assessment). We believe that the Assessment, which primarily relates to transfer pricing on transactions occurring in 2011, is without merit and we intend to vigorously defend ourselves in that matter. See Item 8, Note 14, *Income Taxes*, for additional information. Any adverse outcome of such a review or audit could have a significant negative effect on our financial position and results of operations. In addition, the determination of our worldwide provision for income taxes and other tax liabilities requires significant judgment by management, and there are many transactions where the ultimate tax determination is uncertain. Although we believe that our estimates are reasonable, the ultimate tax outcome may differ from the amounts recorded in our financial statements and may materially affect our financial results in the period or periods for which such determination is made.

The adoption of tax reform policies, including the enactment of legislation or regulations implementing changes in the tax treatment of companies engaged in Internet commerce and U.S. taxation could materially affect our financial position and results of operations.

It is possible that various states or foreign countries may regulate our transmissions or levy additional sales, income or other taxes relating to our activities. Tax authorities at the international, federal, state and local levels are currently reviewing the appropriate treatment of companies engaged in Internet commerce and marketplace operators, and new or revised international, federal, state or local tax regulations may subject us or our customers to additional sales, income and other taxes. We cannot predict the effect of current attempts to impose sales, income or other taxes on commerce over the Internet. New or revised taxes and, in particular, obligations on online marketplaces and remote sellers to collect sales taxes, VAT and similar taxes, including digital service taxes, may result in liability for third party obligations and would likely increase the cost of doing business online and decrease

the attractiveness of advertising and selling goods and services over the Internet. For example, digital service taxes adopted by certain countries, or similar regulations, could adversely affect our financial results. New taxes or the enactment of new tax laws could also create significant increases in internal costs necessary to capture data and collect and remit taxes. Any of these events could have an adverse effect on our business and results of operations.

Our ability to use our tax attributes to reduce future U.S. income taxes could be subject to certain limitations.

Under Sections 382 and 383 of the United States Internal Revenue Code of 1986, as amended (the "Code"), a corporation that undergoes an "ownership change" (as defined by the Code) may be subject to limitations on its ability to utilize its pre-change NOLs and other tax attributes such as research tax credits to offset future income taxes. If we undergo one or more ownership changes as a result of transactions in our stock, then our ability to utilize NOLs and other pre-change tax attributes could be limited by Sections 382 and 383 of the Code, and similar U.S. state provisions. Future changes in our stock ownership, many of which are outside of our control, could result in an ownership change under Section 382 or 383 of the Code. For these reasons, we might not be able to utilize our NOLs and other tax attributes, even if we maintain profitability.

We may be adversely affected by global climate change or by legal, regulatory, or market responses to such change.

Various jurisdictions, in particular the European Union, the United Kingdom and the United States, are adopting or considering new laws and regulations that enhance mandatory sustainability disclosures, reporting and diligence requirements. If we are unable to comply with new laws and regulations concerning ESG matters or fail to meet investor, industry or stakeholder expectations and standards, our reputation may be harmed, we may be subject to fines, penalties, regulatory or other enforcement actions, and our business financial condition may be adversely affected. If our ESG-related data, processes, and reporting are viewed as incomplete or inaccurate, or if we fail to achieve progress with respect to ESG-related goals on a timely basis or at all, we may be viewed negatively by stakeholders concerned about these matters.

Risks Related to Our Capital Structure

Our access to capital may be limited and our ability to successfully manage and raise capital in the future may fail, which could prevent us from growing and adversely impact our liquidity.

We may need additional capital in the future and to seek additional financing or covenant relief. Any such financing may not be available on acceptable terms, or at all, and our failure to raise capital when needed could harm our business. We have outstanding \$53.7 million and \$197.3 million in aggregate principal amount of our 2026 Notes and 2027 Notes.

Other general economic conditions and our future operating performance could ultimately limit our access to funding and adversely affect our liquidity. Although we plan to continue to actively manage and optimize our cash balances and liquidity, working capital and operating expenses, there can be no assurances that we will be able to do so successfully. If we encounter unforeseen circumstances that place further constraints on our capital resources, including our access to funding, management will be required to take various additional measures to conserve liquidity, which could include, but not necessarily be limited to, reducing capital expenditures, controlling overhead expenses and raising additional sources of capital, such as monetizing certain existing assets. Furthermore, additional equity financing may dilute the interests of our Common Stockholders, and debt financing, if available, may involve restrictive covenants that could further restrict our business activities or our ability to execute our strategic objectives and could reduce our profitability. If we cannot access the full capacity of any existing credit facility or raise or borrow funds on acceptable terms or at all, it could adversely affect our liquidity, and we may not be able to grow our business or respond to competitive pressures.

We may not have the ability to raise the funds necessary to settle conversions of the 2026 Notes and 2027 Notes in cash, to repurchase the 2026 Notes and 2027 Notes upon a fundamental change or to repay the 2026 Notes and 2027 Notes in cash at their maturity (if not earlier converted, redeemed or repurchased), and our current outstanding and future debt may contain limitations on our ability to pay cash upon conversions of the 2026 Notes and 2027 Notes or at their maturity or to repurchase the 2026 Notes and 2027 Notes.

Holders of the 2026 Notes and 2027 Notes will have the right to require us to repurchase all or a portion of their respective notes upon the occurrence of a fundamental change before the maturity date at a repurchase price equal to 100% of the principal amount of the 2026 Notes and 2027 Notes, respectively, to be repurchased, plus accrued and unpaid interest, if any. In addition, upon conversion of the 2026 Notes and 2027 Notes, unless we elect to deliver solely shares of our Common Stock to settle such conversion (other than paying cash in lieu of delivering any fractional shares), we will be required to make cash payments in respect of the respective notes, being converted. Moreover, we will be required to repay the 2026 Notes and the 2027 Notes, in cash at their respective maturity dates unless earlier converted, redeemed (noting that the 2027 Notes cannot be redeemed by us) or repurchased. However, we may not have enough available cash or be able to obtain financing at the time we are required to make repurchases of the 2026 Notes and/or the 2027 Notes surrendered or pay cash with respect to the 2026 Notes and/or 2027 Notes being converted or at their maturity.

In addition, our ability to repurchase the 2026 Notes and 2027 Notes or to pay cash upon conversions of the 2026 Notes and 2027 Notes or at their maturity may be limited by law, regulatory authority or agreements governing our future indebtedness. Our failure to repurchase the 2026 Notes and 2027 Notes at a time when the repurchase is required by the 2026 Notes Indenture and 2027 Notes Indenture governing the 2026 Notes and 2027 Notes, respectively, or to pay cash upon conversions of the 2026 Notes and 2027 Notes or at their maturity as required by the Indenture would constitute a default under each respective indenture. A default under the 2026 Notes Indenture governing the 2026 Notes and the 2027 Notes Indenture governing the 2027 Notes could also lead to a default under agreements governing our existing and future indebtedness. Moreover, the occurrence of a fundamental change under the 2026 Notes Indenture governing the 2026 Notes and the 2027 Notes Indenture governing the 2027 Notes could constitute an event of default under any such future agreement. If the payment of the related indebtedness were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay such indebtedness and repurchase the 2026 Notes and 2027 Notes or pay cash with respect to the 2026 Notes and 2027 Notes being converted or at maturity of the 2026 Notes and 2027 Notes.

The terms of the 2026 Notes and 2027 Notes could delay or prevent an attempt to take over our Company.

The terms of the 2026 Notes and 2027 Notes require us to repurchase the 2026 Notes and 2027 Notes in the event of a fundamental change. A takeover of our Company would constitute a fundamental change. This could have the effect of delaying or preventing a takeover of our Company that may otherwise be beneficial to our stockholders.

The conditional conversion feature of the 2026 Notes and 2027 Notes, if triggered, may adversely affect our financial condition and operating results.

In the event the conditional conversion feature of the 2026 Notes and/or the 2027 Notes is triggered, holders of these notes will be entitled to convert their respective notes at any time during specified periods at their option. If one or more holders elect to convert their 2026 Notes and/or 2027 Notes, then we would be required to pay cash, deliver shares or deliver a combination of shares and cash, at our election. Unless we elect to satisfy our conversion obligation by delivering solely shares of our Common Stock (other than paying cash in lieu of delivering any fractional shares), we would be required to settle a portion or all of our conversion obligation in cash, which could adversely affect our liquidity. In addition, upon the occurrence of a fundamental change (as defined in the 2026 Indenture and 2027 Indenture) prior to the maturity date, holders may require us to repurchase all or a portion of the 2026 Notes and/or the 2027 Notes for cash at a price equal to 100% of the principal amount of the 2026 Notes and/or the 2027 Notes to be repurchased, plus any accrued and unpaid interest to, but excluding, the fundamental change repurchase date. Even if holders of the 2026 Notes and 2027 Notes do not elect to convert their respective notes, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the 2026 Notes and 2027 Notes, as a current rather than long-term liability, which would result in a material reduction of our net working capital.

Risks Related to Ownership of Our Common Stock

The trading price of our Common Stock is highly volatile.

The trading price of our Common Stock has fluctuated significantly since our initial listing on NASDAQ. We expect that the trading price of our stock will continue to be volatile due to variations in our operating results and also may change in response to other factors, including factors specific to technology and Internet commerce companies, many of which are beyond our control. Among the factors that could affect our stock price are:

- our financial results;
- any financial projections that we provide to the public, any changes in these projections or our failure for any reason to meet these projections or projections made by research analysts;
- the number of shares of our Common Stock that are available for sale;
- the relative success of competitive products or services;
- the public's response to press releases or other public announcements by us or others, including our filings with the SEC and announcements relating to litigation;
- the impact of macroeconomic conditions on our business;
- speculation about our business or investments in the press or the investment community;
- future sales of our Common Stock by our significant stockholders, officers and directors;
- announcements about any share repurchase program and purchases under the program;
- changes in our capital structure, such as any refinancing or future issuances of debt or equity securities;
- our entry into new markets or exits from existing markets;
- regulatory developments;
- strategic acquisitions, dispositions, partnerships, joint ventures, restructuring, financing or other transactions announced or consummated by us or our competitors;
- financing or other transactions announced or consummated by our minority investments;
- our ability to execute our strategy;
- our ability to complete the multi-phased cost savings plan and achieve the anticipated benefits from the plan;
- our executive leadership transitions; and
- changes in accounting principles.

We expect the volatility in our stock price and financial markets to continue for the foreseeable future as a result of these and other factors.

If securities or industry analysts do not publish research or reports about our business, or publish inaccurate or unfavorable research reports about our business, our share price and trading volume could decline.

The trading market for our Common Stock depends, in part, on the research and reports that securities or industry analysts publish about us or our business. We do not have any control over these analysts, and in the past, we have had changes in analyst ratings that have affected our stock price. If one or more of the analysts who cover us should downgrade our shares or change their opinion of our shares, industry sector or products, our share price would likely decline. If one or more of these analysts ceases coverage of our company or fails to regularly publish reports on us, we could lose visibility in the financial markets, which could cause our share price or trading volume to decline.

We do not intend to pay dividends for the foreseeable future.

We intend to retain all of our earnings for the foreseeable future to finance the operation and expansion of our business and do not anticipate paying cash dividends. As a result, stockholders can expect to receive a return on their investment in our Common Stock only if the market price of the stock increases.

Provisions in our charter documents and under Delaware law could discourage a takeover that stockholders may consider favorable.

Provisions in our certificate of incorporation and bylaws may have the effect of delaying or preventing a change of control or changes in our management. These provisions include the following:

- Our Board has the right to elect directors to fill a vacancy created by the expansion of the Board or the resignation, death or removal of a director, which prevents stockholders from being able to fill vacancies on our Board.
- Special meetings of our stockholders may be called only by our Chairman of the Board, our Chief Executive Officer, our Board or holders of not less than the majority of our issued and outstanding Common Stock. This limits the ability of minority stockholders to take certain actions without an annual meeting of stockholders.
- Our stockholders may not act by written consent unless the action to be effected and the taking of such action by written consent is approved in advance by our Board. As a result, a holder, or holders, controlling a majority of our Common Stock would generally not be able to take certain actions without holding a stockholders' meeting.
- Our certificate of incorporation prohibits cumulative voting in the election of directors. This limits the ability of minority stockholders to elect director candidates.
- Stockholders must provide timely notice to nominate individuals for election to the Board or to propose matters that can be acted upon at an annual meeting of stockholders. These provisions may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of our company.
- Our Board may issue, without stockholder approval, shares of undesignated preferred stock. The ability to authorize undesignated preferred stock makes it possible for our Board to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to acquire us.

The capped call transactions may affect the value of our 2026 Notes and our Common Stock.

In connection with the issuance of the 2026 Notes, we entered into capped call transactions. The capped call transactions cover, subject to customary adjustments, the number of shares of our Common Stock that initially underlie the 2026 Notes. The capped call transactions are expected to offset the potential dilution to our Common Stock as a result of conversion of the 2026 Notes and/or offset any cash payments we are required to make in excess of the principal amount of the converted 2026 Notes, as the case may be, with such reduction and/or offset subject to a cap. In connection with establishing their initial hedges of the capped call transactions, the option counterparties or their respective affiliates may have purchased shares of Common Stock and/or entered into various derivative transactions with respect to our Common Stock, including with certain investors in the 2026 Notes.

In addition, the counterparties or their respective affiliates may modify their hedge positions in the future by entering into or unwinding various derivatives with respect to our Common Stock and/or purchasing or selling our Common Stock or other securities of ours in secondary market transactions prior to the maturity of the 2026 Notes. They are likely to do so on each exercise date for the capped call transactions, which are expected to occur during each 20 trading day period beginning on the 21st scheduled trading day prior to the maturity date of the 2026 Notes, or following any termination of any portion of the capped call transactions in connection with any repurchase, redemption or early conversion of the 2026 Notes. This activity could also cause or prevent an increase or decrease in the price of our Common Stock or the 2026 Notes, which could affect holders' ability to convert the 2026 Notes, and, to the extent the activity occurs during any observation period related to a conversion of the 2026 Notes, it could affect the amount and value of the consideration that holders will receive upon conversion of the 2026 Notes. The potential effect, if any, of these transactions on the price of our Common Stock or the 2026 Notes will depend in

part on market conditions and cannot be ascertained at this time. Any of these activities could adversely affect the value of our Common Stock.

We are subject to counterparty risk with respect to the capped call transactions.

The counterparties to the capped call transactions are financial institutions, and we will be subject to the risk that one or more of the option counterparties may default, fail to perform or may exercise certain termination rights under the capped call transactions. Our exposure to the credit risk of the option counterparties is not secured by any collateral.

Global economic conditions have in the past resulted in the actual or perceived failure of financial difficulties of many financial institutions. If a counterparty to the capped call transactions becomes subject to insolvency proceedings, we will become an unsecured creditor in those proceedings with a claim equal to our exposure at the time under such transactions. Our exposure will depend on many factors but, generally, our exposure will increase if the market price or the volatility of our Common Stock increases. In addition, upon a default or other failure to perform, or a termination of obligations by a counterparty, the counterparty may fail to deliver the shares of Common Stock required to be delivered to us under the capped call transactions and we may suffer adverse tax consequences or experience more dilution than we currently anticipate with respect to our Common Stock. We can provide no assurances as to the financial stability or viability of the counterparties.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

We face significant and persistent cybersecurity risks due to the widespread use of our websites and mobile applications; the attractiveness of our websites and mobile applications to threat actors, including state-sponsored actors; the fact that we operate globally and must defend against cybersecurity attacks in thirteen countries; the substantial level of harm that could occur to our business, our customers, or our merchants if we were to suffer a material cybersecurity incident; and our use of third-party products and services. Protecting our systems, networks, data and confidential information is a priority at Groupon. We are committed to maintaining robust governance and oversight of these risks and implementing mechanisms, controls, technologies and processes designed to help us identify, assess and manage these risks.

As of the date of this Form 10-K, we have not experienced a material cybersecurity threat or incident that resulted in a material adverse impact to our business strategy, results of operations or financial condition, but there can be no guarantee that we will not experience such an incident in the future. Such incidents, whether or not successful, could result in significant costs related to, for example: rebuilding our internal systems, implementing additional threat protection measures, providing modifications to our websites and mobile applications, defending against litigation, responding to regulatory inquiries or actions, paying damages, providing merchants and customers with incentives to maintain a business relationship with us, taking other remedial steps with respect to third parties or incurring significant reputational harm. In addition, these threats are constantly evolving, which increases the difficulty of successfully defending against them or implementing adequate preventative measures. We have seen an increase in the volume, frequency and sophistication of cyberattacks. We seek to detect and investigate unauthorized attempts and attacks against our network, cloud infrastructure, websites, and mobile applications and to prevent their occurrence and recurrence where practicable through changes or updates to our internal processes and our websites and mobile applications; however, we remain potentially vulnerable to known or unknown threats. It is also possible that we, our merchants, our customers or our vendors will be unaware of a threat or incident or its magnitude and effects. Further, there is increasing regulation regarding responses to cybersecurity incidents, including reporting to regulators, which could subject us to additional liability and reputational harm. See Item 1A. - *Risk Factors* for more information on our cybersecurity risks.

The Audit Committee oversees risks pertaining to cybersecurity. A member of our IT and Information Security teams regularly reports to the Audit Committee, and directly to the Board, as appropriate, on the state of our cybersecurity program and provides updates on cybersecurity matters. In addition, our Vice President of Software Engineering typically conducts an annual cybersecurity review with our Board. We employ security practices to protect and maintain the systems located at our cloud hosting providers, invest in intrusion and anomaly detection tools and engage third-party security firms to test the security of our websites and systems. Specifically,

we leverage industry best practices to identify and mitigate data security risks, including but not limited to, utilizing processes and tools to monitor and address email security, the security of our workstations and servers, cloud security, password management, secure file transfers and ransomware protection. In addition, we utilize a firewall, a virtual private network, multi-factor authentication and single sign-on and conduct regular phishing testing. We also regularly evaluate and assess our systems and the controls, processes and practices to protect those systems, including recently completing the migration of our public-facing websites and applications and our back-end business intelligence systems to the cloud. We also retain personnel that have in-depth experience in penetration testing and conduct penetration testing against our own systems. Further, we utilize third party partners to help us monitor issues that are internally discovered or externally reported that may affect our websites and mobile applications, and we have processes to assess the potential cybersecurity impact or risk of these issues. We also have a process in place to manage cybersecurity risks associated with third-party service providers. We impose security requirements upon our suppliers, including maintaining an effective security management program abiding by information handling and asset management requirements and notifying us in the event of any known or suspected cyber incident.

The day to day operations of our cybersecurity risk management program are overseen by our IT and Information Security teams. Our cybersecurity program is run by our Vice President of Engineering for InfoSec, Darren Redmond, who reports to our COO, Filip Popovic. Our COO has served in that position since June 2024. Mr. Redmond has served in this position for the last 2 years and has worked at Groupon for over 8 years, and, prior to Groupon, his experience includes serving as the CTO of Knowledge Point, a learning materials management service provider. Our Information Security Officer reports to Mr. Redmond and monitors prevention, detection, mitigation and remediation efforts through regular communication and reporting from professionals in the Information Security team, many of whom hold cybersecurity certifications such as a Certified Information Systems, Security Professional or Certified Information Security Manager, and through the use of technological tools, software and results from third party audits. Our Information Security Officer joined Groupon in November 2023, and, prior to Groupon, was previously in Vodafone, based in Hungary. Our Security Manager and Security Operation Center Manager also have extensive experience assessing and managing cybersecurity programs and cybersecurity risk.

Our VP of InfoSec regularly reports directly to the Audit Committee on our cybersecurity program and efforts to prevent, detect, mitigate and remediate issues. In addition, we have an escalation process in place to inform senior management and the Board of material issues.

ITEM 2. PROPERTIES

As of December 31, 2024, we owned no property and leased 16 facilities throughout the world. Our corporate headquarters is located in Chicago, Illinois. We believe that our leased properties are in good condition and meet the needs of our business, and that suitable additional or alternative space will be available as needed to accommodate our business operations.

ITEM 3. LEGAL PROCEEDINGS

For a description of our material pending legal proceedings, please see Item 8, Note 9, *Commitments and Contingencies*, to the Consolidated Financial Statements of this Annual Report on Form 10-K.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Our Common Stock has been listed on the NASDAQ Global Select Market under the symbol "GRPN" since November 4, 2011. We do not anticipate to pay cash dividends in the foreseeable future.

Holders

As of March 6, 2025, there were 86 holders of record of our Common Stock. Each holder of our Common Stock is entitled to one vote per share on any matter that is submitted to a vote of stockholders.

Recent Sales of Unregistered Securities

During the year ended December 31, 2024, we did not issue any unregistered equity securities.

Issuer Purchases of Equity Securities

In May 2018, the Board authorized us to repurchase up to \$300.0 million of our Common Stock under our share repurchase program. During the year ended December 31, 2024, we did not purchase any shares under the repurchase program. As of December 31, 2024, up to \$245.0 million of Common Stock remained available for purchase under our program. The timing and amount of share repurchases, if any, will be determined based on market conditions, limitations under the 2026 Notes and 2027 Notes, share price, available cash and other factors, and the share repurchase program may be terminated at any time. We will fund the repurchases, if any, through cash on hand and future cash flows. Repurchases will be made in compliance with SEC rules and other legal requirements and may be made in part under a Rule 10b5-1 plan, which permits stock repurchases when we might otherwise be precluded from doing so.

Since the inception of our share repurchase programs in August 2013 through December 31, 2024, we have repurchased 10,294,117 shares of our Common Stock for an aggregate purchase price of \$922.7 million (including fees and commissions).

The following table provides information about purchases of shares of our Common Stock during the three months ended December 31, 2024 related to shares withheld upon vesting of restricted stock units for minimum tax withholding obligations:

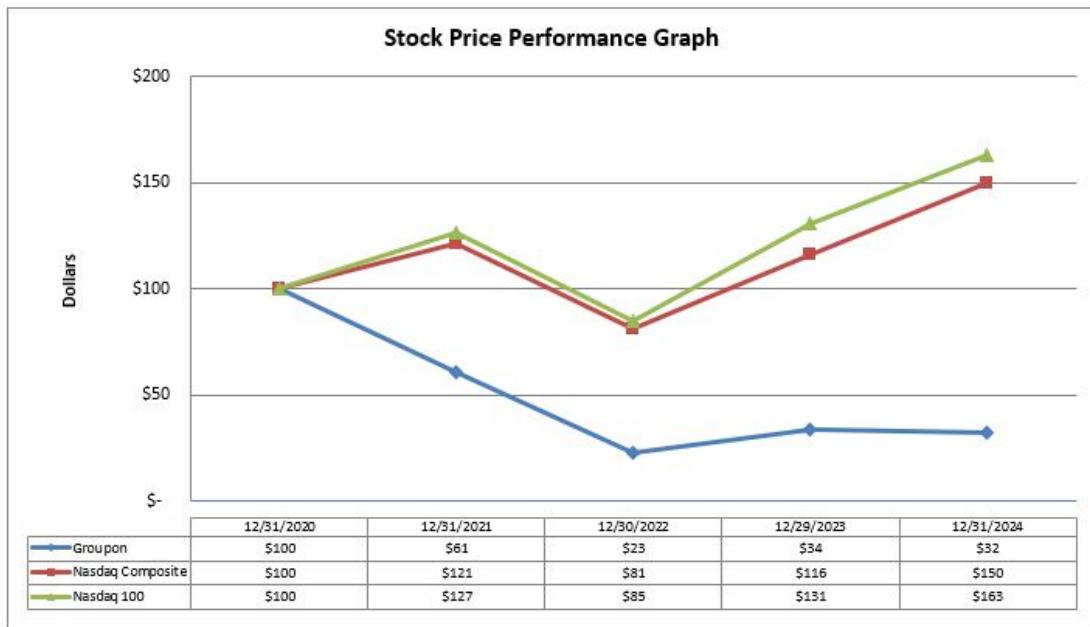
Date	Total Number of Shares Purchased ⁽¹⁾	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Program	Maximum Number (or Approximate Dollar Value) of Shares that May Yet Be Purchased Under Program
October 1-31, 2024	2,807	\$ 10.69	—	—
November 1-30, 2024	3,194	8.45	—	—
December 1-31, 2024	1,373	9.47	—	—
Total	7,374	\$ 9.49	—	—

(1) Total number of shares delivered to us by employees to satisfy the mandatory tax withholding requirement upon vesting of stock-based compensation awards.

Stock Performance Graph

This performance graph shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, or incorporated by reference into any filing of Groupon, Inc. under the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in such filing. Our stock price performance shown in the graph below is not indicative of our future stock price performance.

The graph set forth below compares the cumulative total return on our Common Stock with the cumulative total return of the Nasdaq Composite Index and the Nasdaq 100 Index, resulting from an initial investment of \$100 in each and assuming the reinvestment of any dividends, based on closing prices on the last trading day of each year end period for 2020, 2021, 2022, 2023, and 2024.



ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read together with our Consolidated Financial Statements and related notes included under Item 8 of this Annual Report on Form 10-K. This discussion contains forward-looking statements about our business and operations. Our actual results may differ materially from those we currently anticipate as a result of many factors, including those we describe under Item 1A, *Risk Factors*, and elsewhere in this Annual Report. See Part I, *Forward-Looking Statements*, for additional information. For further discussion regarding operating and financial data for the year ended December 31, 2023 as compared to the year ended December 31, 2022, refer to Part II, Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations* in our Annual Report on Form 10-K for the fiscal year ended December 31, 2023.

Overview

Groupon is a global scaled two-sided marketplace that connects consumers to merchants. Consumers access our marketplace through our mobile applications and our websites. We operate in two segments, North America and International, and in three categories, Local, Goods and Travel. See Item 8, Note 18, *Segment and Geographical Information*, for additional information.

We generate service revenue from Local, Goods and Travel categories. Revenue primarily represents the net commissions earned from selling goods or services on behalf of third-party merchants. Revenue is reported on a net basis as the purchase price collected from the customer less the portion of the purchase price that is payable to the third-party merchant. We also earn commissions when customers make purchases with retailers using digital coupons accessed through our websites and mobile applications.

Strategy

Our strategy is to be the trusted marketplace where customers go to buy local services and experiences. We plan to grow our revenue by building long-term relationships with local merchants to strengthen our online selection and by enhancing the customer reach through experience curation and improved convenience in order to drive customer demand and purchase frequency.

We are investing significant resources in making our platform more efficient, stable and agile. By improving our technology, our customer base can enjoy a modernized experience along with seamless execution of new product innovation, improved customer experience and customer satisfaction. Our platform migrations are strategic investments in our ability to innovate faster, serve merchants better, and create more engaging experiences for our customers.

How We Measure Our Business

We use several operating and financial metrics to assess the progress of our business and make strategic decisions. Certain of the financial metrics are reported in accordance with GAAP and certain of those metrics are considered non-GAAP financial measures. As our business evolves, we may make changes to the key financial and operating metrics that we use to measure our business. For further information and reconciliations to the most applicable financial measures under GAAP, refer to our discussion under Non-GAAP Financial Measures in the *Results of Operations* section.

Operating Metrics

- *Gross billings* is the total dollar value of customer purchases of goods and services. Gross billings is presented net of customer refunds, order discounts and sales and related taxes. The substantial majority of our revenue transactions are comprised of sales of vouchers and similar transactions in which we collect the transaction price from the customer and remit a portion of the transaction price to the third-party merchant who will provide the related goods or services. For these transactions, gross billings differs from Revenue reported in our Consolidated Statements of Operations, which is presented net of the merchant's share of the transaction price. Gross billings is an indicator of our growth and business performance as it measures the dollar volume of transactions generated through our marketplaces. Tracking gross billings

also allows us to monitor the percentage of gross billings that we are able to retain after payments to merchants. However, we are focused on achieving long-term gross profit and EBITDA growth.

- *Units* are the number of purchases during the reporting period, before refunds and cancellations, made either through one of our online marketplaces, a third-party marketplace, or directly with a merchant for which we earn a commission. We do not include purchases with retailers using digital coupons accessed through our websites or mobile applications in our units metric. We consider units to be an important indicator of the total volume of business conducted through our marketplaces. We report units on a gross basis prior to the consideration of customer refunds and therefore units are not always a good proxy for gross billings.
- *Active customers* are 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. We consider this metric to be an important indicator of our business performance as it helps us to understand how the number of customers actively purchasing our offerings is trending. Some customers could establish and make purchases from more than one account, so it is possible that our active customer metric may count certain customers more than once in a given period. We do not include consumers who solely make purchases with retailers using digital coupons accessed through our websites or mobile applications in our active customer metric, nor do we include consumers who solely make purchases of our inventory through third-party marketplaces with which we partner.

Our gross billings, units and TTM active customers for the years ended December 31, 2024 and 2023 were as follows (in thousands):

	Year Ended December 31,	
	2024	2023
Gross billings	\$ 1,558,203	\$ 1,645,058
Units	36,640	41,368
TTM Active customers	15,432	16,501

Financial Metrics

- *Revenue* is earned through transactions which we generate commissions by selling goods or services on behalf of third-party merchants. Revenue from those transactions is reported on a net basis as the purchase price collected from the customer for the offering less an agreed upon portion of the purchase price paid to the third-party merchant. Revenue also includes commissions we earn when customers make purchases with retailers using digital coupons accessed through our digital properties.
- *Gross profit* reflects the net margin we earn after deducting our Cost of revenue from our Revenue.
- *Contribution Profit* is our measure of segment profitability, defined as net revenues less cost of sales and marketing expense. See Item 8, Note 18, *Segment and Geographical Information*, for additional information.
- *Adjusted EBITDA* is a non-GAAP financial measure that we define as Net income (loss) excluding income taxes, interest and other non-operating items, depreciation and amortization, stock-based compensation, and other special charges and credits, including items that are unusual in nature or infrequently occurring. For further information and a reconciliation to Net income (loss), refer to our discussion under Non-GAAP Financial Measures in the *Results of Operations* section.
- *Free cash flow* is a non-GAAP financial measure that comprises Net cash provided by (used in) operating activities from operations less purchases of property and equipment and capitalized software. For further information and a reconciliation to Net cash provided by (used in) operating activities, refer to our discussion in the *Liquidity and Capital Resources* section.

The following table presents the above financial metrics for the years ended December 31, 2024 and 2023 (in thousands):

	Year Ended December 31,	
	2024	2023
Revenue	\$ 492,557	\$ 514,910
Gross profit	444,306	450,664
Contribution profit	300,099	340,159
Adjusted EBITDA	69,308	55,453
Free cash flow	40,561	(97,270)

Operating Expenses

- *Marketing* expense consists primarily of online marketing costs, such as search engine marketing, advertising on social networking sites and affiliate programs, and offline marketing costs, such as television. Additionally, compensation expense for marketing employees is classified within Marketing expense. We record these costs within Marketing on the Consolidated Statements of Operations when incurred. From time to time, we have offerings from well-known national merchants for customer acquisition and activation purposes, for which the amount we owe the merchant for each voucher sold exceeds the transaction price paid by the customer. Our gross billings from those transactions generate no revenue and our net cost (i.e., the excess of the amount owed to the merchant over the amount paid by the customer) is classified as marketing expense. We evaluate marketing expense as a percentage of gross profit because it gives us an indication of how well our marketing spend is driving gross profit performance.
- SG&A expenses include selling expenses such as sales commissions and other compensation expenses for sales representatives, as well as costs associated with supporting the sales function such as technology, telecommunications and travel. General and administrative expenses include compensation expense for employees involved in customer service, operations, technology and product development, as well as general corporate functions, such as finance, legal and human resources. Additional costs in general and administrative include depreciation and amortization, rent, professional fees, litigation costs, travel and entertainment, recruiting, maintenance, certain technology costs and other general corporate costs. We evaluate SG&A expense as a percentage of gross profit because it gives us an indication of our operating efficiency.
- *Restructuring and related charges* represent severance and benefit costs for workforce reductions, impairments and other facilities-related costs and professional advisory fees. See Item 8, Note 13, *Restructuring and Related Charges*, for additional information about our restructuring plans.

Factors Affecting Our Performance

Attracting and retaining local merchants. As we focus on our local experiences marketplace, we depend on our ability to attract and retain merchants who are willing to offer their experiences on our platform. Merchants can withdraw their offerings from our marketplace at any time, and their willingness to continue offering services through our marketplace depends on the effectiveness of our marketplace offering. We are focused on improving our marketplace offering and merchant value proposition by exploring opportunities to better balance the needs of merchant partners, customers and Groupon.

Acquiring and retaining customers. To acquire and retain customers to drive higher volumes on our platform from new and existing customers, we are focused on strengthening our product offering, improving the attractiveness of our offerings, and enhancing the performance of our marketing campaigns.

Impact of macroeconomic conditions. We have been, and may continue to be, impacted by adverse consequences of the macroeconomic environment, including but not limited to, inflationary pressures, higher labor costs, tariff policy, labor shortages, supply chain challenges and changes in consumer and merchant behavior. To minimize the impact of macroeconomic conditions on our business, we are focusing on building long-term relationships with local merchants to enhance our inventory selection, improving the customer experience through inventory curation and expanding convenience in order to drive customer demand and purchase frequency.

Results of Operations

North America

Operating Metrics

North America segment gross billings, units and TTM active customers for the years ended December 31, 2024 and 2023 were as follows (in thousands, except percentages):

	Year Ended December 31,		% Change
	2024	2023	
Gross billings			
Local	\$ 999,836	\$ 971,313	2.9 %
Goods	53,589	88,987	(39.8)
Travel	79,347	80,946	(2.0)
Total gross billings	<u>\$ 1,132,772</u>	<u>\$ 1,141,246</u>	(0.7)
Units			
Local	21,805	21,483	1.5 %
Goods	1,882	3,412	(44.8)
Travel	321	334	(3.9)
Total units	<u>24,008</u>	<u>25,229</u>	(4.8)
TTM Active customers	10,289	10,291	— %

Comparison of the Years Ended December 31, 2024 and 2023:

North America gross billings and units decreased by \$8.5 million and 1.2 million, while TTM active customers remained flat for the year ended December 31, 2024 compared with the prior year period. As a result of favorable refund rates and our supply transformation efforts, our Local category experienced growth in gross billings, active customers and units. The Local category growth is offset by a de-emphasis on our Goods category evidenced by a decrease of our Goods active customers that resulted in fewer unit sales and lower gross billings year over year.

Financial Metrics

North America segment revenue, cost of revenue and gross profit for the years ended December 31, 2024 and 2023 were as follows (dollars in thousands):

	Year Ended December 31,		% Change 2024 vs 2023
	2024	2023	
Revenue			
Local	\$ 350,876	\$ 346,962	1.1 %
Goods	10,990	18,436	(40.4)
Travel	14,206	14,554	(2.4)
Total revenue	\$ 376,072	\$ 379,952	(1.0)
Cost of revenue			
Local	\$ 34,070	\$ 44,199	(22.9)%
Goods	1,405	3,276	(57.1)
Travel	2,433	3,484	(30.2)
Total cost of revenue	\$ 37,908	\$ 50,959	(25.6)
Gross profit			
Local	\$ 316,806	\$ 302,763	4.6 %
Goods	9,585	15,160	(36.8)
Travel	11,773	11,070	6.4
Total gross profit	\$ 338,164	\$ 328,993	2.8
% of Consolidated revenue	76.4	73.8	
% of Consolidated cost of revenue	78.6	79.3	
% of Consolidated gross profit	76.1	73.0	

Comparison of the Years Ended December 31, 2024 and 2023:

North America revenue and cost of revenue decreased by \$3.9 million and \$13.1 million while gross profit increased by \$9.2 million for the year ended December 31, 2024 compared with the prior year period. As a result of favorable refund rates and our supply transformation efforts, our Local category experienced revenue growth. The Local category growth is offset by a de-emphasis on our Goods category evidenced by a decrease of our Goods active customers that resulted in fewer unit sales and lower gross billings year over year. The decrease in cost of revenue is primarily due to a decrease in amortization of internally-developed software relating to customer-facing applications. Gross profit increased due to revenue remaining relatively flat and a decrease in cost of revenue.

Marketing and Contribution Profit

North America marketing and contribution profit for the years ended December 31, 2024 and 2023 were as follows (dollars in thousands):

	Year Ended December 31,		% Change 2024 vs 2023
	2024	2023	
Marketing	\$ 113,096	\$ 73,178	54.5 %
% of Revenue	30.1 %	19.3 %	
Contribution Profit	\$ 225,068	\$ 255,815	(12.0)%

Comparison of the Years Ended December 31, 2024 and 2023:

North America marketing expense and marketing expense as a percentage of revenue increased for the year ended December 31, 2024 compared with the prior year period, primarily driven by an increased investment in our performance marketing campaigns.

North America contribution profit decreased for the year ended December 31, 2024 compared with the prior year period, primarily due to an increase in marketing expense.

International

Operating Metrics

International segment gross billings, units and TTM active customers for the years ended December 31, 2024 and 2023 were as follows (in thousands, except percentages):

	Year Ended December 31,		% Change 2024 vs 2023
	2024	2023	
Gross billings			
Local	\$ 332,795	\$ 380,797	(12.6)%
Goods	60,530	80,062	(24.4)
Travel	32,106	42,953	(25.3)
Total gross billings	\$ 425,431	\$ 503,812	(15.6)
Units			
Local	10,764	13,032	(17.4)%
Goods	1,688	2,866	(41.1)
Travel	180	241	(25.2)
Total units	12,632	16,139	(21.7)
TTM Active customers	5,143	6,210	(17.2)%

Comparison of the Years Ended December 31, 2024 and 2023:

International gross billings, units and TTM active customers decreased by \$78.4 million, 3.5 million and 1.1 million for the year ended December 31, 2024 compared with the prior year period. The Local category decrease was primarily attributable to the exit of our Local business in Italy and a decline in site traffic. The decline in our Goods and Travel categories were primarily attributable to an overall decline in site traffic. In addition, there was a \$3.4 million favorable impact on gross billings from year-over-year changes in foreign currency exchange rates.

Financial Metrics

International segment revenue, cost of revenue and gross profit for the years ended December 31, 2024 and 2023 were as follows (dollars in thousands):

	Year Ended December 31,		% Change 2024 vs 2023
	2024	2023	
Revenue			
Local	\$ 99,333	\$ 111,543	(10.9)%
Goods	10,929	14,961	(27.0)
Travel	6,223	8,454	(26.4)
Total revenue	\$ 116,485	\$ 134,958	(13.7)
Cost of revenue			
Local	\$ 7,889	\$ 9,903	(20.3)%
Goods	1,691	2,305	(26.6)
Travel	763	1,079	(29.3)
Total cost of revenue	\$ 10,343	\$ 13,287	(22.2)
Gross profit			
Local	\$ 91,444	\$ 101,640	(10.0)%
Goods	9,238	12,656	(27.0)
Travel	5,460	7,375	(26.0)
Total gross profit	\$ 106,142	\$ 121,671	(12.8)
% of Consolidated revenue		23.6 %	26.2 %
% of Consolidated cost of revenue		21.4	20.7
% of Consolidated gross profit		23.9	27.0

Comparison of the Years Ended December 31, 2024 and 2023:

International revenue, cost of revenue and gross profit decreased by \$18.5 million, \$2.9 million and \$15.5 million for the year ended December 31, 2024 compared with the prior year period. The Local category decrease was primarily attributable to the exit of our Local business in Italy and a decline in site traffic. The decline in our Goods and Travel categories were primarily attributable to an overall decline in site traffic. Revenue and gross profit had favorable impacts of \$1.0 million and \$0.9 million from year-over-year changes in foreign currency exchange rates.

Marketing and Contribution Profit

International marketing and contribution profit for the years ended December 31, 2024 and 2023 were as follows (dollars in thousands):

	Year Ended December 31,		% Change 2024 vs 2023
	2024	2023	
Marketing			
% of Revenue	\$ 31,111	\$ 37,327	(16.7)%
	26.7 %	27.7 %	
Contribution Profit	\$ 75,031	\$ 84,344	(11.0)%

Comparison of the Years Ended December 31, 2024 and 2023:

International marketing expense and marketing expense as a percentage of revenue decreased for the year ended December 31, 2024 compared to the prior year period, primarily due to traffic declines and a lower investment in our online marketing spend.

International contribution profit decreased for the year ended December 31, 2024 compared with the prior year period, primarily due to a decrease in revenue.

Consolidated Operating Expenses

Operating expenses for the years ended December 31, 2024 and 2023 were as follows (dollars in thousands):

	Year Ended December 31,		% Change 2024 vs 2023
	2024	2023	
Marketing	\$ 144,207	\$ 110,505	30.5 %
Selling, general and administrative ⁽¹⁾	295,399	350,405	(15.7)
Restructuring and related charges	1,066	8,006	(86.7)
(Gain) on sale of assets	(5,160)	—	—
Total operating expenses	\$ 435,512	\$ 468,916	(7.1)

% of Gross profit:

Marketing	32.5 %	24.5 %
Selling, general and administrative	66.5 %	77.8 %

(1) The years ended December 31, 2024 and 2023 include \$26.6 million and \$14.3 million of stock-based compensation expense and \$17.0 million and \$26.2 million of depreciation and amortization expense.

Comparison of the Years ended December 31, 2024 and 2023:

Marketing expense and marketing expense as a percentage of gross profit increased for the year ended December 31, 2024 compared with the prior year period, due to an increased investment in our North America performance marketing campaigns.

SG&A and SG&A as a percentage of gross profit decreased for the year ended December 31, 2024 compared with the prior year period, primarily due to a decrease in cloud computing costs and a reduction in headcount as a result of our 2022 Restructuring Plan.

Restructuring and related charges decreased for the year ended December 31, 2024 compared with the prior year period, primarily due to a decrease in severance and benefit costs related to our 2022 Restructuring Plan, partially offset by an increase in charges related to the Italy Restructuring Plan. See Item 8, Note 13, *Restructuring and Related Charges*, for additional information.

Gain on sale of assets increased for the year ended December 31, 2024 compared with the prior year period, primarily due to a gain from the sale of certain intangible assets. See Item 8, Note 4, *Goodwill and Other Intangible Assets*, for additional information.

Consolidated Other Income (Expense), Net

Other income (expense), net includes interest income, interest expense, gains and losses from changes in fair value of investments and foreign currency gains and losses, primarily resulting from intercompany balances with our subsidiaries that are denominated in foreign currencies.

Other income (expense), net for the years ended December 31, 2024 and 2023 was as follows (dollars in thousands):

	Year Ended December 31,	
	2024	2023
Other income (expense), net	\$ (39,185)	\$ (25,174)

Comparison of the Years Ended December 31, 2024 and 2023:

The change in Other income (expense), net for the year ended December 31, 2024 compared with the prior year period is primarily related to a \$40.3 million change in foreign currency gains and losses. This was partially offset by a remeasurement of our investment in SumUp of \$25.8 million in the year ended December 31, 2023, with no comparable activity in the current year period. See Item 8, Note 5, *Investments*, for additional information.

Consolidated Provision (Benefit) for Income Taxes

Comparison of the Years Ended December 31, 2024 and 2023:

Provision (benefit) for income taxes for the years ended December 31, 2024 and 2023 was as follows (dollars in thousands):

	Year Ended December 31,		% Change
	2024	2023	
Provision (benefit) for income taxes	\$ 26,123	\$ 9,508	2024 vs 2023
Effective tax rate	(86.0)%	(21.9)%	174.7 %

Our U.S. Federal income tax rate was 21% for the years ended December 31, 2024 and 2023.

The primary factors impacting the effective tax rate for the years ended December 31, 2024 and 2023 were the pretax losses incurred in jurisdictions that have valuation allowances against their net deferred tax assets. For the years ended December 31, 2024 and 2023, we continue to maintain a full valuation allowance against all U.S. federal and state deferred tax assets. We expect that our consolidated effective tax rate in future periods may continue to differ significantly from the U.S. federal income tax rate as a result of our tax obligations in jurisdictions with profits and valuation allowances in jurisdictions with losses.

See Item 8, Note 14, *Income Taxes*, for additional information relating to tax audits and assessments and regulatory and legal developments that may impact our business and results of operations in the future.

Non-GAAP Financial Measures

In addition to financial results reported in accordance with GAAP, we have provided the following non-GAAP financial measures: Adjusted EBITDA, free cash flow and foreign currency exchange rate neutral operating results. Those non-GAAP financial measures are intended to aid investors in better understanding our current financial performance and prospects for the future as seen through the eyes of management. We believe that those non-GAAP financial measures facilitate comparisons with our historical results and with the results of peer companies who present similar measures (although other companies may define non-GAAP measures differently than we define them, even when similar terms are used to identify such measures). However, those non-GAAP financial measures are not intended to be a substitute for those reported in accordance with GAAP.

Adjusted EBITDA. Adjusted EBITDA is a non-GAAP performance measure that we define as Net income (loss) excluding income taxes, interest and other non-operating items, depreciation and amortization, stock-based compensation and other special charges and credits, including items that are unusual in nature or infrequently occurring. Our definition of Adjusted EBITDA may differ from similar measures used by other companies, even when similar terms are used to identify such measures. Adjusted EBITDA is a key measure used by our management and Board to evaluate operating performance, generate future operating plans and make strategic decisions. Accordingly, we believe that Adjusted EBITDA provides useful information to investors and others in understanding and evaluating our operating results in the same manner as our management and Board. However, Adjusted EBITDA is not intended to be a substitute for Net income (loss).

We exclude stock-based compensation expense and depreciation and amortization because they are primarily non-cash in nature and we believe that non-GAAP financial measures excluding those items provide meaningful supplemental information about our operating performance and liquidity. For the years ended December 31, 2024 and 2023, special charges and credits included charges related to our Italy, 2022 and 2020 Restructuring Plans, gain on sale of assets and foreign VAT assessments. We exclude special charges and credits from Adjusted EBITDA because we believe that excluding those items provides meaningful supplemental information about our core operating performance and facilitates comparisons with our historical results. For the foreign VAT assessments, we also considered the fact that we ceased operations in Portugal in 2016 and it is not part of our ongoing business. We have not engaged in any revenue-generating or payroll-related activity in Portugal since ceasing those operations nor do we intend to engage in these activities in that jurisdiction in the future.

The following is a reconciliation of Adjusted EBITDA to the most comparable GAAP financial measure, Net income (loss) for the years ended December 31, 2024 and 2023 (dollars in thousands):

	Year Ended December 31,	
	2024	2023
Net income (loss)	\$ (56,514)	\$ (52,934)
Adjustments:		
Stock-based compensation ⁽¹⁾	26,734	14,481
Depreciation and amortization	30,900	51,218
Restructuring and related charges ⁽²⁾	1,066	8,006
(Gain) on sale of assets	(5,160)	—
Foreign VAT assessments ⁽³⁾	6,974	—
Other (income) expense, net ⁽⁴⁾	39,185	25,174
Provision (benefit) for income taxes	26,123	9,508
Total adjustments	<u>125,822</u>	<u>108,387</u>
Adjusted EBITDA	\$ 69,308	\$ 55,453

(1) Stock-based compensation excludes expense related to the 2024 Executive PSUs that are required to be settled in cash. Refer to Item 8, Note 11, *Compensation Arrangements*, for additional information.

(2) Includes a settlement of \$4.25 million related to our sublease to Uptake for the year ended December 31, 2023. Refer to Item 8, Note 9, *Commitments and Contingencies* and Item 8, Note 13, *Restructuring and Related Charges*, for additional information.

(3) The Foreign VAT assessments adjustment excludes related interest expense of \$1.8 million for the year ended December 31, 2024 as the interest expense is included within Other (income) expense, net. Refer to Item 8, Note 9, *Commitments and Contingencies* for additional information.

(4) Includes \$1.6 million related to a loss on extinguishment of exchanged debt in connection with the Exchange and Subscription Agreements for the year ended December 31, 2024. Refer to Item 8, Note 7, *Financing Arrangements*. Includes a \$25.8 million remeasurement of our investment in SumUp during the year ended December 31, 2023. Refer to Item 8, Note 5, *Investments*, for additional information.

Free cash flow. Free cash flow is a non-GAAP liquidity measure that comprises net cash provided by operating activities less purchases of property and equipment and capitalized software. We use free cash flow to conduct and evaluate our business because, although it is similar to cash flow, we believe that it typically represents a more useful measure of cash flows because purchases of fixed assets, software developed for internal use and website development costs are necessary components of our ongoing operations. Free cash flow is not intended to represent the total increase or decrease in our cash balance for the applicable period.

Free cash flow has limitations due to the fact that it does not represent the residual cash flow available for discretionary expenditures. Therefore, we believe it is important to view free cash flow as a complement to our Consolidated Statements of Cash Flows. For a reconciliation of free cash flow to the most comparable GAAP financial measure, see *Liquidity and Capital Resources* below.

Foreign currency exchange rate neutral operating results. Foreign currency exchange rate neutral operating results show current period operating results as if foreign currency exchange rates had remained the same as those in effect in the prior year period. Those measures are intended to facilitate comparisons to our historical performance.

The following table represents the effect on our Consolidated Statements of Operations from changes in exchange rates versus the U.S. dollar for the years ended December 31, 2024 and 2023 (in thousands):

	Year Ended December 31, 2024			Year Ended December 31, 2023		
	At Avg. 2023 Rates	Exchange Rate Effect ⁽²⁾	As Reported	At Avg. 2022 Rates	Exchange Rate Effect ⁽²⁾	As Reported
Gross billings	\$ 1,554,825	\$ 3,378	\$ 1,558,203	\$ 1,637,091	\$ 7,967	\$ 1,645,058
Revenue	491,600	957	492,557	512,576	2,334	514,910
Cost of revenue	48,201	50	48,251	64,014	232	64,246
Gross profit	443,399	907	444,306	448,562	2,102	450,664
Marketing	144,144	63	144,207	109,600	905	110,505
Selling, general and administrative	294,628	771	295,399	347,683	2,722	350,405
Restructuring charges	959	107	1,066	8,183	(177)	8,006
(Gain) on sale of assets	(5,160)	—	(5,160)	—	—	—
Income (loss) from operations	\$ 8,828	\$ (34)	\$ 8,794	\$ (16,904)	\$ (1,348)	\$ (18,252)

(1) Represents the financial statement balances that would have resulted had exchange rates in the reporting period been the same as those in effect in the prior year period.

(2) Represents the increase or decrease in the reported amount resulting from changes in exchange rates from those in effect in the prior year period.

Liquidity and Capital Resources

Our principal source of liquidity is our cash balance totaling \$228.8 million as of December 31, 2024. The Company's cash requirements are subject to change as business conditions warrant and opportunities arise. Additionally, with the Rights Offering, termination of our Credit Agreement in February 2024, and the Exchange and Subscription Agreements in November 2024, we believe that the Company has sufficient liquidity to support its overall ongoing operational needs within the next 12 months.

We are subject to claims for tax assessments by foreign jurisdictions, including a proposed Assessment for \$122.3 million (€117.5 million), inclusive of estimated incremental interest from the original Assessment. The subsidiary subject to the Assessment is Groupon S.r.l., one of the Company's Italian subsidiaries formerly with operations relating specifically to the local voucher business in Italy. In December 2024, Groupon S.r.l. received an unfavorable ruling at the second-level Tax Court. The Company continues to believe that the Assessment is without merit and Groupon S.r.l. intends to pursue a prompt appeal to the Italian Supreme Court. If Groupon S.r.l. loses that appeal, Groupon S.r.l. plans to further challenge the Assessment and seek relief in an international mutual agreement procedure that involves the tax authorities of Ireland and Italy.

Under Italian tax court procedures, taxpayers are required to deposit "provisional payments" while tax appeals are pending, which are held in trust by tax authorities and returned to the taxpayer if the taxpayer prevails on the appeal. At present, Groupon S.r.l. would be required to deposit provisional amounts equal to two-thirds of the assessed amount. However, Groupon S.r.l. has sought and obtained approval of installment plans whereby the provisional payments may be deposited pro rata in monthly installments over seventy-two months. A third provisional amount (equal to the remaining third of the Assessment) would come due in October 2025. However, contemporaneous with its appeal to the Italian Supreme Court, Groupon S.r.l. intends to seek a full stay of the provisional payment obligations. Groupon S.r.l. expects a hearing on the possible stay of provisional payments to take place in the first half of 2025. If Groupon S.r.l. does not succeed in staying the provisional payment obligation, Groupon S.r.l. will consider its options, including making monthly installment payments up to the amount of its assets, or undertaking further restructuring actions. The payments due in 2025 under the terms of the installment plans total \$13.7 million (€13.2 million). Such amounts are recorded as Other non-current assets within the Consolidated Balance Sheets when cash is remitted.

The Company continues to expect that the Assessment will not result in financial exposure that exceeds the amounts disclosed in its Form 8-K, filed on April 15, 2024. We do not expect any related developments to impact the ability of the Company to meet its obligations outside of Groupon S.r.l. See Item 1, Note 14, *Income Taxes*, for additional information.

Our net cash flows from operating, investing and financing activities for the years ended December 31, 2024 and 2023 were as follows (in thousands):

	Year Ended December 31,	
	2024	2023
Cash provided by (used in):		
Operating activities	\$ 55,894	\$ (77,985)
Investing activities	(6,812)	(1,397)
Financing activities	\$ 47,790	\$ (35,690)

Free cash flow is a non-GAAP liquidity measure that comprises net cash provided by operating activities, less purchases of property and equipment and capitalized software. Our free cash flow for the years ended December 31, 2024 and 2023 and reconciliations to the most comparable GAAP financial measure, Net cash provided by (used in) operating activities, for those periods are as follows (in thousands):

	Year Ended December 31,	
	2024	2023
Net cash provided by (used in) operating activities	\$ 55,894	\$ (77,985)
Purchases of property and equipment and capitalized software	(15,333)	(19,285)
Free cash flow	\$ 40,561	\$ (97,270)

Our revenue-generating transactions are primarily structured such that we collect cash up-front from customers and pay third-party merchants at a later date, either based upon the customer's redemption of the related voucher or fixed payment terms, which are generally biweekly, throughout the term of the merchant's offering.

Our cash balances fluctuate significantly throughout the year based on many variables, including changes in gross billings and the timing of payments to merchants and suppliers.

Net cash provided by (used in) operating activities

For the year ended December 31, 2024, our net cash provided by operating activities was \$55.9 million as compared with net cash used in operating activities of \$78.0 million in the prior period. The improved cash flow from operating activities is primarily due to a reduction in headcount as a result of the impacts of our 2022 Restructuring Plan.

Net cash provided by (used in) investing activities

For the year ended December 31, 2024, our net cash used in investing activities was \$6.8 million as compared with net cash used in investing activities of \$1.4 million in the prior period. The change is primarily driven by proceeds from the sale of SumUp of \$18.9 million in the prior year period, with no comparable activity in the current year period, partially offset by \$9.1 million of net proceeds from the sale intangible assets and fewer purchases of property and equipment and capitalized software during the year.

Net cash provided by (used in) financing activities

For the year ended December 31, 2024, our net cash provided by financing activities was \$47.8 million as compared with net cash used in financing activities of \$35.7 million in the prior period. The improved cash flow from financing activities is primarily due to \$79.6 million of proceeds received from the Rights Offering and \$20.0 million of proceeds received in the Exchange and Subscription Agreements, partially offset by an increase of \$10.6 million in payments of borrowings under our revolving credit facility.

Matters related to the Rights Offering and Credit Agreement

In March 2023, we entered into the Fourth Amendment to the Credit Agreement, which reduced borrowing capacity under our senior secured revolving credit facility from \$150.0 million to \$75.0 million. In connection with the Fourth Amendment, we repaid \$27.3 million of outstanding borrowings. Prior to entering into the Fourth Amendment, our access to the full capacity of our Credit Agreement was partially restricted and our liquidity impacted

accordingly. Additionally, we have contracts in place with multiple payment processors, which give our payment processors in certain instances discretion to impose receivable holdbacks or reserve requirements based on changes to our business model or material changes in our financial condition. Any material increase in receivable holdbacks or reserve requirements could have a material impact on our cash flow and available liquidity.

On November 7, 2023, the Board approved the Rights Offering to our stockholders of record of our Common Stock, as of the close of business on November 20, 2023. To be able to execute the Rights Offering, the Credit Agreement was amended.

On January 22, 2024, we announced the closing of our \$80.0 million fully backstopped Rights Offering for shares of our Common Stock. Pursuant to the terms of the Rights Offering, 7,079,646 shares of Common Stock were purchased at \$11.30 per share, generating \$80.0 million in gross proceeds to the Company.

On February 12, 2024, we prepaid the Payoff Amount to terminate all commitments to extend further credit under the Credit Agreement using our \$80.0 million in proceeds received from the Rights Offering. The terms of the Rights Offering permit the Company to use the proceeds for general corporate purposes, including the repayment of debt. We were not subject to any early termination penalties under the Credit Agreement. The payment of the Payoff Amount terminated our obligations under the Credit Agreement, except for ordinary and customary survival terms. In addition, we retained access to letters of credit, originally available under the Credit Agreement.

See Item 8, Note 7, *Financing Arrangements*, for additional information regarding the Credit Agreement and Item 8, Note 10, *Stockholders' Equity (Deficit)*, for additional information regarding the Rights Offering.

Matters related to the 2026 Notes and 2027 Notes

In 2021, the Company issued the 2026 Notes in the principal amount of \$230.0 million, which mature on March 15, 2026.

On November 19, 2024, we issued \$197.3 million aggregate principal amount of 2027 Notes. From the issuance, we (i) exchanged \$176.3 million aggregate principal amount of the 2026 Notes and (ii) issued and sold to certain Offering Participants \$21.0 million additional principal amount of the 2027 Notes for gross cash proceeds of \$20.0 million. We used the \$20.0 million of the cash proceeds to offset the cash outflows associated with the debt issuance costs as well as general corporate purposes.

The 2027 Notes bear interest at a rate of 6.25% per annum, payable semi-annually commencing March 15, 2025 and will mature March 15, 2027, subject to earlier repurchase or conversion. We may be required to pay additional interest of 2.5% per annum of the 2027 Notes in the event that we fail to pledge certain assets as part of the collateral for the 2027 Notes, unless such assets are sold, by November 20, 2025.

See Item 8, Note 7, *Financing Arrangements*, for additional information regarding the 2026 and 2027 Notes.

Other Liquidity and Capital Resource matters

As of December 31, 2024, we had \$85.7 million in cash held by our international subsidiaries, which is primarily denominated in British Pounds Sterling, Euros, Indian Rupees and Australian dollars. In general, it is our practice and intention to re-invest the earnings of our non-U.S. subsidiaries in those operations or remit such earnings in a tax-efficient manner. We have not, nor do we anticipate the need to, repatriate funds to the United States to satisfy domestic liquidity needs arising in the ordinary course of business.

In May 2018, the Board authorized us to repurchase up to \$300.0 million of our Common Stock under our share repurchase program. As of December 31, 2024, up to \$245.0 million of Common Stock remained available for purchase under our program. The timing and amount of share repurchases, if any, will be determined based on market conditions, share price, available cash and other factors, and the share repurchase program may be terminated at any time. Repurchases will be made in compliance with SEC rules and other legal requirements and may be made, in part, under a Rule 10b5-1 plan, which permits share repurchases when we might otherwise be precluded from doing so.

Contractual Obligations and Commitments

For additional information on our commitments for other financing arrangements, future lease payments and purchase obligations, see Item 8, Note 7, *Financing Arrangements*, Note 8, *Leases* and Note 9, *Commitments and Contingencies*, for additional information.

Off-Balance Sheet Arrangements

We did not have any off-balance sheet arrangements as of December 31, 2024.

Critical Accounting Estimates

Management's Discussion and Analysis of Financial Condition and Results of Operations is based upon our Consolidated Financial Statements, which have been prepared in accordance with GAAP. Our significant accounting policies are discussed in Item 8, Note 2, *Summary of Significant Accounting Policies*, in the notes to the Consolidated Financial Statements.

The preparation of Consolidated Financial Statements requires management to make estimates and assumptions that affect the reported amounts and classifications of assets and liabilities, revenue and expenses, and related disclosure of contingent liabilities. Management bases its estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ materially from those estimates under different assumptions or conditions.

We believe that the estimates and assumptions related to revenue recognition, impairment assessments and income taxes have the greatest potential impact on our Consolidated Financial Statements. Therefore, we consider these to be our critical accounting estimates.

Revenue Recognition

We make significant estimates related to revenue recognition including estimates for refund reserve, variable consideration from vouchers that will not ultimately be redeemed, and breakage income from customer credits that are not expected to be used. We estimate future refunds, voucher redemptions, and customer credit redemptions using historical refund and redemption experience. We also consider trends when making those estimates that could be driven by changes to our policies, or in general, economic conditions that may impact customer behavior. We reevaluate our estimate as facts and circumstances change.

These estimates rely on judgments regarding future expectations of customer behavior. While the basis of our estimates is historical data, customer behavior may not always be predictable. If actual refunds or redemptions differ from our estimates, the effects could be material to the Consolidated Financial Statements.

See Item 8, Note 2, *Summary of Significant Accounting Policies* and Note 12, *Revenue Recognition*, for information about our revenue recognition accounting policies.

Impairment Assessments

Impairment assessment estimates apply to goodwill, long-lived assets, right-of-use assets and investments.

Goodwill is allocated to our reporting units at the date the goodwill is initially recorded. We evaluate goodwill for impairment annually on October 1 or more frequently when an event occurs or circumstances change that indicates the carrying value of a reporting unit may exceed its fair value. We review our long-lived assets, such as property, equipment and software, intangible assets, right-of-use assets and investments for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. Significant judgment and estimates are required when determining the fair value of these assets for impairment tests.

When determining fair values in impairment tests, we use the income approach (including discounted cash flows). Our significant estimates in those fair value measurements may include identifying business factors such as size, growth, profitability and risk and return on investment. Further, when measuring fair value based on discounted

cash flows, we make assumptions about risk-adjusted discount rates, including the weighted average cost of capital; rates of increase in revenue, cost of revenue and operating expenses; rates of long-term growth; working capital levels; and income tax rates. Valuations are performed by management or third-party valuation specialists under management's supervision, where appropriate. We believe that the estimated fair values used in impairment tests are based on reasonable assumptions that marketplace participants would use. However, such assumptions are inherently uncertain and actual results could differ materially from those estimates. See Item 8, Note 3, *Property, Equipment and Software, Net*, Note 4, *Goodwill and Other Intangible Assets*, Note 5, *Investments* and Note 8, *Leases* for more information about our impairment assessments.

Future changes in our assumptions or the interrelationship of the assumptions described above may negatively impact future valuations. In future measurements of fair value, adverse changes in assumptions could result in impairments of goodwill or long-lived assets that would require non-cash charges to the Consolidated Statements of Operations and those charges could have a material effect on our financial condition and operating results.

See Item 8, Note 2, *Summary of Significant Accounting Policies* for information about our accounting policies relating to impairment of goodwill, long-lived assets, right-of-use assets and investments.

Income Taxes

We account for income taxes using the asset and liability method and assess whether it is more likely than not that the deferred tax assets will be realized. We are also subject to taxation in the United States, various states and foreign jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes and recording the related income tax assets and liabilities.

To assess whether it is more likely than not that deferred tax assets will be realized and whether a valuation allowance needs to be recorded against them, we consider the following four sources of taxable income for each tax jurisdiction: (a) future reversals of existing taxable temporary differences, (b) projected future earnings, (c) taxable income in carryback years, and (d) tax planning strategies.

During the ordinary course of business, there are many transactions and calculations for which the ultimate tax determination is uncertain. For example, our effective tax rate could be adversely affected by earnings being lower than anticipated in countries where it has lower statutory rates and higher than anticipated in countries where it has higher statutory rates, by changes in foreign currency exchange rates, by changes in the valuation of deferred tax assets and liabilities, by changes in the measurement of uncertain tax positions, by changes affecting transfer pricing or by changes in the relevant laws, regulations, principles and interpretations.

See Item 8, Note 2, *Summary of Significant Accounting Policies*, and Note 14, *Income Taxes*, for information about our income tax accounting policies.

Recently Issued Accounting Standards

For a description of recently issued accounting standards, please see Item 8, Note 2, *Summary of Significant Accounting Policies*.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We have operations both within the United States and internationally, and we are exposed to market risks in the ordinary course of our business, including the effect of foreign currency fluctuations, interest rate changes and inflation. Information relating to quantitative and qualitative disclosures about these market risks is set forth below.

Foreign Currency Exchange Risk

We transact business in various foreign currencies other than the U.S. dollar, principally the Euro, British pound sterling, Canadian dollar, Indian Rupee, Polish Zloty, Czech Koruna, and, to a lesser extent, Swiss Franc and Australian dollar, which exposes us to foreign currency risk. For the year ended December 31, 2024, we derived approximately 23.6% of our revenue from our International segment. Revenue and related expenses generated from our international operations are generally denominated in the local currencies of the corresponding countries. The functional currencies of our subsidiaries that either operate or support these markets are generally the same as the corresponding local currencies. However, the results of operations of, and certain of our intercompany balances associated with, our international operations are exposed to foreign currency exchange rate fluctuations. Upon consolidation, as exchange rates vary, our revenue and other operating results may differ materially from expectations, and we may record significant gains or losses on the re-measurement of intercompany balances.

We assess our foreign currency exchange risk based on hypothetical changes in rates utilizing a sensitivity analysis that measures the potential impact on working capital based on a 10% change (increase and decrease) in currency rates. We use a current market pricing model to assess the changes in the value of the U.S. dollar on foreign currency denominated monetary assets and liabilities. The primary assumption used in this model is a hypothetical 10% weakening or strengthening of the U.S. dollar against those currency exposures as of December 31, 2024 and 2023.

As of December 31, 2024, our net working capital surplus (defined as current assets less current liabilities) from subsidiaries that are subject to foreign currency translation risk was \$8.3 million. The potential increase in this working capital surplus from a hypothetical 10% adverse change in quoted foreign currency exchange rates would be \$0.8 million. This compares with a \$21.7 million working capital deficit subject to foreign currency exposure as of December 31, 2023, for which a 10% adverse change would have resulted in a potential increase in this working capital deficit of \$2.2 million.

Interest Rate Risk

Our cash balance as of December 31, 2024 consists of bank deposits so exposure to market risk for changes in interest rates is limited. The 2026 Notes and 2027 Notes have an aggregate principal amount of \$53.7 million and \$197.3 million, respectively, and bear interest at a fixed rate, so we have no financial statement impact from changes in interest rates. However, changes in market interest rates impact the fair value of the 2026 Notes and 2027 Notes along with other variables such as our credit spreads and the market price and volatility of our Common Stock. See Item 8, Note 7, *Financing Arrangements*, for additional information.

Inflation Risk

Our business is affected by changes to our merchants' and customers' discretionary spend. We expect such discretionary spend limitations to continue, and if we do not see increased overall demand for discounted goods and services to help offset these limitations on individual merchants and customers, our business, financial condition and results of operations could be adversely impacted. Additionally, periods of increased inflation could negatively impact our business by driving up our operating costs. Our costs are subject to inflationary pressures, and if those pressures become significant, we may not be able to offset such higher costs through price increases or other cost efficiency measures. Our inability or failure to do so could harm our business, financial condition and results of operations.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA**Table of Contents**

Groupon, Inc.
Consolidated Financial Statements
As of December 31, 2024 and 2023 and for the Years Ended December 31, 2024, 2023 and 2022

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of Groupon, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Groupon, Inc. and subsidiaries (the "Company") as of December 31, 2024 and 2023, the related consolidated statements of operations, comprehensive income (loss), stockholders' equity (deficit), and cash flows, for each of the three years in the period ended December 31, 2024, and the related notes and the schedule listed in the Index at Item 15(2) (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024, and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated March 11, 2025, expressed an adverse opinion on the Company's internal control over financial reporting because of a material weakness.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current-period audit of the financial statements that were communicated or required to be communicated to the audit committee and that (1) relate to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Variable Consideration Revenue Recognition—Refer to Notes 2 and 12 to the financial statements

Critical Audit Matter Description

In accordance with the measurement principles of the revenue recognition accounting standard, the Company estimates variable consideration and includes such estimates in its determination of the transaction price that is recognized as revenue. The Company's estimate of variable consideration each period is associated with gross billings for vouchers that are ultimately not redeemed by customers and for which the Company's payment terms to merchants are upon redemption. For vouchers with redemption payment terms, the merchant is not paid its share of the sale price for a voucher sold unless and until the customer redeems the related voucher. If the voucher is never redeemed by the customer, the Company retains the full amount paid for the voucher and is not required to remit to the merchant its portion of the voucher's sales proceeds.

Evaluating management's model and assumptions used to estimate variable consideration revenue involved especially subjective judgment.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to evaluating the Company's model and assumptions used to estimate the variable consideration revenue amount included the following, among others:

- We tested the effectiveness of controls over the estimation of the variable consideration revenue.
- We evaluated the Company's model, including testing the mathematical accuracy of the model, used to measure the variable consideration revenue amount by considering if it conforms with the objectives and measurement principles of the revenue recognition standard related to variable consideration.
- We evaluated whether the Company used the proper data in the model. We also tested the completeness and accuracy of the data used in the model.
- We evaluated the assumptions used in the model, specifically the estimated redemption rates for cohorts of vouchers, by comparing the assumed redemption rates used in the model to historical redemption rates for similar vouchers.

Income Taxes—Foreign Tax Position—Refer to Notes 2, 9, and 14 to the financial statements

Critical Audit Matter Description

The Company received a proposed income tax assessment from the Italian tax authority in the amount of \$122.3 million, inclusive of estimated incremental interest from the original assessment. In December 2023, the subsidiary subject to the proposed assessment received an unfavorable ruling at the lowest court level. In October 2024, the subsidiary subject to the proposed assessment received an unfavorable ruling at the second-tier court. They intend to pursue a prompt appeal to the Italian Supreme Court. The Company believes the assessment, which primarily relates to transfer pricing on transactions occurring in 2011, is without merit and has been vigorously defending the subsidiary in that matter.

Given the complexity of the relevant tax laws and regulations, auditing management's evaluation and accounting for the tax position associated with the foreign income tax assessment involved especially subjective and complex judgments.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the accounting for the tax position associated with the foreign income tax assessment included the following, among others:

- We tested the effectiveness of controls over income taxes, including those over accounting for uncertain tax positions.
- With the assistance of our foreign and US income tax specialists, we evaluated management's analysis regarding the likelihood of sustaining its foreign tax position upon examination by the relevant foreign tax authorities; we evaluated management's estimate of the amount of tax benefit recognized;
- We assessed the basis of the Company's analysis and measurement by:
 - Obtaining, reading, and evaluating the outside legal opinion received by the Company supporting its position
 - Examining communication between tax authorities and the Company or their tax legal advisors
 - Obtaining, reading, and evaluating management's written analysis supporting the accounting position

- Making direct inquiries of the outside legal counsel representing the Company in this proposed assessment by the foreign tax authority
- Evaluating any developments in the matter during the current fiscal year through inquiry of Company personnel and their outside legal counsel.

/s/ Deloitte & Touche LLP

Chicago, Illinois
March 11, 2025

We have served as the Company's auditor since 2017.

GROUPON, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share amounts)

	December 31,	
	2024	2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 228,843	\$ 141,563
Accounts receivable, net	34,153	50,373
Prepaid expenses and other current assets	52,365	63,647
Total current assets	315,361	255,583
Property, equipment and software, net	17,827	30,530
Right-of-use assets - operating leases, net	6,041	2,197
Goodwill	178,685	178,685
Intangible assets, net	4,738	11,404
Investments	74,823	74,823
Deferred income taxes	6,071	11,639
Other non-current assets	9,144	6,095
Total assets	\$ 612,690	\$ 570,956
Liabilities and equity (deficit)		
Current liabilities:		
Short-term borrowings	\$ —	\$ 42,776
Accounts payable	11,311	15,016
Accrued merchant and supplier payables	196,350	209,423
Accrued expenses and other current liabilities	97,765	101,939
Total current liabilities	305,426	369,154
Convertible senior notes, net	246,013	226,470
Operating lease obligations	3,604	2,382
Other non-current liabilities	16,596	13,262
Total liabilities	571,639	611,268
Commitments and contingencies (see Note 9)		
Stockholders' equity (deficit)		
Common Stock, par value \$0.0001 per share, 100,500,000 shares authorized; 50,090,026 shares issued and 39,795,909 shares outstanding at December 31, 2024; 42,147,266 shares issued and 31,853,149 shares outstanding at December 31, 2023	5	4
Additional paid-in capital	2,441,656	2,337,565
Treasury stock, at cost, 10,294,117 shares at December 31, 2024 and December 31, 2023	(922,666)	(922,666)
Accumulated deficit	(1,508,914)	(1,449,887)
Accumulated other comprehensive income (loss)	30,734	(5,647)
Total Groupon, Inc. stockholders' equity (deficit)	40,815	(40,631)
Noncontrolling interests	236	319
Total equity (deficit)	41,051	(40,312)
Total liabilities and equity (deficit)	\$ 612,690	\$ 570,956

See Notes to Consolidated Financial Statements.

GROUPON, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except share and per share amounts)

	Year Ended December 31,		
	2024	2023	2022
Revenue	\$ 492,557	\$ 514,910	\$ 599,085
Cost of revenue	48,251	64,246	76,261
Gross profit	444,306	450,664	522,824
Operating expenses:			
Marketing	144,207	110,505	149,231
Selling, general and administrative	295,399	350,405	481,375
Goodwill impairment	—	—	35,424
Long-lived asset impairment	—	—	12,259
Restructuring and related charges	1,066	8,006	12,350
(Gain) on sale of assets	(5,160)	—	—
Total operating expenses	435,512	468,916	690,639
Income (loss) from operations	8,794	(18,252)	(167,815)
Other income (expense), net	(39,185)	(25,174)	(24,155)
Income (loss) before provision (benefit) for income taxes	(30,391)	(43,426)	(191,970)
Provision (benefit) for income taxes	26,123	9,508	42,410
Net income (loss)	(56,514)	(52,934)	(234,380)
Net (income) loss attributable to noncontrolling interests	(2,513)	(2,476)	(3,229)
Net income (loss) attributable to Groupon, Inc.	\$ (59,027)	\$ (55,410)	\$ (237,609)
Basic and diluted net income (loss) per share:	\$ (1.51)	\$ (1.77)	\$ (7.88)
Basic and diluted weighted average number of shares outstanding:	39,170,368	31,243,179	30,166,100

See Notes to Consolidated Financial Statements.

GROUPON, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(in thousands)

	Year Ended December 31,		
	2024	2023	2022
Net income (loss)	\$ (56,514)	\$ (52,934)	\$ (234,380)
Other comprehensive income (loss):			
Net change in unrealized gain (loss) on foreign currency translation adjustments	36,381	(8,589)	7,755
Other comprehensive income (loss)	36,381	(8,589)	7,755
Comprehensive income (loss)	(20,133)	(61,523)	(226,625)
Comprehensive income attributable to noncontrolling interests	(2,513)	(2,476)	(3,229)
Comprehensive income (loss) attributable to Groupon, Inc.	\$ (22,646)	\$ (63,999)	\$ (229,854)

See Notes to Consolidated Financial Statements.

GROUPON, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
(in thousands, except share amounts)

Groupon, Inc. Stockholders' Equity (Deficit)													
	Common Stock		Additional Paid-In Capital		Treasury Stock		Accumulated Deficit		Accumulated Other Comprehensive Income (Loss)		Total Groupon, Inc. Stockholders' Equity (Deficit)	Non-controlling Interests	Total Equity (Deficit)
	Shares	Amount	Shares	Amount	Shares	Amount	(\$)	(\$)	(\$)	(\$)			
Balance at December 31, 2021	40,007,255	\$ 4	\$ 2,294,215		(10,294,117)	\$ (922,666)	\$ (1,156,868)	\$ (4,813)	\$ 209,872	\$ 424	\$ 210,296		
Comprehensive income (loss)	—	—	—	—	—	—	(237,609)	7,755	(229,854)	3,229	(226,625)		
Vesting of RSUs and PSUs	1,101,375	—	—	—	—	—	—	—	—	—	—		
Shares issued under ESPP	83,551	—	1,105	—	—	—	—	—	1,105	—	1,105		
Tax withholdings related to net share settlements of stock-based compensation awards	(405,185)	—	(6,043)	—	—	—	—	—	(6,043)	—	(6,043)		
Stock-based compensation on equity-classified awards	—	—	33,395	—	—	—	—	—	33,395	—	33,395		
Distributions to noncontrolling interest holders	—	—	—	—	—	—	—	—	(3,270)	(3,270)	(3,270)		
Balance at December 31, 2022	40,786,996	\$ 4	\$ 2,322,672		(10,294,117)	\$ (922,666)	\$ (1,394,477)	\$ 2,942	\$ 8,475	\$ 383	\$ 8,858		
Comprehensive income (loss)	—	—	—	—	—	—	(55,410)	(8,589)	(63,999)	2,476	(61,523)		
Exercise of stock options	437,500	—	2,625	—	—	—	—	—	2,625	—	2,625		
Vesting of RSUs and PSUs	1,385,284	—	—	—	—	—	—	—	—	—	—		
Shares issued under ESPP	45,879	—	307	—	—	—	—	—	307	—	307		
Tax withholdings related to net share settlements of stock-based compensation awards	(508,393)	—	(3,321)	—	—	—	—	—	(3,321)	—	(3,321)		
Stock-based compensation on equity-classified awards	—	—	15,282	—	—	—	—	—	15,282	—	15,282		
Distributions to noncontrolling interest holders	—	—	—	—	—	—	—	—	(2,540)	(2,540)	(2,540)		
Balance at December 31, 2023	42,147,266	\$ 4	\$ 2,337,565		(10,294,117)	\$ (922,666)	\$ (1,449,887)	\$ (5,647)	\$ (40,631)	\$ 319	\$ (40,312)		
Comprehensive income (loss)	—	—	—	—	—	—	(59,027)	36,381	(22,646)	2,513	(20,133)		
Rights Offering, net of issuance costs	7,079,646	1	79,618	—	—	—	—	—	79,619	—	79,619		
Vesting of RSUs and PSUs	1,029,421	—	—	—	—	—	—	—	—	—	—		
Shares issued under ESPP	11,612	—	92	—	—	—	—	—	92	—	92		
Tax withholdings related to net share settlements of stock-based compensation awards	(177,919)	—	(2,501)	—	—	—	—	—	(2,501)	—	(2,501)		
Stock-based compensation on equity-classified awards	—	—	26,882	—	—	—	—	—	26,882	—	26,882		
Distributions to noncontrolling interest holders	—	—	—	—	—	—	—	—	(2,596)	(2,596)	(2,596)		
Balance at December 31, 2024	50,090,026	\$ 5	\$ 2,441,656		(10,294,117)	\$ (922,666)	\$ (1,508,914)	\$ 30,734	\$ 40,815	\$ 236	\$ 41,051		

See Notes to Consolidated Financial Statements.

GROUPON, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31,		
	2024	2023	2022
Operating activities			
Net income (loss)	\$ (56,514)	\$ (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	27,889	43,401	54,170
Amortization of acquired intangible assets	3,011	7,817	8,493
Impairment of goodwill	—	—	35,424
Impairment of long-lived assets	—	—	12,259
Restructuring-related impairment	—	—	2,949
Stock-based compensation	26,734	14,481	30,006
Changes in fair value of investments	—	25,751	—
Deferred income taxes	4,496	1,735	49,099
(Gain) loss on early lease termination	(596)	(729)	(4,471)
Loss on extinguishment of debt	1,631	—	—
Foreign currency (gains) losses, net	30,036	(5,105)	10,934
Foreign VAT assessments	8,692	—	—
(Gain) on sale of assets	(5,160)	—	—
Change in assets and liabilities:			
Accounts receivable	15,276	(4,482)	(10,088)
Prepaid expenses and other current assets	18,598	21,364	9,812
Right-of-use assets - operating leases	2,525	9,747	16,986
Accounts payable	(3,637)	(44,594)	37,540
Accrued merchant and supplier payables	(9,694)	(18,286)	(39,428)
Accrued expenses and other current liabilities	(7,047)	(37,851)	(71,804)
Operating lease obligations	(6,144)	(27,149)	(30,295)
Payments for early lease terminations	(2,155)	(9,724)	—
Other, net	7,953	(1,427)	(13,193)
Net cash provided by (used in) operating activities	55,894	(77,985)	(135,987)
Investing activities			
Purchases of property and equipment and capitalized software	(15,333)	(19,285)	(36,168)
Proceeds from sale or divestment of investment	—	18,924	—
Proceeds from sale of assets, net	9,116	1,489	—
Acquisitions of intangible assets and other investing activities	(595)	(2,525)	(2,677)
Net cash provided by (used in) investing activities	(6,812)	(1,397)	(38,845)
Financing activities			
Proceeds from borrowings under revolving credit agreement	—	—	40,000
Payments of borrowings under revolving credit agreement	(42,776)	(32,224)	(65,000)
Proceeds from issuance of 2027 Notes	19,950	—	—
Issuance costs for 2027 Notes	(3,703)	—	—
Proceeds from Rights Offering, net of issuance costs	79,619	—	—
Taxes paid related to net share settlements of stock-based compensation awards	(2,332)	(3,299)	(6,065)
Other financing activities	(2,968)	(167)	(3,342)
Net cash provided by (used in) financing activities	47,790	(35,690)	(34,407)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(1,941)	1,014	(8,548)
Net increase (decrease) in cash, cash equivalents and restricted cash	94,931	(114,058)	(217,787)
Cash, cash equivalents and restricted cash, beginning of period ⁽¹⁾	167,638	281,696	499,483
Cash, cash equivalents and restricted cash, end of period ⁽¹⁾	\$ 262,569	\$ 167,638	\$ 281,696

See Notes to Consolidated Financial Statements.

GROUPON, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Year Ended December 31,		
	2024	2023	2022
Supplemental disclosure of cash flow information			
<i>Cash activity:</i>			
Cash paid for interest	\$ 3,366	\$ 6,624	\$ 5,940
Income tax payments	15,511	7,904	5,184
Cash paid for amounts included in the measurement of operating lease liabilities	5,508	26,686	31,508
<i>Non-cash investing activity:</i>			
Right-of-use assets obtained in exchange for operating lease liabilities	6,456	973	2,635
Increase (decrease) in liabilities related to purchases of property and equipment and capitalized software	356	(1,770)	3,325
<i>Non-cash financing activity:</i>			
Exchanged 2026 Notes	(176,260)	—	—
Issuance of the 2027 Notes in exchange for 2026 Notes	\$ 176,260	\$ —	\$ —

(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, 2024, 2023 and 2022 (in thousands):

	December 31, 2024	December 31, 2023	December 31, 2022
Cash and cash equivalents	\$ 228,843	\$ 141,563	\$ 281,279
Restricted cash included in prepaid expenses and other current assets	33,726	26,075	417
Cash, cash equivalents and restricted cash	\$ 262,569	\$ 167,638	\$ 281,696

See Notes to Consolidated Financial Statements.

GROUPON, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

Company Information

Groupon, Inc. and its subsidiaries, which commenced operations in October 2008, is a global scaled two-sided marketplace that connects consumers to merchants by offering goods and services, generally at a discount. Consumers access those marketplaces through our mobile applications and our websites.

Our operations are organized into two segments: North America and International. See Note 18, *Segment and Geographical Information*, for more information.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The Consolidated Financial Statements include the accounts of Groupon, Inc. and its subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation. The Consolidated Financial Statements were prepared in accordance with GAAP and include the assets, liabilities, revenue and expenses of all wholly-owned subsidiaries and majority-owned subsidiaries over which we exercise control and variable interest entities for which we have determined that we are the primary beneficiary. Outside stockholders' interests in subsidiaries are shown on the Consolidated Financial Statements as Noncontrolling interests. Investments in entities in which we do not have a controlling financial interest are accounted for at fair value, as available-for-sale securities or at cost adjusted for observable price changes and impairments, as appropriate.

Adoption of New Accounting Standards

We adopted the guidance in ASU 2023-07 *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures* as of December 31, 2024. This ASU expands the annual and interim disclosure requirements for reportable segments, primarily through additional disclosures about significant segment expenses that are regularly provided to the chief operating decision maker and included in the segment measure of profit or loss. It also requires an explanation of how the chief operating decision maker uses the segment measure of profit or loss to assess segment performance and allocate resources. The adoption of ASU 2023-07 resulted in additional disclosures in the notes to our consolidated financial statements that we applied retrospectively to all prior periods presented.

Reclassifications

Certain reclassifications have been made to the Consolidated Financial Statements of prior periods and the accompanying notes to conform to the current period presentation.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the Consolidated Financial Statements and accompanying notes. Estimates in our financial statements include, but are not limited to, the following: variable consideration from unredeemed vouchers; income taxes; leases; initial valuation and subsequent impairment testing of goodwill, other intangible assets and long-lived assets; investments; receivables; customer refunds and other reserves; contingent liabilities; and the useful lives of property, equipment and software and intangible assets. Actual results could differ materially from those estimates.

Cash, Cash Equivalents

We consider all highly liquid investments with an original maturity of three months or less from the date of purchase to be cash equivalents.

GROUPON, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Accounts Receivable, Net

Accounts receivable primarily represents the net cash due from credit card and other payment processors and from merchants and performance marketing networks for commissions earned on consumer purchases. The carrying amount of receivables is reduced by an allowance for expected credit losses that reflects management's best estimate of amounts that will not be collected. We establish an allowance for expected credit losses on accounts receivable based on identifying the following customer risk characteristics: size, type of customer, and payment terms offered in the normal course of business. Receivables with similar risk characteristics are grouped into pools. For each pool, we consider the historical credit loss experience, current economic conditions, bankruptcy filings, published or estimated credit default rates, age of the receivable and any recoveries in assessing the lifetime expected credit losses.

Property and Equipment

Property and equipment are stated at cost. Depreciation and amortization of property and equipment is recorded on a straight-line basis over the estimated useful lives of the assets within Selling, general and administrative expense on the Consolidated Statements of Operations. Generally, the useful lives are three to five years for computer hardware, office equipment, furniture and fixtures and the shorter of the term of the lease or the expected life of the underlying asset for leasehold improvements.

Internal-Use Software

We incur costs related to internal-use software and website development, including purchased software and internally-developed software. Costs incurred in the planning and evaluation stage of internally-developed software and website development are expensed as incurred. Costs incurred and accumulated during the application development stage are capitalized and included within Property, equipment and software, net on the Consolidated Balance Sheets. Amortization of internal-use software is recorded on a straight-line basis over the two-year estimated useful life of the assets within Cost of revenue and Selling, general and administrative expense on the Consolidated Statements of Operations.

Cloud Computing Costs

We have entered into non-cancelable cloud computing hosting arrangements for which we incur implementation costs. Costs incurred in the planning and evaluation stage of the cloud computing hosting arrangement are expensed as incurred. Costs incurred during the application development stage related to implementation of the hosting arrangement are capitalized and included within Prepaid expenses and other current assets and Other non-current assets on the Consolidated Balance Sheets. Amortization of implementation costs is recorded on a straight-line basis over the expected term of the associated hosting arrangement for each module or component of the related hosting arrangement when it is ready for its intended use. Amortization costs are recorded in Selling, general and administrative expense on the Consolidated Statements of Operations.

Goodwill

Goodwill is allocated to our reporting units at acquisition. Our reporting units are the same as our operating segments, North America and International. Once goodwill has been allocated to the reporting units, it no longer retains its identification with a particular acquisition and becomes identified with the reporting unit in its entirety.

We evaluate goodwill for impairment annually on October 1 or more frequently when an event occurs or circumstances change that indicates the carrying value of a reporting unit may exceed its fair value. We have the option to assess goodwill for impairment by first performing a qualitative assessment to determine whether it is more-likely-than-not that the fair value of a reporting unit is less than its carrying value. If it is determined that the reporting unit fair value is more-likely-than-not less than its carrying value, or if we do not elect the option to perform an initial qualitative assessment, we perform a quantitative assessment of the reporting unit's fair value. If the fair value of the reporting unit is in excess of its carrying value, the related goodwill is not impaired. If the fair value is less than the carrying value, we recognize an impairment equal to the difference between the carrying value of the reporting unit and its fair value, not to exceed the carrying value of goodwill.

GROUPON, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Investments

Investments in equity shares without a readily determinable fair value and for which we do not have the ability to exercise significant influence are accounted for at cost adjusted for observable price changes and impairments, with changes in the measurement recognized through Other income (expense), net on the Consolidated Statements of Operations. Those investments are classified within Investments on the Consolidated Balance Sheets.

We have investments in Common Stock or in-substance Common Stock for which we have the ability to exercise significant influence and we have made an irrevocable election to account for those investments at fair value. Those investments are classified within Investments on the Consolidated Balance Sheets.

We classify our debt securities as available-for-sale securities, which are classified within Investments on the Consolidated Balance Sheets. Available-for-sale securities are recorded at fair value each reporting period. Unrealized gains and losses, net of the related tax effects, are excluded from earnings and recorded as a separate component within Accumulated other comprehensive income (loss) on the Consolidated Balance Sheets until realized. Interest income from available-for-sale securities is reported within Other income (expense), net on the Consolidated Statements of Operations. We conduct reviews of our available-for-sale investments with unrealized losses on a quarterly basis to evaluate whether those impairments are other-than-temporary. Investments with unrealized losses that are determined to be other-than-temporary are written down to fair value with a charge to earnings. Unrealized losses that are determined to be temporary in nature are recorded, net of tax, in Accumulated other comprehensive income (loss) for available-for-sale securities on the Consolidated Balance Sheets.

Income Taxes

We account for income taxes using the asset and liability method, under which deferred income tax assets and liabilities are recognized based upon anticipated future tax consequences attributable to differences between the financial statement carrying amounts of assets and liabilities and their respective tax bases. We regularly review deferred tax assets to assess whether it is more likely than not that the deferred tax assets will be realized and, if necessary, establish a valuation allowance for portions of such assets to reduce the carrying value.

For purposes of assessing whether it is more likely than not that deferred tax assets will be realized, we consider the following four sources of taxable income for each tax jurisdiction: (a) future reversals of existing taxable temporary differences, (b) projected future earnings, (c) taxable income in carryback years, to the extent that carrybacks are permitted under the tax laws of the applicable jurisdiction, and (d) tax planning strategies, which represent prudent and feasible actions that a company ordinarily might not take, but would take to prevent an operating loss or tax credit carryforward from expiring unused. To the extent that evidence about one or more of these sources of taxable income is sufficient to support a conclusion that a valuation allowance is not necessary, other sources need not be considered. Otherwise, evidence about each of the sources of taxable income is considered in arriving at a conclusion about the need for and amount of a valuation allowance.

We are subject to taxation in the United States, various states and foreign jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes and recording the related income tax assets and liabilities. During the ordinary course of business, there are many transactions and calculations for which the ultimate tax determination is uncertain. For example, our effective tax rate could be adversely affected by earnings being lower than anticipated in countries where it has lower statutory rates and higher than anticipated in countries where it has higher statutory rates, by changes in foreign currency exchange rates, by changes in the valuation of deferred tax assets and liabilities, by changes in the measurement of uncertain tax positions or by changes in the relevant laws, regulations, principles and interpretations. We account for uncertainty in income taxes by recognizing the financial statement benefit of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not criteria, the amount recognized in the Consolidated Financial Statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority.

Lease Obligations

We have entered into various non-cancelable operating lease agreements for our offices. Significant judgment is required when determining whether a contract is or contains a lease. We review contracts to determine

GROUPON, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

whether the language conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

We classify leases at their commencement as either operating or finance leases. We recognize a right-of-use asset and lease liability for all of our leases at the commencement of the lease, which is the date we have the right to control the asset. Lease liabilities are measured based on the present value of the minimum lease payments discounted by a rate determined as of the date of commencement. The discount rate used to calculate the present value for lease payments is the rate implicit in the lease, unless that rate cannot be readily determined. For leases in which the rate implicit in the lease is not readily determinable, the discount rate is our incremental borrowing rate, which is determined based on information available at lease commencement and is equal to the rate of interest that we would have to pay to borrow on a collateralized basis over a similar term as the lease. Right-of-use assets are measured based on the lease liability adjusted for any initial direct costs, prepaid rent, or lease incentives. Minimum lease payments made under operating leases are apportioned between interest expense and a reduction of the related operating lease obligations. Operating lease costs, including interest expense on operating leases, are generally presented within Selling, general and administrative expense on the Consolidated Statements of Operations and the related operating lease obligation is presented within Accrued expenses and other current liabilities and Operating lease obligations on the Consolidated Balance Sheets. Short term leases with an initial term of 12 months or less are not recorded on the balance sheet and are expensed in the period in which they are incurred.

We may receive renewal or expansion options, rent holidays, leasehold improvements or other incentives on certain lease agreements. We assess whether it is reasonably certain that we will exercise an option to renew or terminate a lease by considering factors that create an economic incentive or disincentive.

Certain lease agreements include variable lease costs which are primarily related to costs that are dependent on our usage of the underlying asset or lease payments that are dependent on an index when that index has changed since lease commencement. Those costs are expensed in the period in which they are incurred.

Loss Contingencies

We establish an accrued liability for loss contingencies related to legal and regulatory matters when the loss is both probable and reasonably estimable. Those accruals represent management's best estimate of probable losses. If the amount of loss is a range, we accrue for the best estimate within that range. If no amount within the range is a better estimate, we accrue for the minimum amount within that range.

Revenue Recognition

We recognize revenue when we satisfy a performance obligation by transferring a promised good or service to a customer. Substantially all of our performance obligations are satisfied at a point in time rather than over time. We offer goods and services through our online marketplaces in three primary categories: Local, Goods and Travel.

Service and Product Revenue

Service revenue primarily represents the net commissions earned from selling goods or services on behalf of third-party merchants. Those transactions generally involve a customer's purchase of a voucher through one of our online marketplaces that can be redeemed by the customer with a third-party merchant for goods or services (or for discounts on goods or services). Service revenue from those transactions is reported on a net basis as the purchase price collected from the customer less the portion of the purchase price that is payable to the third-party merchant. We recognize revenue from those transactions when our commission has been earned, which occurs when a sale through one of our online marketplaces is completed and the related voucher has been made available to the customer. We believe that our remaining obligations to remit payment to the merchant and to provide information about vouchers sold are administrative activities that are immaterial in the context of the contract with the merchant. Revenue from hotel reservation offerings is recognized at the time the reservation is made, net of an allowance for estimated cancellations.

We also earn commissions when customers make purchases with retailers using digital coupons accessed through our websites and mobile applications. We recognize those commissions as revenue in the period in which the underlying transactions between the customer and the third-party merchant are completed. Additionally, we earn

GROUPON, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

advertising revenue when the advertiser's logo or website link has been included on our websites or in specified email distributions for the requisite period of time as set forth in the agreement with the advertiser.

Variable Consideration for Unredeemed Vouchers

For merchant agreements with redemption payment terms, the merchant is not paid its share of the sale price for a voucher sold through one of our online marketplaces until the customer redeems the related voucher. If the customer does not redeem a voucher with such merchant payment terms, we retain all of the gross billings for that voucher, rather than retaining only our net commission. We estimate the variable consideration from vouchers that will not ultimately be redeemed using our historical voucher redemption experience and recognize that amount as revenue at the time of sale. We apply a constraint to ensure it is probable that a significant reversal of revenue will not occur in future periods. If actual redemptions differ from our estimates, the effects could be material to the Consolidated Financial Statements.

Refunds

Refunds are recorded as a reduction of revenue. The liability for estimated refunds is included within Accrued expenses and other current liabilities on the Consolidated Balance Sheets.

We estimate our refund reserve using historical refund experience by category. We assess the trends that could affect our estimates on an ongoing basis and make adjustments to the refund reserve calculations if it appears that changes in circumstances, including changes to our refund policies or general economic conditions, may cause future refunds to differ from our initial estimates. If actual refunds differ from our estimates, the effects could be material to the Consolidated Financial Statements.

Discounts, Customer Credits and Other Consideration Payable to Customers

We provide discount offers to encourage purchases of goods and services through our online marketplaces. We record discounts as a reduction of revenue.

Additionally, we issue credits to customers that can be applied to future purchases through our online marketplaces. Credits are primarily issued as consideration for refunds. To a lesser extent, credits are issued for customer relationship purposes. Credits issued to satisfy refund requests are applied as a reduction to the refund reserve and customer credits issued for relationship purposes are classified as a reduction of revenue. Breakage income from customer credits that are not expected to be used is estimated and recognized as revenue in proportion to the pattern of redemption for customer credits that are used.

Customer credits can be redeemed through our online marketplaces for goods or services provided by a third-party merchant. When customer credits are redeemed for goods or services provided by a third-party merchant, service revenue is recognized on a net basis as the difference between the carrying amount of the customer credit liability derecognized and the amount due to the merchant for the related transaction. Customer credits are primarily used within one year of issuance.

Sales and Related Taxes

Sales, use, value-added and related taxes that are imposed on specific revenue-generating transactions are presented on a net basis and excluded from revenue.

Costs of Obtaining Contracts

Incremental costs to obtain contracts with third-party merchants, such as sales commissions, are deferred and recognized on a straight-line basis over the expected period of the merchant arrangement, generally from 12 to 18 months. Those costs are classified within Selling, general and administrative expense in the Consolidated Statements of Operations.

GROUPON, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Cost of Revenue

Cost of revenue consists of direct and certain indirect costs incurred to generate revenue. Costs incurred to generate revenue, which include credit card processing fees, editorial costs, compensation expense for technology support personnel who are responsible for maintaining the infrastructure of our websites, amortization of internal-use software relating to customer-facing applications, web hosting and other processing fees are attributed to the cost of service.

Impairment of Long-Lived Assets

We review our long-lived assets, such as property, equipment and software, intangible assets and right-of-use assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or asset group may not be recoverable. If circumstances require that a long-lived asset or asset group to be held and used be tested for possible impairment, we first compare the undiscounted cash flows expected to be generated by that long-lived asset or asset group to its carrying amount. If the carrying amount of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying amount exceeds its fair value.

Long-lived assets or disposal groups classified as held for sale are recorded at the lower of their carrying amount or fair value less estimated selling costs. Long-lived assets are not depreciated or amortized while classified as held for sale.

Stock-Based Compensation

We measure stock-based compensation cost at fair value. Expense is generally recognized on a straight-line basis over the service period during which awards are expected to vest, except for awards with both performance conditions and a graded vesting schedule, which are recognized using the accelerated method. We present stock-based compensation expense primarily within Selling, general, and administrative expense in the Consolidated Statements of Operations.

Foreign Currency

Balance sheet accounts of our operations outside of the United States are translated from foreign currencies into U.S. dollars at exchange rates as of the Consolidated Balance Sheet date. Revenue and expenses are translated at average exchange rates during the period. Foreign currency translation adjustments and foreign currency gains and losses on intercompany balances that are of a long-term investment nature are included within Accumulated other comprehensive income on the Consolidated Balance Sheets. Foreign currency gains and losses resulting from transactions that are denominated in currencies other than the entity's functional currency, including foreign currency gains and losses on intercompany balances that are not of a long-term investment nature, are included within Other income (expense), net on the Consolidated Statements of Operations.

Recently Issued Accounting Standards Not Yet Adopted

In December 2023, the FASB issued ASU 2023-09 *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. This ASU is effective for annual periods beginning after December 15, 2024 and early adoption is permitted. The Company is assessing the effect this guidance may have on our disclosures.

In November 2024, the FASB issued ASU 2024-03 *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*. The amendments in this update are effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027 and early adoption is permitted. The Company is assessing the effect this guidance may have on our disclosures.

Additionally in November 2024, the FASB issued ASU 2024-04 *Debt—Debt with Conversion and Other Options (Subtopic 470-20): Induced Conversions of Convertible Debt Instruments*. The amendments in this update are effective for all entities for annual reporting periods beginning after December 15, 2025, and interim reporting periods within those annual reporting periods and early adoption is permitted. The Company is assessing the effect this guidance may have on our disclosures. The Company has not had any induced conversions of debt.

GROUPON, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

3. PROPERTY, EQUIPMENT AND SOFTWARE, NET

The following summarizes property, equipment and software, net as of December 31, 2024 and 2023 (in thousands):

	December 31,	
	2024	2023
Furniture and fixtures and other	\$ 394	\$ 571
Leasehold improvements ⁽¹⁾	1,001	19,167
Computer hardware and purchased software	4,367	5,741
Internally-developed software ⁽²⁾	267,777	295,860
Total property, equipment and software, gross	273,539	321,339
Less: accumulated depreciation and amortization	(255,712)	(290,809)
Property, equipment and software, net	\$ 17,827	\$ 30,530

(1) The decrease in Leasehold improvements is primarily related to the expiration of our 600 West Chicago lease.

(2) The net carrying amount of Internally-developed software was \$17.1 million and \$28.4 million as of December 31, 2024 and 2023.

We performed an assessment during the years ended December 31, 2024 and 2023 and did not identify a triggering event that would have required us to test for impairment for such periods.

During the first quarter of 2022, we determined the impact to our business from the new variant of COVID-19 required us to evaluate our long-lived assets for impairment. Our interim quantitative assessment for the first quarter of 2022 did not identify any long-lived asset impairment.

During the second quarter of 2022, we determined a downward revision of our forecast required us to evaluate our long-lived assets for impairment. As a result of our interim quantitative assessment, we recognized long-lived asset impairment related to certain asset groups within our International reporting unit.

During the fourth quarter of 2022, we determined a further downward revision of our forecast required us to evaluate our long-lived assets for impairment. As a result of our interim quantitative assessment, we recognized long-lived asset impairment related to certain asset groups within our International reporting unit. Additionally, during the fourth quarter of 2022, we determined that certain internally developed software was no longer in use. As a result, we recognized long-lived asset impairment related to internally developed software.

In order to evaluate long-lived assets for impairment in 2022, we compared the fair value of our asset groups to their carrying value. In determining the fair values of our asset groups, we used the discounted cash flow method under the income approach that uses Level 3 inputs. The significant estimates used in the discounted cash flow models are the risk-adjusted discount rates; forecasted revenue, cost of revenue and operating expenses; forecasted capital expenditures and working capital needs; weighted-average cost of capital; rates of long-term growth; and income tax rates.

GROUPON, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The following table summarizes impairment charges for property, equipment and software by segment that are presented within Long-lived asset impairment on the Consolidated Statements of Operations for the year ended December 31, 2022 (in thousands). We did not recognize any impairment of our long-lived assets during the years ended December 31, 2024, and 2023:

	Year Ended December 31, 2022		
	North America	International	Total
Property, equipment and software impairment:			
Leasehold improvements	\$ —	\$ 1,747	\$ 1,747
Computer hardware	—	1,498	1,498
Internally-developed software	753	—	753
Other property, equipment and software, net ⁽¹⁾	—	491	491
Total property, equipment and software impairment	<u>753</u>	<u>\$ 3,736</u>	<u>\$ 4,489</u>

(1) Excludes impairment of right-of-use assets - operating leases. See Note 8, *Leases*, for additional information.

Depreciation and amortization expense on property, equipment and software is classified as follows in the accompanying Consolidated Statements of Operations for the years ended December 31, 2024, 2023 and 2022 (in thousands):

	Year Ended December 31,		
	2024	2023	2022
Cost of revenue	\$ 13,760	\$ 25,024	\$ 32,554
Selling, general and administrative	14,129	18,377	21,616
Total	\$ 27,889	\$ 43,401	\$ 54,170

The above amounts include amortization of internally-developed software of \$26.3 million, \$38.1 million and \$44.2 million for the years ended December 31, 2024, 2023 and 2022.

4. GOODWILL AND OTHER INTANGIBLE ASSETS

Goodwill

As of December 31, 2024 and 2023, the balance of our goodwill was \$178.7 million. There was no goodwill activity during the years ended December 31, 2024 and 2023. All goodwill is within our North America segment.

We performed an assessment in each quarter of 2024 and 2023 and did not identify a triggering event that required us to test for impairment for such periods. Additionally, we performed our annual goodwill impairment assessment as of October 1, 2024, 2023, and 2022 which did not identify any goodwill impairment.

During the first quarter of 2022, we determined the impact to our business from a new variant of COVID-19 required us to evaluate our goodwill for impairment. Our interim quantitative assessment for the first quarter of 2022 did not identify any goodwill impairment.

During the second quarter of 2022, we determined a downward revision of our forecast required us to evaluate our goodwill for impairment. As a result of our interim quantitative assessment, we recognized goodwill impairment within our International reporting unit, representing a full impairment of goodwill for \$35.4 million.

In order to evaluate goodwill for impairment, we compared the fair value of our two reporting units, North America and International, to their carrying values. In determining the fair values of our reporting units, we used the discounted cash flow method under the income approach that uses Level 3 inputs.

Other Intangible Assets

In March 2024, we entered into an agreement with a third party to sell the rights to certain intangible assets in exchange for cash consideration of \$10.0 million, subject to license-back provisions that permit continued use of the assets in the ordinary course of our business. The sale was completed in April 2024 and resulted in a pre-tax

GROUPON, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

gain of \$5.0 million. The pre-tax gain is presented within Gain on sale of assets on the Consolidated Statements of Operations for the year ended December 31, 2024. The cash activity is presented within Proceeds from sale of assets, net in the investing section on the Consolidated Statements of Cash Flows and includes cash consideration received of \$10.0 million, less \$1.0 million in fees. The assets were within our North America segment.

The following table summarizes intangible assets as of December 31, 2024 and 2023 (in thousands):

	December 31, 2024			December 31, 2023		
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Merchant relationships	18,576	18,576	—	18,842	17,944	898
Trade names	9,425	9,027	398	9,459	8,753	706
Patents ⁽¹⁾	1,250	1,008	242	13,235	7,237	5,998
Other intangible assets	10,483	6,385	4,098	9,318	5,516	3,802
Total	\$ 39,734	\$ 34,996	\$ 4,738	\$ 50,854	\$ 39,450	\$ 11,404

⁽¹⁾ The change in the net carrying value is primarily due to the sale of certain intangible assets.

Amortization of intangible assets is computed using the straight-line method over their estimated useful lives, which range from 1 to 10 years. Amortization expense related to intangible assets was \$3.0 million, \$7.8 million and \$8.5 million for the years ended December 31, 2024, 2023 and 2022.

As of December 31, 2024, our estimated future amortization expense related to intangible assets is as follows (in thousands):

2025	\$	1,504
2026		1,228
2027		1,069
2028		853
2029		84
Thereafter		—
Total	\$	4,738

5. INVESTMENTS

The following table summarizes our percentage ownership in our investments for the periods noted below:

	December 31, 2024 and 2023		
Other equity investments	1%	to	19%
Available-for-sale securities	1%	to	19%
Fair value option investments	10%	to	19%

Other Equity Investments

Other equity investments represent equity investments without readily determinable fair values. We have elected to record equity investments without readily determinable fair values at cost adjusted for observable price changes in orderly transactions and impairments. As of December 31, 2024, SumUp is the only equity investment with a positive carrying value.

GROUPON, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The following table summarizes other equity investment activity for the year ended December 31, 2023 (in thousands). There was no activity for the year ended December 31, 2024 and 2022.

Balance as of December 31, 2022	\$ 119,541
Gain (loss) from changes in fair value and foreign currency depreciation	(25,794)
Dispositions	(18,924)
Balance as of December 31, 2023	\$ 74,823

We hold a 1.79% non-controlling equity interest in SumUp, a privately-held mobile payments company. During the third quarter of 2023, we recorded a remeasurement of our investment in SumUp, resulting in a decline of \$25.8 million based on a preliminary Share Purchase Agreement. This remeasurement represents non-cash investing activity. The loss was driven by a share price reduction on a Euro basis as well as foreign currency depreciation of U.S. dollars versus Euros. The loss on the remeasurement is classified within Other income (expense), net on the Consolidated Statements of Operations for the year ended December 31, 2023. During the fourth quarter of 2023, we entered into the Purchase Agreement agreeing to sell approximately 9.4% of our shares in SumUp and received cash of \$8.8 million in connection with the sale. As a result of the transaction, our non-controlling equity interest in SumUp decreased from 2.29% to 2.08%.

Additionally, during the fourth quarter of 2023, the Company entered into a separate Share Purchase Agreement pursuant to which it agreed to sell shares representing approximately 11.7% of its 2.08% interest in SumUp at approximately the same price as agreed to in connection with the first transaction noted above and received cash of \$10.2 million in relation to the sale. As a result of the second transaction, our non-controlling equity interest in SumUp decreased from 2.08% to 1.79%.

Available-for-Sale Securities

Our available-for-sale securities had a fair value of \$0.0 million as of December 31, 2024 and 2023 and no financial statement activity was recorded for the years ended December 31, 2024, 2023 and 2022.

Fair Value Option Investments

In connection with the dispositions of controlling stakes in Ticket Monster and Groupon India in prior periods, we obtained minority investments in Monster LP and in Nearbuy. We made an irrevocable election to account for both of those investments at fair value with changes in fair value reported in earnings. We elected to apply fair value accounting to those investments because we believe that fair value is the most relevant measurement attribute for those investments, as well as to reduce operational and accounting complexity. Our election to apply fair value accounting to those investments has and may continue to cause fluctuations in our earnings from period to period.

The fair value of both of these investments was \$0.0 million as of December 31, 2024 and 2023 and no financial statement activity was recorded for the years ended December 31, 2024, 2023 and 2022.

6. SUPPLEMENTAL CONSOLIDATED BALANCE SHEETS AND STATEMENTS OF OPERATIONS INFORMATION

The following table summarizes Prepaid expenses and other current assets as of December 31, 2024 and 2023 (in thousands):

	December 31,	
	2024	2023
Prepaid expenses	\$ 11,319	\$ 9,799
Income taxes receivable	2,686	5,349
Deferred cloud implementation costs, net ⁽¹⁾	371	14,627
Restricted cash ⁽²⁾	33,726	26,075
Other	4,263	7,797
Total prepaid expenses and other current assets	\$ 52,365	\$ 63,647

GROUPON, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(1) The decrease in Deferred cloud implementation costs, net relates to amortization.

(2) Primarily consists of cash collateral related to our letters of credit and other cash collateral. See Note 7, *Financing Arrangements*, for additional information.

The following table summarizes Other non-current assets as of December 31, 2024 and 2023 (in thousands):

	December 31,	
	2024	2023
Deferred contract acquisition costs	\$ 3,211	\$ 2,940
Security deposits	2,983	2,150
Other	2,950	1,005
Total other non-current assets	\$ 9,144	\$ 6,095

The following table summarizes Accrued expenses and other current liabilities as of December 31, 2024 and 2023 (in thousands):

	December 31,	
	2024	2023
Customer credits	\$ 22,349	\$ 26,595
Accrued marketing	15,118	8,771
Compensation and benefits	11,436	10,717
Foreign VAT assessments ⁽¹⁾	8,355	—
Accrued consulting and professional fees	4,429	4,295
Refunds reserve	4,328	4,445
Deferred revenue	4,130	2,736
Current portion of lease obligations	3,317	7,121
Income taxes payable	2,691	1,072
Other	21,612	36,187
Total accrued expenses and other current liabilities	\$ 97,765	\$ 101,939

(1) See Note 9, *Commitments and Contingencies*, for additional information

The following table summarizes Other non-current liabilities as of December 31, 2024 and 2023 (in thousands):

	December 31,	
	2024	2023
Contingent income tax liabilities	\$ 13,358	\$ 9,373
Deferred income taxes	1,918	2,525
Other	1,320	1,364
Total other non-current liabilities	\$ 16,596	\$ 13,262

GROUPON, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The following table summarizes Other income (expense), net for the years ended December 31, 2024, 2023 and 2022 (in thousands):

	Year Ended December 31,		
	2024	2023	2022
Interest income	\$ 5,149	\$ 10,264	\$ 9,533
Interest expense	(8,531)	(15,718)	(14,380)
Loss from changes in fair value of investment ⁽¹⁾	—	(25,847)	—
Loss on extinguishment of debt ⁽²⁾	(1,631)	—	—
Foreign currency gains (losses), net and other ⁽³⁾	(34,172)	6,127	(19,308)
Other income (expense), net	<u>\$ (39,185)</u>	<u>\$ (25,174)</u>	<u>\$ (24,155)</u>

(1) Loss from changes in fair value of investment for the December 31, 2023 is due to a remeasurement of our investment in SumUp. See Note 5, *Investments*, for additional information.

(2) Loss on extinguishment of debt for the year ended December 31, 2024 refers to the 2026 Notes and 2027 Notes exchange transaction. See Note 7, *Financing Arrangements*, for additional information.

(3) Foreign currency gains (losses), net and other for the year ended December 31, 2024 is primarily due to unfavorable foreign currency fluctuations on intercompany balances with our subsidiaries.

7. FINANCING ARRANGEMENTS

As of December 31, 2024, the Company has the following material financing arrangements outstanding: the 2027 Notes, the 2026 Notes, capped call transactions and letters of credit pursuant to the Cash Collateral Agreement.

On November 19, 2024, the Company issued \$197.3 million aggregate principal amount of the 2027 Notes (i) in exchange for \$176.3 million aggregate principal amount of the 2026 Notes held by the Operating Participants (ii) issued and sold to certain Offering Participants for \$21.0 million aggregate principal amount of the 2027 Notes for gross cash proceeds of \$19.9 million, representing an issue price of 95%.

We assessed whether the exchange of the \$176.3 million of the 2026 Notes resulted in an insubstantial modification or an extinguishment of the existing debt for each loan in the syndication by grouping the lenders that participated in both the 2026 Notes and the 2027 Notes. The exchanged amount of the 2026 Notes is a non-cash financing activity. The Company determined that \$176.3 million of the 2026 Notes was extinguished and new debt pertaining to the 2027 Notes was obtained, resulting in a loss on extinguishment of \$1.6 million. In addition, the 2027 Notes raised additional cash proceeds which resulted in a cash inflow from financing activities of \$19.9 million in the Consolidated Statements of Cash Flows. We used the \$19.9 million of net cash proceeds to offset the cash outflows associated with the debt issuance costs as well as for general corporate purposes.

6.25% Convertible Senior Secured Notes due 2027

On November 19, 2024, the Company issued \$197.3 million aggregate principal amount of the 2027 Notes to the Offering Participants in a private offering. The 2027 Notes bear interest at a rate of 6.25% per annum, payable semi-annually in arrears on March 15 and September 15 of each year, commencing March 15, 2025. The 2027 Notes will mature on March 15, 2027, subject to earlier repurchase or conversion.

The initial conversion rate of the 2027 Notes is 33.333 shares of Common Stock, par value \$0.0001 per share per \$1,000 principal amount of 2027 Notes, which is the equivalent to an initial conversion price of approximately \$30 per share, subject to customary adjustments. Upon the occurrence of a make-whole fundamental change, we will, in certain circumstances, increase the conversion rate by a number of additional shares for a holder that elects to convert its 2027 Notes in connection with such make-whole fundamental change. Based on the closing price of the Common Stock of \$12.15 as of December 31, 2024, the if-converted value of the 2027 Notes was less than the principal amount.

The 2027 Notes are not redeemable by the Company.

GROUPON, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Certain conditions apply to the conversion by holders of the 2027 Notes. If the Company undergoes a fundamental change, holders of the 2027 Notes have the right to require the Company to repurchase for cash all or any portion of their 2027 Notes at a fundamental change repurchase price equal to 100% of the principal amount of the 2027 Notes to be repurchased, plus accrued and unpaid interest, if any.

The 2027 Notes are convertible into Common Stock or a combination of cash and Common Stock, at the Company's election. Subject to certain conditions, holders of the 2027 Notes may convert the 2027 Notes at their option at any time on or after December 15, 2026, until the close of business on the second scheduled trading day immediately preceding the maturity date. In addition, if specified events occur in a calendar quarter prior to December 15, 2026, the holders may elect to convert on an effective date of such event.

Pursuant to the 2027 Notes Indenture, the Company is entitled to not effect any conversion that will result in any holder thereof, together with any Attribution Parties, beneficially owning more than 9.9% of the Company's Common Stock (the "Exchange Cap"), after giving effect to such conversion. The Company's obligation to deliver any shares of Common Stock that will result in any holder thereof to exceed the Exchange Cap (the "Excess Shares") is not extinguished and is suspended until such holder advises the Company in writing that it may receive the Excess Shares without exceeding the Exchange Cap.

The 2027 Notes are fully and unconditionally guaranteed by certain material wholly owned domestic subsidiaries of the Company (the "Guarantors"), subject to the terms of the 2027 Notes Indenture. The 2027 Notes and related guarantees will be secured on a first-priority basis by liens on substantially all of the assets of the Company and the Guarantors, subject to certain exceptions and permitted liens.

The Company may be required to pay additional interest of 2.5% per annum of the 2027 Notes in the event that it fails to pledge certain of its assets as part of the collateral for the 2027 Notes by November 20, 2025, unless such assets are sold.

The 2027 Notes Indenture contains customary terms and conditions as well as various affirmative and negative covenants that, among other things, may restrict the ability of the Company and its subsidiaries to incur additional indebtedness, pay dividends, repurchase stock, prepay junior or unsecured indebtedness or make certain investments. In addition, the 2027 Notes Indenture contains limitations on the Company's and its subsidiaries' ability to dispose of certain assets, and, in certain circumstances, requires the Company to make an offer to repurchase the 2027 Notes using proceeds from certain asset sales at a price of par plus accrued and unpaid interest, and a premium equal to the lesser of all remaining interest on the 2027 Notes or one year of accrued interest on the 2027 Notes.

The 2027 Notes Indenture includes customary events of default. If an event of default occurs and is continuing, the principal amount of the 2027 Notes and any accrued and unpaid interest may be declared immediately due and payable. In the case of bankruptcy or insolvency, the principal amount of the 2027 Notes and any accrued and unpaid interest would automatically become immediately due and payable.

We account for the 2027 Notes as a single liability-classified instrument measured at amortized cost. The carrying value of the 2027 Notes was determined by deducting third party transaction costs incurred in connection with the issuance of the 2027 Notes of \$3.7 million from the 2027 Notes fair value amount of \$196.2 million, which is based on the exchanged amount of \$176.3 million plus the cash consideration received of \$19.9 million. The transaction costs were recorded as a debt discount in the Consolidated Balance Sheets and are amortized as interest expense and presented in Other income (expense) on the Consolidated Statements of Operations. Together with the cash interest, this results in an effective interest rate of 7.17% over the term of the 2027 Notes. We have presented the 2027 Notes in non-current liabilities in the accompanying Consolidated Balance Sheets.

The carrying amount of the 2027 Notes consisted of the following as of December 31, 2024 (in thousands):

	December 31, 2024
Fair value of principal recorded at issuance	\$ 196,210
Less: debt discount	(3,483)
Total	\$ 192,727

GROUPON, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

During the year ended December 31, 2024, we recognized interest costs on the 2027 Notes as follows (in thousands):

	Year ended December 31, 2024
Contractual interest	\$ 1,438
Amortization of debt discount	220
Total	\$ 1,658

We classified the fair value of the 2027 Notes as a Level 3 measurement due to the lack of observable market data over fair value inputs such as our stock price volatility over the term of the 2027 Notes and our cost of debt. The estimated fair value of the 2027 Notes as of December 31, 2024 was \$192.0 million and was determined using a lattice model.

1.125% Convertible Senior Notes due 2026

In March and April 2021, we issued \$230.0 million aggregate principal amount of 2026 Notes in a private offering to qualified institutional buyers.

The 2026 Notes bear interest at a rate of 1.125% per annum, payable semiannually in arrears on March 15 and September 15 of each year, with an annual effective interest rate of 1.83%. The 2026 Notes will mature on March 15, 2026, subject to earlier repurchase, redemption or conversion.

Each \$1,000 of principal amount of the 2026 Notes initially is convertible into 14.6800 shares of Common Stock, which is equivalent to an initial conversion price of \$68.12 per share, subject to adjustment upon the occurrence of specified events. In addition, upon the occurrence of a make-whole fundamental change, or if we issue a notice of redemption, we will, in certain circumstances, increase the conversion rate by a number of additional shares for a holder that elects to convert its 2026 Notes in connection with such make-whole fundamental change or redemption.

Upon conversion, we can elect to settle the conversion value in cash, shares of our Common Stock, or any combination of cash and shares of our Common Stock. Subject to certain conditions, holders of the 2026 Notes may convert the 2026 Notes at their option at any time until the close of business on the scheduled trading day immediately preceding the maturity date. In addition, if specified corporate events occur prior to the maturity date, we may be required to increase the conversion rate for holders who elect to convert based on the effective date of such event and the applicable stock price attributable to the event. Based on the closing price of the Common Stock of \$12.15 as of December 31, 2024, the if-converted value of the 2026 Notes was less than the principal amount.

Certain conditions apply to the conversion by holders and redemption by us of the 2026 Notes. In addition, upon the occurrence of a fundamental change prior to the maturity date, holders may require us to repurchase all or a portion of the 2026 Notes for cash.

The 2026 Notes are our senior unsecured obligations and will rank senior in right of payment to any of our indebtedness that is expressly subordinated in right of payment to the 2026 Notes; equal in right of payment to any of our unsecured indebtedness that is not so subordinated; effectively junior in right of payment to any of our secured indebtedness to the extent of the value of the assets securing such indebtedness; and structurally junior to all indebtedness and other liabilities of current or future subsidiaries, including trade payables.

The 2026 Notes Indenture includes customary events of default. If an event of default occurs and is continuing, the principal amount of the 2026 Notes and any accrued and unpaid interest may be declared immediately due and payable. In the case of bankruptcy or insolvency, the principal amount of the 2026 Notes and any accrued and unpaid interest would automatically become immediately due and payable. We account for the 2026 Notes as a single liability-classified instrument measured at amortized cost. The carrying value of the 2026 Notes was determined by deducting transaction costs incurred in connection with the issuance of the 2026 Notes of \$7.8 million from the principal amount. Those transaction costs were recorded as a debt discount in the Consolidated Balance Sheets and are amortized to interest expense.

GROUPON, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

We have presented the 2026 Notes in Convertible senior notes, net in the accompanying Consolidated Balance Sheets. The carrying amount of the 2026 Notes consisted of the following as of December 31, 2024 and 2023 (in thousands):

	December 31,	
	2024	2023
Principal amount	\$ 53,740	\$ 230,000
Less: debt discount	(454)	(3,530)
Net carrying amount of liability component	\$ 53,286	\$ 226,470

During the years ended December 31, 2024 and 2023, we recognized interest costs and a loss on extinguishment on the 2026 Notes as follows (in thousands):

	Year Ended December 31,	
	2024	2023
Contractual interest	\$ 2,227	\$ 2,588
Amortization of debt discount	1,434	1,547
Loss on extinguishment of exchanged debt	1,631	—
Total	\$ 5,292	\$ 4,135

We classified the fair value of the 2026 Notes as a Level 3 measurement due to the lack of observable market data over fair value inputs such as our stock price volatility over the term of the 2026 Notes and our cost of debt. The estimated fair value of the 2026 Notes as of December 31, 2024 and 2023 was \$48.7 million and \$141.9 million and was determined using a lattice model.

Capped Call Transactions

In connection with the 2026 Notes, we entered into privately-negotiated capped call transactions with each of Barclays Bank PLC, BNP Paribas and Mizuho Markets Americas LLC. The capped call transactions cover, subject to customary adjustments, the number of shares of Common Stock initially underlying the 2026 Notes. The capped call transactions are expected generally to reduce potential dilution to our Common Stock upon any conversion of the 2026 Notes and/or offset any cash payments we are required to make in excess of the principal amount of converted notes, with such reduction and/or offset subject to a cap initially equal to \$104.80, which represents a premium of 100% over the last reported sale price of our Common Stock on The Nasdaq Global Select Market on March 22, 2021, subject to certain adjustments under the terms of the capped call transactions.

The capped call transactions are accounted for as freestanding derivatives and recorded at the initial fair value, net of tax, in Additional paid-in-capital in the Consolidated Balance Sheets with no recorded subsequent change to fair value as long as they meet the criteria for equity classification.

Under the if-converted method, the shares of Common Stock underlying the conversion option in the 2026 Notes are included in the diluted income (loss) per share denominator and the interest expense and amortization of the debt discount on the 2026 Notes, net of tax, are added to the numerator. However, upon conversion, there will be minimized economic dilution from the 2026 Notes, as exercise of the capped call transactions reduces dilution from the 2026 Notes that would have otherwise occurred when the price of our Common Stock exceeds the conversion price. The capped call transactions are intended to offset actual dilution from the conversion of the 2026 Notes and to effectively increase the overall conversion price from \$68.12 to \$104.80 per share.

No changes to the Capped Call Agreement occurred in connection with the Exchange and Subscription agreements pertaining to the issuance of the 2027 Notes.

Revolving Credit Agreement

In May 2019, we entered into the Credit Agreement, as amended from time to time, with a maturity date of

GROUPON, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

May 14, 2024.

From September 28, 2022 to June 30, 2023, the borrowing bore an (a) interest at a rate per annum equal to (i) SOFR plus 10 basis points or (ii) a customary base rate, with loans denominated in certain currencies bearing interest at rates specific to such currencies, plus an additional margin ranging between 0.50% and 2.50% and (b) commitment fee of 0.40% on the daily amount of the unused commitments.

After June 30, 2023, the borrowings bore an (a) interest at a rate per annum equal to (i) SOFR plus 10 basis points or (ii) a customer base rate, with loans denominated in certain currencies bearing interest at rates specific to such currencies, plus an additional margin ranging between 0.50% and 2.00% and (b) commitment fees ranging from 0.25% to 0.35% on the daily amount of unused commitments. Additionally, in the event the ratio of funded indebtedness to EBITDA exceeded 3.00:1.00, ABR and Canadian prime spreads increased to 1.25%, fixed rate spreads increased to 2.25% and the commitment fee increased to 0.40% on the daily amount of the unused commitments under the Credit Agreement.

In March 2023, we entered into the Fourth Amendment to the Credit Agreement to modify certain financial covenants and provide for additional flexibility in our operations, among other changes, including our requirement to maintain a monthly minimum liquidity balance of at least \$50.0 million, inclusive of any undrawn amounts under the revolving credit facility. In addition, the Fourth Amendment reduced our borrowing capacity under our senior secured revolving credit facility from \$150.0 million to \$75.0 million, with letters of credit up to \$75.0 million, so long as that the sum of outstanding borrowings and letters of credit did not exceed the maximum funding commitment of \$75.0 million.

In November 2023, the Company entered into the Fifth Amendment to the Credit Agreement for additional flexibility with regards to the fully backstopped Rights Offering. See Note 10, *Stockholders' Equity (Deficit)*, for additional information regarding the Rights Offering. The Fifth Amendment effected certain modifications to the definition of the term "Change in Control" and added the term "Disqualified Equity Interest" to the Credit Agreement, among other changes. In addition, the Fifth Amendment modified the restricted payment covenant to permit the Company to declare and pay dividends with respect to its Equity Interests, other than Disqualified Equity Interests, payable solely in additional shares of its Equity Interests, other than Disqualified Equity Interests.

The Credit Agreement was secured by substantially all of our tangible and intangible assets, including a pledge of 100% of the outstanding capital stock of substantially all of our direct and indirect domestic subsidiaries and 65% of the shares or equity interests of first-tier foreign subsidiaries and each U.S. entity whose assets substantially consist of capital stock and/or intercompany debt of one or more foreign subsidiaries, subject to certain exceptions. Certain of our domestic and foreign subsidiaries were guarantors under the Credit Agreement.

On February 12, 2024, we prepaid \$43.1 million to terminate all commitments to extend further credit under the Credit Agreement using our \$80.0 million in proceeds received from the Rights Offering. The terms of the Rights Offering permit the Company to use the proceeds for general corporate purposes, including the repayment of debt. We were not subject to any early termination penalties under the Credit Agreement. The payment of the Payoff Amount terminated our obligations under the Credit Agreement, including compliance with certain financial covenants, except for ordinary and customary survival terms. In addition, we retained access to letters of credit, originally available under the Credit Agreement, pursuant to our pre-existing Cash Collateral Agreement.

Amounts committed to outstanding borrowings and letters of credit under the Cash Collateral Agreement and Credit Agreement as of December 31, 2024 and 2023 were as follows (in thousands):

	December 31, 2024	December 31, 2023
Letters of credit and other cash collateral ⁽¹⁾	\$ 33,726	\$ 25,200
Borrowings	—	42,776

(1) Pursuant to the Cash Collateral Agreement, cash collateral is required for all letters of credit and treated as restricted cash, which is presented in Prepaid expenses and other current assets on the Consolidated Balance Sheets. See Note 6, *Supplemental Consolidated Balance Sheets and Statements of Operations Information*, for additional information.

GROUPON, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

8. LEASES

Our operating leases primarily consist of leases for real estate throughout the world with lease expirations between 2025 and 2028. These arrangements typically do not transfer ownership of the underlying asset as we do not assume, nor do we intend to assume, the risks and rewards of ownership. Our finance leases were related to property and equipment, primarily computer hardware, all of which expired in the year ended December 31, 2022.

In November 2023, we signed a lease for our new headquarters that continues to be located in Chicago, Illinois. We gained access to the facility effective December 2023 and the lease was originally set to expire on December 15, 2025. In October 2024, we amended the lease to extend the term through December 15, 2027.

We previously leased our headquarters located at 600 West Chicago. During the year ended December 31, 2022, we reassessed the term of our 600 West Chicago operating lease as we were reasonably certain to exercise our option to early terminate the lease. As a result, our expected future minimum lease payments related to that lease were modified. Our reassessment included an increase in our Accrued expenses and other current liabilities of \$11.6 million, a decrease to our long-term Operating lease obligations of \$25.6 million, a decrease to our Right-of-use assets - operating leases, net of \$9.5 million in the Consolidated Balance Sheets and a gain of \$4.5 million in Restructuring and related charges in the Consolidated Statements of Operations. Refer to Note 13, *Restructuring and Related Charges*, for additional information on the gain recognized. In January 2023, we exercised our option to early terminate our lease at 600 West Chicago effective on January 31, 2024, which required us to pay a penalty of \$9.6 million with our early termination notice.

We subleased a portion of 600 West Chicago to Uptake, Inc. ("Uptake"), a Lightbank LLC portfolio company as a related party transaction. The sublease was a market rate transaction on terms that we believe are no less favorable than would have been reached with an unrelated party. As part of our reassessment of 600 West Chicago lease and early termination option noted above, we modified the sublease term to expire on January 30, 2024, as well. Given the uncertainty of collectability of our sublease income with Uptake, we recognized impairment of \$1.8 million related to that portion of the right-of-use assets - operating leases for the year ended December 31, 2022, which is presented in Restructuring and related charges on the Consolidated Statements of Operations. In the first quarter of 2023, we initiated a lawsuit against Uptake for breach of the lease agreement and settled that lawsuit in the fourth quarter of 2023. See Note 9, *Commitments and Contingencies*, for additional information.

The following summarizes right-of-use assets as of December 31, 2024 and 2023 (in thousands):

	December 31, 2024	December 31, 2023
Right-of-use assets - operating leases	\$ 10,555	\$ 18,099
Less: accumulated depreciation and amortization	(4,514)	(15,902)
Right-of-use assets - operating leases, net	\$ 6,041	\$ 2,197

For the year ended December 31, 2022, we determined a downward revision of our forecast in the second quarter of 2022 and further downward revision in the fourth quarter of 2022 each required us to evaluate our long-lived assets for impairment. As a result of our interim quantitative assessments, we recognized impairment related to our right-of-use assets - operating leases of \$7.8 million within our International segment, which is presented in Long-lived asset impairments on the Consolidated Statements of Operations. We also recognized impairment for our right-of-use assets - operating leases related to our 2020 Restructuring Plan of \$1.2 million, which is presented in Restructuring and related charges on the Consolidated Statements of Operations. See Note 13, *Restructuring and Related Charges*, for more information.

GROUPON, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The following table summarizes our lease costs and sublease income for the years ended December 31, 2024, 2023 and 2022 (in thousands):

	Year Ended December 31,		
	2024	2023	2022
Financing lease cost:			
Amortization of right-of-use assets	\$ —	\$ —	\$ 543
Interest on lease liabilities	—	—	12
Total finance lease cost	—	—	555
Operating lease cost ⁽¹⁾	2,809	10,962	20,880
Variable lease cost ⁽²⁾	1,379	6,332	7,966
Short-term lease cost	334	58	57
Sublease income, gross ⁽³⁾	(47)	(6,039)	(3,949)
Total lease cost	<u>\$ 4,475</u>	<u>\$ 11,313</u>	<u>\$ 25,509</u>

(1) Operating lease costs presented as Selling, general and administrative and Restructuring and related charges in the Consolidated Statements of Operations totaled \$2.8 million and \$0.0 million for the year ended December 31, 2024, \$8.6 million and \$2.4 million for the year ended December 31, 2023 and \$15.7 million and \$5.2 million for the year ended December 31, 2022.

(2) Variable lease costs presented as Selling, general and administrative and Restructuring and related charges in the Consolidated Statements of Operations totaled \$1.5 million and \$(0.1) million for the year ended December 31, 2024, \$3.7 million and \$2.6 million for the year ended December 31, 2023 and \$5.6 million and \$2.4 million for the year ended December 31, 2022.

(3) Sublease income, gross primarily presented as Restructuring and related charges in the Consolidated Statements of Operations for the year ended December 31, 2023 and entirely for the year ended December 31, 2022. Additionally, for the year ended December 31, 2023, sublease income, gross includes the settlement related to Uptake. See Note 9, *Commitments and Contingencies*, for additional information.

As of December 31, 2024, the future payments under operating leases for each of the next five years and thereafter are as follows (in thousands):

	Operating Leases
2025	\$ 3,622
2026	2,008
2027	1,584
2028	285
2029	—
Thereafter	—
Total minimum lease payments	7,499
Less: Amount representing interest	(578)
Present value of net minimum lease payments	6,921
Less: Current portion of lease obligations	(3,317)
Total long-term lease obligations	<u>\$ 3,604</u>

As of December 31, 2024, we do not have any material non-cancelable operating lease commitments that have not yet commenced.

As of December 31, 2024 and 2023, the weighted-average remaining lease term and weighted-average discount rate for our operating leases were as follows:

	December 31, 2024	December 31, 2023
Weighted-average lease term	2 years	1 year
Weighted-average discount rate	6.4 %	5.8 %

GROUPON, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

9. COMMITMENTS AND CONTINGENCIES

Contractual Obligations

We have entered into non-cancelable arrangements with third-parties, primarily related to cloud computing and other information technology services. As of December 31, 2024 and through the date of this report, future payments under these contractual purchase obligations were as follows (in thousands):

2025	\$ 10,441
2026	19,137
2027	2,620
2028	—
2029	—
Thereafter	—
Total contractual purchase obligations	\$ 32,198

Additionally, Groupon S.r.l sought and obtained approval of installment plans whereby the provisional payments may be deposited pro rata in monthly installments. Refer to 14, *Income Taxes*, for additional information.

Legal Matters and Other Contingencies

From time to time, we are party to various legal proceedings incident to the operation of our business. For example, we currently are involved in proceedings brought by merchants, employment and related matters, intellectual property infringement suits, customer lawsuits, stockholder claims relating to U.S. securities law, consumer class actions and suits alleging, among other things, violations of state consumer protection or privacy laws.

As of December 31, 2024, we had an appeal lodged in the Portuguese courts relating to a Portugal VAT assessment for the periods from 2013 to 2015 of approximately \$4.0 million, inclusive of penalties and interest through December 31, 2024. After negative rulings at lower level courts in November 2023 and May 2024, we lodged a final appeal to the highest-level court. On October 31, 2024, we learned the highest-level court declined to hear our appeal and the related assessment became final and due during the fourth quarter of 2024. The related assessment is expected to be paid in 2025. During the year ended December 31, 2024, we recorded a contingent liability of \$4.1 million in our Consolidated Balance Sheets and recognized expenses in our Consolidated Statements of Operations for \$3.3 million of taxes and penalties within Selling, general and administrative and \$0.8 million of interest expense within Other income (expense), net. We currently have a bank guarantee of \$3.6 million in place relating to the assessment that is classified as restricted cash in our Consolidated Balance Sheets as of December 31, 2024.

In 2015, we lodged an appeal in the Portuguese courts relating to a Portugal VAT assessment for the periods from 2011 to 2012 of up to \$4.3 million, inclusive of penalties and interest through December 31, 2024. On October 31, 2024, we learned we received a negative ruling at the lowest level court. We lodged an appeal to the second-level court to assert factual and legal challenges to the assessment. During the year ended December 31, 2024, we recorded a contingent liability of \$4.6 million in our Consolidated Balance Sheets and recognized expenses in our Consolidated Statement of Operations for \$3.7 million of taxes and penalties within Selling, general and administrative and \$0.9 million of interest expense within Other income (expense), net. The Company recorded this liability after concluding that an adverse outcome is now probable, in light of the developments described above. We currently have a bank guarantee of \$3.9 million in place relating to the assessment that is classified as restricted cash in our Consolidated Balance Sheets as of December 31, 2024.

A Groupon subsidiary in Italy, Groupon S.r.l., is presently litigating a tax dispute with the Italian tax authorities relating to a \$122.3 million Assessment, inclusive of taxes, penalties and interest through December 31, 2024. In December 2024, we received an unfavorable ruling in the second-level appellate court in favor of the Italian tax authorities. The decision was based on legal determinations by the Court that the Company assesses can be appealed to the Italian Supreme Court including the application or misapplication of the applicable statute of limitations. Groupon S.r.l. intends to file a prompt appeal to the Italian Supreme Court. If Groupon S.r.l. loses that appeal, Groupon S.r.l. plans to further challenge the Assessment and seek relief in an international mutual

GROUPON, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

agreement procedure that involves the tax authorities of Ireland and Italy. The international mutual agreement procedure would adjudicate issues that are not currently under review by the Italian courts. The Company continues to believe that the Assessment, which primarily relates to transfer pricing on transactions occurring in 2011, is without merit. The subsidiary continues to vigorously defend itself in this matter and believes it will prevail on the merits of the case. Refer to Note 14, *Income Taxes* for additional information.

We subleased a portion of 600 West Chicago to Uptake. In the first quarter of 2023, we initiated a lawsuit against Uptake in the Circuit Court of Cook County for breach of the lease agreement. In the fourth quarter of 2023, that lawsuit was settled amicably for \$4.25 million. The matter has been concluded and the full settlement was received as of December 31, 2023. The settlement was recorded within Restructuring and related charges in the Consolidated Statements of Operations.

In addition, third parties have from time to time claimed, and others may claim in the future, that we have infringed their intellectual property rights. We are subject to intellectual property disputes, including patent infringement claims, and expect that we will continue to be subject to intellectual property infringement claims as our services expand in scope and complexity. In the past and/or at present, we have litigated patent infringement and other intellectual property-related claims, including pending litigation or trademark disputes relating to, for example, our Goods category, some of which involved or could have involved potentially substantial claims for damages or injunctive relief. We may also become more vulnerable to third-party claims as laws such as the Digital Millennium Copyright Act are interpreted by the courts, and we become subject to laws in jurisdictions where the underlying laws with respect to the potential liability of online intermediaries are either unclear or less favorable. We believe that additional lawsuits alleging that we have violated patent, copyright or trademark laws may be filed against us. Intellectual property claims, whether meritorious or not, are time consuming and often costly to resolve, could require expensive changes in our methods of doing business or the goods we sell, or could require us to enter into costly royalty or licensing agreements.

We also are subject to consumer claims or lawsuits relating to alleged violations of consumer protection or privacy rights and statutes, some of which could involve potentially substantial claims for damages, including statutory or punitive damages. Consumer and privacy-related claims or lawsuits, whether meritorious or not, could be time consuming, result in costly litigation, damage awards, fines and penalties, injunctive relief or increased costs of doing business through adverse judgment or settlement, or require us to change our business practices, sometimes in expensive ways.

We are also subject to, or in the future may become subject to, a variety of regulatory inquiries, audits, and investigations across the jurisdictions where we conduct our business, including, for example, inquiries related to consumer protection, employment matters and/or hiring practices, marketing practices, tax, unclaimed property and privacy rules and regulations. Any regulatory actions against us, whether meritorious or not, could be time consuming, result in costly litigation, damage awards, fines and penalties, injunctive relief or increased costs of doing business through adverse judgment or settlement, require us to change our business practices in expensive ways, require significant amounts of management time, result in the diversion of significant operational resources, materially damage our brand or reputation, or otherwise harm our business.

We establish an accrued liability for loss contingencies related to legal and regulatory matters when the loss is both probable and reasonably estimable. Those accruals represent management's best estimate of probable losses and, in such cases, there may be an exposure to loss in excess of the amounts accrued. For certain of the matters described above, there are inherent and significant uncertainties based on, among other factors, the stage of the proceedings, developments in the applicable facts of law, or the lack of a specific damage claim. However, we believe that the amount of reasonably possible losses in excess of the amounts accrued for those matters would not have a material adverse effect on our business, consolidated financial position, results of operations or cash flows. Our accrued liabilities for loss contingencies related to legal and regulatory matters may change in the future as a result of new developments, including, but not limited to, the occurrence of new legal matters, changes in the law or regulatory environment, adverse or favorable rulings, newly discovered facts relevant to the matter, or changes in the strategy for the matter. Regardless of the outcome, litigation and other regulatory matters can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

Indemnifications

In connection with the disposition of our operations in Latin America in 2017, we recorded \$5.4 million in indemnification liabilities for certain tax and other matters upon the closing of the transactions as an adjustment to

GROUPON, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

the net loss on the dispositions within discontinued operations at their fair value. We estimated the indemnification liabilities using a probability-weighted expected cash flow approach. Our remaining indemnification liabilities were \$2.8 million as of December 31, 2024. We estimate that the total amount of obligations that are reasonably possible to arise under the indemnifications in excess of amounts accrued as of December 31, 2024 were approximately \$11.7 million.

In the normal course of business to facilitate transactions related to our operations, we indemnify certain parties, including employees, lessors, service providers, merchants, and counterparties to investment agreements and asset and stock purchase agreements with respect to various matters. We have agreed to hold certain parties harmless against losses arising from a breach of representations or covenants, or other claims made against those parties. These agreements may limit the time within which an indemnification claim can be made and the amount of the claim. We are also subject to increased exposure to various claims as a result of our divestitures and acquisitions. We may also become more vulnerable to claims as we expand the range and scope of our services and are subject to laws in jurisdictions where the underlying laws with respect to potential liability are either unclear or less favorable. In addition, we have entered into indemnification agreements with our officers, directors and underwriters, and our bylaws contain similar indemnification obligations that cover officers, directors, employees and other agents.

Except as noted above, it is not possible to determine the maximum potential amount under these indemnification agreements due to the limited history of prior indemnification claims and the unique facts and circumstances involved in each particular agreement. Historically, any payments that we have made under these agreements have not had a material impact on our operating results, financial position or cash flows.

10. STOCKHOLDERS' EQUITY (DEFICIT)

Preferred Stock

Our Board of Directors has the authority, without approval by the stockholders, to issue up to a total of 50,000,000 shares of preferred stock in one or more series. The Board may establish the number of shares to be included in each such series and may fix the designations, preferences, powers and other rights of the shares of a series of preferred stock. The Board could authorize the issuance of preferred stock with voting or conversion rights that could dilute the voting power or rights of the holders of our Common Stock. As of December 31, 2024 and 2023, there were no shares of preferred stock outstanding.

Common Stock

Pursuant to our restated certificate of incorporation, as of December 31, 2024, the Board had the authority to issue up to a total of 100,500,000 shares of Common Stock. Each holder of Common Stock is entitled to one vote per share on any matter that is submitted to a vote of stockholders. In addition, holders of our Common Stock will vote as a single class of stock on any matter that is submitted to a vote of stockholders.

Share Repurchase Program

In May 2018, the Board authorized us to repurchase up to \$300.0 million of our Common Stock under our share repurchase program. During the year ended December 31, 2024, we did not repurchase any shares under the program. As of December 31, 2024, \$245.0 million of Common Stock remained available for purchase under our program. The timing and amount of share repurchases, if any, will be determined based on market conditions, limitations under the 2026 Notes, 2027 Notes, share price, available cash and other factors, and the share repurchase program may be terminated at any time.

Rights Offering

On November 7, 2023, the Board approved an \$80.0 million fully backstopped Rights Offering to our stockholders of record of our Common Stock, as of the close of business on November 20, 2023. To be able to execute the Rights Offering, the Credit Agreement was amended. See Note 7, *Financing Arrangements*, for additional information.

The Rights Offering was made through the distribution of non-transferable subscription rights to purchase shares of Common Stock at a subscription price of \$11.30 per share and otherwise on such terms and subject to

GROUPON, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

such conditions as may be required to comply with any applicable Nasdaq Global Market stock exchange rules and regulations. The subscription period for the Rights Offering expired at the Expiration Date.

The Rights Offering was fully backstopped by the Backstop Party, an entity affiliated with (i) Dusan Senkypl, the Company's Chief Executive Officer and a member of the Board, and (ii) Jan Barta, a member of the Board. The Backstop Party had a binding commitment to (i) fully exercise its pro rata subscription right prior to the Expiration Date and (ii) fully purchase any and all unsubscribed shares in the Rights Offering following the Expiration Date at the same price and on the same terms and conditions as other participants in the Rights Offering.

On January 22, 2024, Groupon announced the closing of the fully backstopped Rights Offering, in which 7,079,646 shares of Common Stock were purchased at \$11.30 per share, generating \$80.0 million in gross proceeds to the Company. As detailed below, the Rights Offering was oversubscribed, and the subscriptions, inclusive of the exercise of all over-subscription privileges well exceeded \$80.0 million, the maximum aggregate offering size of the Rights Offering.

Through the exercise of both basic subscription rights and over-subscription privileges the Backstop Party, subscribed for approximately 7.1 million shares and other stockholders subscribed for approximately 9.7 million shares. The Company issued 4,574,113 shares of Common Stock via the exercise of the basic subscription rights and 2,505,533 shares of Common Stock via the exercise of over-subscription privileges. The Backstop Party purchased approximately 3.1 million shares of Common Stock in connection with the Rights Offering.

11. COMPENSATION ARRANGEMENTS

Groupon, Inc. Stock Plan

In August 2011, we established the 2011 Plan under which options, RSUs, PSUs and 2024 Executive PSUs for up to 13,775,000 shares of Common Stock are authorized for future issuance to employees, consultants and directors. The 2011 Plan is administered by the Compensation Committee. In June 2024, at the Company's annual meeting of stockholders, the Company's stockholders approved an amendment to the 2011 Plan to increase the number of authorized shares by 7,000,000. Accordingly, a total of 20,775,000 shares of Common Stock have been authorized for issuance under the 2011 Plan. As of December 31, 2024, 5,843,911 shares of Common Stock were available for future issuance under the 2011 Plan.

The stock-based compensation expense, net of capitalization related to stock awards issued under the 2011 Plan are presented within the following line items of the Consolidated Statements of Operations for the years ended December 31, 2024, 2023 and 2022 (in thousands):

	Year Ended December 31,		
	2024	2023	2022
Cost of revenue	\$ 121	\$ 119	\$ 395
Marketing	52	53	1,054
Selling, general and administrative	26,561	14,309	28,557
Total stock-based compensation expense ⁽¹⁾	<u>\$ 26,734</u>	<u>\$ 14,481</u>	<u>\$ 30,006</u>

(1) Excludes expense related to the 2024 Executive PSUs that are required to be settled in cash.

Employee Stock Purchase Plan

The ESPP authorizes us to grant up to 1,000,000 shares of Common Stock under that plan. For the years ended December 31, 2024, 2023 and 2022, 11,612, 45,879 and 83,551 shares of Common Stock were issued under the ESPP.

GROUPON, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Restricted Stock Units

The RSUs generally have vesting periods between one and four years and are amortized on a straight-line basis over their requisite service period.

The table below summarizes RSUs activity under the 2011 Plan for the year ended December 31, 2024:

	RSUs	Weighted-Average Grant Date Fair Value (per share)
Unvested at December 31, 2023	745,840	\$ 10.61
Granted	760,858	10.56
Vested	(607,188)	8.95
Forfeited	(188,164)	12.51
Unvested at December 31, 2024	<u><u>711,346</u></u>	<u><u>\$ 11.18</u></u>

The weighted-average grant date fair value of RSUs granted in 2023 and 2022 was \$5.26 and \$16.95. The fair value of RSUs that vested during each of the three years ended December 31, 2024, 2023 and 2022 was \$8.1 million, \$8.9 million and \$15.6 million. As of December 31, 2024, \$5.4 million of unrecognized compensation costs related to unvested employee RSUs are expected to be recognized over a remaining weighted-average period of 1.28 years.

Stock Options

On March 30, 2023, we issued 3,500,000 units of stock options with a per share value of \$0.95, a strike price of \$6.00 and vesting over two years. The exercise price of stock options granted is equal to the fair market value of the underlying stock on the date of grant. The contractual term for these stock options expires three years from the grant date. The fair value of stock options on the grant date is amortized on a straight-line basis over the requisite service period.

The fair value of stock options granted is estimated on the date of grant using the Black-Scholes-Merton option-pricing model. Expected volatility is based on Groupon's historical volatility over the estimated expected life of the stock options. The expected term represents the period of time the stock options are expected to be outstanding. The risk-free interest rate is based on yields on U.S. Treasury STRIPS with maturity similar to the estimated expected life of the stock options. The weighted-average assumptions for stock options granted are outlined in the following table:

Dividend yield	0.0 %
Risk-free interest rate	4.1 %
Expected term (in years)	2.00
Expected volatility	78.2 %

There were no stock options granted or exercised for the year ended December 31, 2024 and 2022. The total intrinsic value of options that were exercised during the year ended December 31, 2023 was \$2.0 million.

	Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding at December 31, 2023 ⁽¹⁾	3,062,500	\$ 6.00	2.25	\$ 20,948
Outstanding at December 31, 2024	3,062,500	6.00	1.25	18,834
Exercisable at December 31, 2024	2,625,000	\$ 6.00	1.25	\$ 16,144

(1) Consists of 2,187,500 outstanding (unvested) stock options and 875,000 exercisable stock options as of December 31, 2023, as presented within our 2023 Annual Report on Form 10-K

As of December 31, 2024, there was \$0.4 million of total unrecognized compensation costs related to unvested stock options granted under the 2011 Plan. That cost is expected to be recognized over a weighted-

GROUPON, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

average period of 0.25 years. The total fair value of shares vested during the years ended December 31, 2024, 2023 and 2022 was \$2.2 million, \$0.8 million and \$0.0 million.

These stock options were granted to our CEO, who is based in the Czech Republic. Taxes on stock options in the Czech Republic are payable upon the sale of the underlying shares. The Company's tax liability is determined by multiplying the applicable tax rate by the difference between the value of the shares underlying the options on the date of exercise and the aggregate exercise price of the options. These taxes will be recognized in the Consolidated Statement of Operations upon any subsequent sale of the shares acquired upon exercise of the options.

Performance Share Units

Both our PSUs and the 2024 Executive PSUs are subject to continued service through the period dictated by the award and certification by the Compensation Committee that the specified performance and market conditions have been achieved.

PSUs

We have granted PSUs that vest in shares of our Common Stock upon the achievement of financial and operational targets specified in the respective award agreement. Based on our financial and operational results for the year ended December 31, 2023, 422,368 shares became issuable upon vesting of PSUs following the Compensation Committee's certification in April 2024.

The table below summarizes PSU activity for the year ended December 31, 2024:

	PSUs	Weighted-Average Grant Date Fair Value (per unit)
Unvested at December 31, 2023	506,324	\$ 6.34
Granted	16,417	16.68
Vested	(422,368)	6.35
Forfeited	(83,956)	6.31
Unvested at December 31, 2024	<u><u>16,417</u></u>	<u><u>\$ 16.68</u></u>
Maximum shares issuable upon vesting at December 31, 2024	24,626	

As of December 31, 2024, there was no remaining unrecognized compensation cost related to unvested PSUs as the specified performance conditions were not met by the end of the performance period. As of December 31, 2024, the remaining weighted-average service period of the awards is 0.25 years.

2024 Executive PSUs

Equity-classified 2024 Executive PSUs

On June 12, 2024 and October 14, 2024, we granted 2024 Executive PSUs. The 2024 Executive PSUs may only be earned if certain stock price hurdles are met and the recipient satisfies certain service conditions. The achievement of the stock price hurdles is measured during a period beginning on February 2, 2025. The 2024 Executive PSUs have four stock price hurdles: \$14.86, \$20.14, \$31.01, and \$68.82. The shares awarded under the 2024 Executive PSU award are divided equally between four tranches corresponding to achievement of each stock price hurdle. Once the stock price hurdle is achieved, a service condition must also be met before the shares will vest. Specifically, the service condition for: (i) 33% of the award will be met after May 1, 2025; (ii) an additional 33% of the award will be met after May 1, 2026; and (ii) the final 34% of the award will be met after May 1, 2027. The 2024 Executive PSUs are subject to downward adjustments by the Compensation Committee. We determined these awards are subject to a market condition, and therefore used a Monte Carlo simulation to calculate the grant date fair value of the awards and the related derived service period. The requisite service condition period for each award exceeds the derived service period and therefore we recognize the expense over the requisite service period.

GROUPON, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The key inputs used in the Monte Carlo simulation and requisite service period for the equity-classified 2024 Executive PSUs by grant date are outlined in the following table:

	Equity-classified 2024 Executive PSUs	
	June 12, 2024	October 14, 2024
Dividend yield	0.00 %	0.00 %
Risk-free interest rate	4.46 %	3.86 %
Expected volatility	95.73 %	98.70 %
Requisite service period (in years)	2.88	2.54

The table below summarizes equity-classified 2024 Executive PSU activity for the year ended December 31, 2024:

	Equity-classified 2024 Executive PSUs	Weighted-Average Grant Date Fair Value (per unit)
Unvested at December 31, 2023	—	\$ —
Granted	3,698,064	13.29
Vested	—	—
Forfeited	—	—
Unvested at December 31, 2024	<u>3,698,064</u>	<u>\$ 13.29</u>

As of December 31, 2024, we had unrecognized compensation costs related to unvested equity-classified 2024 Executive PSUs of \$29.3 million. The cost is expected to be recognized over a remaining weighted-average period of 1.58 years.

Liability-classified 2024 Executive PSUs

In October 2024, the Compensation Committee approved a cash incentive award, which is required to be settled in cash upon vesting. The award is subject to the same market, performance and service conditions as the 2024 Executive PSUs. Upon vesting, the cash settlement, if any, will be calculated by multiplying the closing stock price on each vesting date by the number of shares that would have otherwise vested if the award provided for equity settlement. The Company's compensation plan limits cash awards to \$5.0 million per annum with any amount in excess of \$5.0 million to be paid the following year. The related award obligation is presented within Accrued expenses and other current liabilities

The 2.54 year service condition period exceeds the derived service period and therefore we will recognize the expense over the 2.54 year requisite period. The total compensation expense to be recognized for the award will be based on remeasurement of the award at each interim reporting period through the final vesting date of May 1, 2027. The key inputs used in the initial Monte Carlo simulation on the grant date were the risk-free rate of 3.86%, dividend yield of 0.00%, and our stock price volatility of 98.70%.

As of December 31, 2024, the 2.33 year service condition period exceeds the derived service period and therefore we will recognize the expense over the 2.33 year requisite period. The key inputs used in the Monte Carlo simulation as of December 31, 2024 were the risk-free rate of 4.21%, dividend yield of 0.00% and our stock price volatility of 100.27%.

GROUPON, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The table below summarizes liability-classified 2024 Executive PSU activity for the year ended December 31, 2024:

	Liability-classified 2024 Executive PSUs	Weighted-Average Grant Date Fair Value (per unit)
Unvested at December 31, 2023	—	\$ —
Granted	261,365	6.70
Vested	—	—
Forfeited	—	—
Unvested at December 31, 2024	261,365	\$ 6.70

As of December 31, 2024, we had unrecognized compensation costs related to unvested liability-classified 2024 Executive PSUs of \$1.4 million. The cost is expected to be recognized over a remaining weighted-average period of 2.33 years.

Defined Contribution Plans

We have a 401(k) defined contribution retirement savings plan covering substantially all domestic employees. Each participant may elect to defer a portion of his or her compensation subject to certain limitations. We contribute up to 50% of the first 6% of eligible compensation contributed to the plan, subject to a 3 year graded vesting schedule. We also have several foreign defined contribution plans, which require us to contribute a percentage of participating employee's salary according to local regulations. During the years ended December 31, 2024, 2023 and 2022, our contributions for all plans were \$2.9 million, \$1.9 million and \$5.8 million.

12. REVENUE RECOGNITION

See Note 18, *Segment and Geographical Information*, for revenue summarized by reportable segment and category.

Contract Balances

Our deferred revenue relates to gift card revenue and is recognized upon customer redemption. As of December 31, 2024, 2023 and 2022, our deferred revenue was \$4.1 million, \$2.7 million and \$1.6 million. All deferred revenue was recognized in the following annual period for the respective year-end.

GROUPON, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

Customer Credits

The following table summarizes the activity in the liability for customer credits for the years ended December 31, 2024 and 2023 (in thousands):

	Customer Credits
Balance as of December 31, 2022	\$ 36,220
Credits issued	76,767
Credits redeemed ⁽¹⁾	(83,902)
Breakage revenue recognized	(2,597)
Foreign currency translation	107
Balance as of December 31, 2023	\$ 26,595
Credits issued	67,373
Credits redeemed ⁽¹⁾	(66,354)
Breakage revenue recognized	(5,111)
Foreign currency translation	(154)
Balance as of December 31, 2024	<u><u>\$ 22,349</u></u>

(1) Customer credits can be redeemed through our online marketplaces for goods or services provided by a third-party merchant and revenue is recognized on a net basis as the difference between the carrying amount of the customer credit liability derecognized and the amount due to the merchant for the related transaction. Customer credits are typically used within one year of issuance.

Cost of Obtaining Contracts

Deferred contract acquisition costs are presented in Prepaid expenses and other current assets and Other non-current assets on the Consolidated Balance Sheets. As of December 31, 2024 and 2023, deferred contract acquisition costs were \$4.2 million and \$3.9 million.

The amortization of deferred contract acquisition costs is classified within Selling, general and administrative expense in the Consolidated Statements of Operations. For the years ended December 31, 2024, 2023 and 2022, we amortized \$5.9 million, \$7.9 million and \$10.7 million of deferred contract acquisition costs.

Allowance for Expected Credit Losses on Accounts Receivable

The following table summarizes the activity in the allowance for expected credit losses on accounts receivables for the years ended December 31, 2024 and 2023 (in thousands):

	Allowance for Expected Credit Losses
Balance as of December 31, 2022	\$ 4,538
Change in provision	(959)
Write-offs	(779)
Foreign currency translation	56
Balance as of December 31, 2023	<u><u>\$ 2,856</u></u>
Change in provision	(71)
Write-offs	(106)
Foreign currency translation	(6)
Balance as of December 31, 2024	<u><u>\$ 2,673</u></u>

Variable Consideration for Unredeemed Vouchers

During the years ended December 31, 2024, 2023, and 2022, we recognized \$9.9 million, \$6.1 million, and \$9.1 million of variable consideration from unredeemed vouchers that were sold in a prior year. When actual redemptions differ from our estimates, the effects could be material to the Consolidated Financial Statements.

GROUPON, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

13. RESTRUCTURING AND RELATED CHARGES

Italy Restructuring Plan

In July 2024, Groupon S.r.l.'s Board approved the exit of the local business in Italy and the related restructuring actions associated with the exit. We have incurred pre-tax charges of \$2.2 million since the inception of the Italy Restructuring Plan, substantially all of which have been paid in cash as of December 31, 2024 and relate to employee severance and compensation benefits. The Italy Restructuring Plan included a reduction of 33 positions locally, all of which were completed as of December 31, 2024. Costs incurred related to the Italy Restructuring Plan are classified as Restructuring and related charges on the Consolidated Statements of Operations. All activity is within our International segment.

2022 and 2020 Restructuring Plans

In August 2022 and April 2020, we initiated Board-approved restructuring plans. Costs incurred related to the restructuring plans are classified as Restructuring and related charges on the Consolidated Statements of Operations. The restructuring activities are summarized by plan in the sections below.

2022 Restructuring Plan

In August 2022, we initiated a multi-phase cost savings plan designed to reduce our expense structure to align with our go-forward business and financial objectives. We have incurred total pre-tax charges of \$21.2 million since the inception of the 2022 Restructuring Plan. A majority of the pre-tax charges have been paid in cash and relate to employee severance and compensation benefits, with an immaterial amount of charges related to other exit costs. The 2022 Restructuring plan included an overall reduction of approximately 1,150 positions globally through natural attrition or involuntary termination. These reductions were substantially completed as of December 31, 2024.

The following tables summarize activity by segment related to the 2022 Restructuring Plan for the years ended December 31, 2024, 2023, and 2022 (in thousands):

	Year Ending December 31, 2024		
	Employee Severance and Benefit Costs (Credits) ⁽¹⁾	Other Exit Costs	Total Restructuring Charges (Credits)
North America	\$ 55	\$ 1	\$ 56
International ⁽²⁾	(292)	—	(292)
Consolidated	\$ (237)	\$ 1	\$ (236)

(1) The employee severance and benefits costs for the year ended December 31, 2024 are related to the termination of approximately 15 employees.

(2) The credit recorded during the year ended December 31, 2024 primarily relates to the release of our estimated accrual for certain severance benefits upon expiration of the eligible payout period.

	Year Ending December 31, 2023		
	Employee Severance and Benefit Costs (Credits) ⁽¹⁾	Other Exit Costs	Total Restructuring Charges (Credits)
North America	\$ 5,477	\$ 938	\$ 6,415
International	5,385	—	5,385
Consolidated	\$ 10,862	\$ 938	\$ 11,800

(1) The employee severance and benefits costs for the year ended December 31, 2023 are related to the termination of approximately 470 employees.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

	Year Ending December 31, 2022		
	Employee Severance and Benefit Costs (Credits)⁽¹⁾	Other Exit Costs	Total Restructuring Charges (Credits)
North America	\$ 8,024	\$ 161	\$ 8,185
International	1,464	—	1,464
Consolidated	\$ 9,488	\$ 161	\$ 9,649

(1) The employee severance and benefits costs for the year ended December 31, 2022 are related to the termination of approximately 380 employees.

The following table summarizes restructuring liability activity for the years ended December 31, 2024 and 2023 for the 2022 Restructuring Plan (in thousands):

	Employee Severance and Benefit Costs	Other Exit Costs	Total
Balance as of December 31, 2022	\$ 175	\$ —	\$ 175
Charges payable in cash	10,862	938	11,800
Cash payments	(10,602)	(894)	(11,496)
Foreign currency translation	109	—	109
Balance as of December 31, 2023	544	44	588
Charges payable in cash and changes in estimate ⁽¹⁾	(237)	1	(236)
Cash payments	(249)	(45)	(294)
Foreign currency translation	(54)	—	(54)
Balance as of December 31, 2024	\$ 4	\$ —	\$ 4

(1) The credit recorded during the year ended December 31, 2024 primarily relates to the release of our estimated accrual for certain severance benefits upon expiration of the eligible payout period.

2020 Restructuring Plan

In April 2020, the Board approved a multi-phase restructuring plan related to our previously-announced strategic shift and as part of the cost cutting measures implemented in response to the impact of COVID-19 on our business. We have incurred total pretax charges of \$104.7 million since the inception of the 2020 Restructuring Plan. Our 2020 Restructuring Plan included workforce reductions of approximately 1,600 positions globally, the exit or discontinuation of the use of certain leases and other assets, impairments of our right-of-use and other long-lived assets, and the exit of our operations in New Zealand and Japan.

The following tables summarize activity by segment related to the 2020 Restructuring Plan for the years ended December 31, 2024, 2023 and 2022 (in thousands):

	Year Ending December 31, 2024			
	Employee Severance and Benefit Costs (Credits)	Legal and Advisory Costs (Credits)	Lease-related Charges (Credits)	Total Restructuring Charges (Credits)
North America ⁽¹⁾	\$ —	\$ —	\$ (293)	\$ (293)
International ⁽²⁾	(589)	22	(39)	(606)
Consolidated	\$ (589)	\$ 22	\$ (332)	\$ (899)

(1) The credit recorded during the year ended December 31, 2024 primarily relates to an over contribution of estimated real estate taxes in 2023 for the terminated lease at 600 West Chicago.

(2) The credit recorded during the year ended December 31, 2024 primarily relates to the release of our estimated accrual for certain severance benefits upon expiration of the eligible payout period.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

	Year Ending December 31, 2023			
	Employee Severance and Benefit Costs (Credits)	Legal and Advisory Costs (Credits)	Lease-related Charges (Credits)	Total Restructuring Charges (Credits)
North America ⁽¹⁾	\$ 102	\$ 9	\$ (2,254)	\$ (2,143)
International ⁽²⁾	(2,890)	10	1,229	(1,651)
Consolidated	\$ (2,788)	\$ 19	\$ (1,025)	\$ (3,794)

(1) The credit recorded during the year ended December 31, 2023 primarily relates to a \$4.25 million settlement related to Uptake. See Note 9, *Commitments and Contingencies*, for additional information.

(2) The credit recorded during the year ended December 31, 2023 primarily relates to the release of our estimated accrual for certain severance benefits upon expiration of the eligible payout period.

	Year Ending December 31, 2022			
	Employee Severance and Benefit Costs (Credits)	Legal and Advisory Costs (Credits)	Right-of-Use Asset Impairments and Lease-related Charges (Credits)	Total Restructuring Charges (Credits)
North America	\$ 1	\$ 155	\$ 418	\$ 574
International ⁽¹⁾	(95)	92	2,130	2,127
Consolidated	\$ (94)	\$ 247	\$ 2,548	\$ 2,701

(1) The credit recorded during the year ended December 31, 2022 primarily relates to the release of our estimated accrual for certain severance benefits upon expiration of the eligible payout period.

As a part of our 2020 Restructuring Plan, we terminated or modified several of our leases. The year ended December 31, 2023 includes a \$4.25 million settlement related to Uptake in our North America segment. See Note 9, *Commitments and Contingencies*, for additional information. For the year ended December 31, 2022, we recognized long-lived asset impairment related to those leases of \$1.8 million and \$1.2 million in our North America and International segments, respectively. In addition, during the year ended December 31, 2022, we recognized a gain of \$4.5 million for one of our previously-impaired leases in our North America segment due to our reassessment of our 600 West Chicago lease given our option to early terminate. In January 2023, we exercised our option to early terminate our lease at 600 West Chicago, which expired on January 31, 2024, which requires us to pay \$9.6 million with our early termination notice. See Note 3, *Property, Equipment and Software, Net* and Note 8, *Leases*, for additional information. Rent expense, including amortization of the right-of-use asset and accretion of the operating lease liability, sublease income, termination and modification gains and losses, and other variable lease costs related to the leased facilities vacated as part of our 2020 Restructuring Plan are presented within Restructuring and related charges in the Consolidated Statements of Operations. The current and non-current liabilities associated with these leases continue to be presented within Accrued expenses and other current liabilities and Operating lease obligations in the Consolidated Balance Sheets.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The following table summarizes restructuring liability activity for the years ended December 31, 2024 and 2023 for the 2020 Restructuring Plan (in thousands):

	Employee Severance and Benefit Costs	Other Exit Costs	Total
Balance as of December 31, 2022	\$ 4,306	\$ 301	\$ 4,607
Charges payable in cash and changes in estimate ⁽¹⁾	(2,788)	19	(2,769)
Cash payments	(727)	(113)	(840)
Foreign currency translation	48	7	55
Balance as of December 31, 2023	\$ 839	\$ 214	\$ 1,053
Charges payable in cash and changes in estimate ⁽¹⁾	(589)	22	(567)
Cash payments	(119)	(162)	(281)
Foreign currency translation	(37)	(5)	(42)
Balance as of December 31, 2024 ⁽²⁾	<u>\$ 94</u>	<u>\$ 69</u>	<u>\$ 163</u>

(1) The credits recorded during the year ended December 31, 2024 and 2023 primarily relate to the release of our estimated accrual for certain severance benefits upon expiration of the eligible payout period

(2) Substantially all of the cash payments for the 2020 Restructuring Plan costs have been disbursed.

14. INCOME TAXES

The components of pretax income (loss) for the years ended December 31, 2024, 2023 and 2022 were as follows (in thousands):

	Year Ended December 31,		
	2024	2023	2022
United States	\$ 53,852	\$ 16,285	\$ (65,256)
International	(84,243)	(59,711)	(126,714)
Income (loss) before provision (benefit) for income taxes	<u>\$ (30,391)</u>	<u>\$ (43,426)</u>	<u>\$ (191,970)</u>

The Provision (benefit) for income taxes for the years ended December 31, 2024, 2023 and 2022 consisted of the following components (in thousands):

	Year Ended December 31,		
	2024	2023	2022
Current taxes:			
U.S. federal	\$ 10,336	\$ 1,305	\$ 161
State	2,577	2,094	704
International	8,572	4,374	(7,554)
Total current taxes	<u>21,485</u>	<u>7,773</u>	<u>(6,689)</u>
Deferred taxes:			
U.S. federal	40	35	31,132
State	46	106	20,307
International	4,552	1,594	(2,340)
Total deferred taxes	<u>4,638</u>	<u>1,735</u>	<u>49,099</u>
Provision (benefit) for income taxes	<u>\$ 26,123</u>	<u>\$ 9,508</u>	<u>\$ 42,410</u>

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The items accounting for differences between the income tax provision (benefit) computed at the U.S. federal statutory rate and the Provision (benefit) for income taxes for the years ended December 31, 2024, 2023 and 2022 were as follows (in thousands):

	Year Ended December 31,		
	2024	2023	2022
U.S. federal income tax provision (benefit) at statutory rate	\$ (6,382)	\$ (9,120)	\$ (40,314)
Foreign income and losses taxed at different rates ⁽¹⁾	8,348	6,842	9,035
State income taxes, net of federal benefits, and state tax credits	6,592	3,709	4,133
Change in valuation allowances	3,589	87,993	64,328
Effect of income tax rate changes on deferred items	449	(104)	443
Adjustments related to uncertain tax positions	(1,133)	(5,117)	(13,062)
Non-deductible stock-based compensation expense	3,527	1,728	2,191
Tax (windfalls)/shortfalls on stock-based compensation awards	(370)	1,606	2,741
Federal research and development credits, net of adjustments	—	—	(812)
Forgiveness of intercompany liabilities	—	(43)	1,468
Tax attribute expiration	—	—	5,519
Asset impairments	—	(82,988)	7,213
Non-deductible or non-taxable items	8,847	5,002	(473)
Convertible debt payoff	2,656	—	—
Provision (benefit) for income taxes	<hr/> <hr/> <hr/> \$ 26,123	<hr/> <hr/> <hr/> \$ 9,508	<hr/> <hr/> <hr/> \$ 42,410

(1) Tax rates in foreign jurisdictions were generally lower than the U.S. federal statutory rate through December 31, 2024. This resulted in an adverse impact to the Provision (benefit) for income taxes in this rate reconciliation for the years ended December 31, 2024, 2023 and 2022 prior to the impact of valuation allowances, due to the net pretax losses from operations in certain foreign jurisdictions with lower tax rates.

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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The deferred income tax assets and liabilities consisted of the following components as of December 31, 2024 and 2023 (in thousands):

	December 31,	
	2024	2023
Deferred tax assets:		
Accrued expenses and other liabilities	\$ 31,104	\$ 33,517
Stock-based compensation	2,584	2,153
Net operating loss and tax credit carryforwards ⁽¹⁾	214,944	217,560
Property, equipment and software, net	14,022	8,462
Intangible assets, net	20,368	20,586
Right-of-use assets	628	1,238
Investments	5,802	26,350
Convertible senior notes	2,047	3,353
Unrealized foreign currency exchange losses	1,510	955
Capitalized research and development costs	16,259	12,645
Other	274	171
Total deferred tax assets	309,542	326,990
Less: Valuation allowances	(286,827)	(296,129)
Deferred tax assets, net of valuation allowance	22,715	30,861
Deferred tax liabilities:		
Prepaid expenses and other assets	(11,201)	(11,399)
Operating lease obligation	(31)	(1,417)
Deferred revenue	(7,330)	(8,931)
Total deferred tax liabilities	(18,562)	(21,747)
Net deferred tax asset (liability)	\$ 4,153	\$ 9,114

(1) Includes \$83.0 million of tax losses recorded in 2023 due to an impairment of investment in subsidiaries. An offsetting valuation allowance was recorded in 2023.

We recognize deferred tax assets to the extent that they will be realizable through future reversals of existing taxable temporary differences, through taxable income in carryback years for the applicable jurisdictions or based on projections of future income for those jurisdictions that have achieved sustained profitability. In evaluating the need for a valuation allowance, management considers both positive and negative evidence that could affect its view of the future realization of deferred tax assets and places greater weight on recent and objectively verifiable current information.

For the years ended December 31, 2024 and 2023, we continue to maintain a valuation allowance against substantially all of our U.S. federal and state and foreign deferred tax assets. As of December 31, 2022, we were in a cumulative pre-tax loss position, adjusted for certain permanent items, in the U.S. Additionally, we do not have any sources of income that support utilization of our U.S. deferred tax assets. In analyzing all available evidence, management determined that it is not more likely than not that the U.S. deferred tax assets will be realized due to the significant negative evidence outweighing the positive evidence. As a result, for the year ended December 31, 2022, we recognized a valuation allowance against all U.S. federal and state deferred tax assets, which resulted in a \$51.9 million charge to income tax expense.

We had \$16.0 million of federal net operating loss carryforwards as of December 31, 2024 which will begin expiring in 2027. We had \$20.6 million of state net operating loss carryforwards as of December 31, 2024, which will begin expiring in 2025. As of December 31, 2024, we had \$863.4 million of foreign net operating loss carryforwards, a significant portion of which carry forward for an indefinite period.

We are subject to taxation in the United States, state jurisdictions and foreign jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes and recording the related income tax assets and liabilities. We recognize the financial statement benefit of a tax position only after determining that the

GROUPON, INC.
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relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more-likely-than-not criterion, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority.

The following table summarizes activity related to our gross unrecognized tax benefits, excluding interest and penalties, for the years ended December 31, 2024, 2023 and 2022 (in thousands):

	Year Ended December 31,		
	2024	2023	2022
Beginning Balance	\$ 33,599	\$ 39,172	\$ 49,502
Increases related to prior year tax positions	1,450	—	—
Decreases related to prior year tax positions	(858)	—	(124)
Increases related to current year tax positions	658	790	3,028
Decreases based on settlements with taxing authorities	(1,965)	—	(109)
Decreases due to lapse of statute limitations	(10,234)	(6,743)	(12,410)
Foreign currency translation	(226)	380	(715)
Ending Balance	\$ 22,424	\$ 33,599	\$ 39,172

The total amount of unrecognized tax benefits as of December 31, 2024, 2023 and 2022 that, if recognized, would affect the effective tax rate are \$11.9 million, \$7.6 million and \$9.8 million.

We recognized \$0.7 million, \$0.6 million and \$0.8 million of interest and penalties within Provision (benefit) for income taxes on our Consolidated Statements of Operations for the years ended December 31, 2024, 2023 and 2022. Total accrued interest and penalties as of December 31, 2024 and 2023 were \$1.9 million and \$2.0 million, and are included within Other non-current liabilities in our Consolidated Balance Sheets.

We are currently under audit by several foreign jurisdictions. It is likely that the examination phase of some of those audits will conclude in the next 12 months. There are many factors, including factors outside of our control, which influence the progress and completion of those audits. We recognized income tax benefits of \$12.5 million, \$6.7 million and \$12.5 million for the years ended December 31, 2024, 2023 and 2022, as a result of new information that impacted our estimates of the amounts that are more likely than not of being realized upon settlement of the related tax positions and due to expirations of the applicable statutes of limitations. We are subject to claims for tax assessments by foreign jurisdictions, including a proposed Assessment for \$122.3 million, inclusive of estimated incremental interest from the original Assessment.

The subsidiary subject to the Assessment is Groupon S.r.l., one of the Company's Italian subsidiaries formerly with operations relating specifically to the local voucher business in Italy. In December 2024, Groupon S.r.l. received an unfavorable ruling at the second-level Tax Court. The Company continues to believe that the Assessment is without merit and Groupon S.r.l. intends to pursue a prompt appeal to the Italian Supreme Court. If Groupon S.r.l. loses that appeal, Groupon S.r.l. plans to further challenge the Assessment and seek relief in an international mutual agreement procedure that involves the tax authorities of Ireland and Italy.

Under Italian tax court procedures, taxpayers are required to deposit "provisional payments" while tax appeals are pending, which are held in trust by tax authorities and returned to the taxpayer if the taxpayer prevails on the appeal. At present, Groupon S.r.l. would be required to deposit provisional amounts equal to two-thirds of the assessed amount. However, Groupon S.r.l. has sought and obtained approval of installment plans whereby the provisional payments may be deposited pro rata in monthly installments over seventy-two months. A third provisional amount (equal to the remaining third of the Assessment) would be enforceable in October 2025. However, contemporaneous with its appeal to the Italian Supreme Court, Groupon S.r.l. intends to seek a full stay of the provisional payment obligations. Groupon S.r.l. expects a hearing on the possible stay of provisional payments to take place in early 2025. If Groupon S.r.l. does not succeed in staying the provisional payment obligation, Groupon S.r.l. will consider its options, including making monthly installment payments up to the amount of its assets, or undertaking further restructuring actions.

Additionally, unrelated to the tax matter above, in July 2024, Groupon S.r.l. received final assessments of approximately \$30.9 million related to a 2017 distribution made to its parent entity. On October 18, 2024, Groupon

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S.r.l. lodged an appeal to the first-tier court. The hearing is expected to occur on March 28, 2025. We believe this assessment is also without merit and Groupon S.r.l. intends to vigorously defend against such assessment.

No liability has been recorded for either of the Groupon S.r.l. tax assessment matters discussed above as we believe it is more likely than not that we will ultimately prevail in defending the matters. In addition to any potential increases in our liabilities for uncertain tax positions from the ultimate resolution of these assessments, we believe it is reasonably possible that reductions of up to \$3.2 million in unrecognized tax benefits may occur within the 12 months following December 31, 2024 upon closing of income tax audits or the expiration of applicable statutes of limitations.

In general, it is our practice and intention to reinvest the earnings of our non-U.S. subsidiaries in those operations or remit such earnings in a tax-efficient manner. Additionally, an actual repatriation from our non-U.S. subsidiaries could be subject to foreign and U.S. state income taxes. Aside from limited exceptions for which the related deferred tax liabilities recognized as of December 31, 2024 and 2023 are immaterial, we do not intend to distribute earnings of foreign subsidiaries for which we have an excess of the financial reporting basis over the tax basis of our investments and therefore have not recorded any deferred taxes related to such amounts. The actual tax cost resulting from a distribution would depend on income tax laws and circumstances at the time of distribution. Determination of the amount of unrecognized deferred tax liability related to the excess of the financial reporting basis over the tax basis of our foreign subsidiaries is not practical due to the complexities associated with the calculation.

15. VARIABLE INTEREST ENTITY

We have an arrangement with a strategic partner to offer deals related to live events, and a limited liability company has been established to administer that arrangement. Groupon and the strategic partner each own 50% of the outstanding LLC interests, and income and cash flows of the LLC are allocated based on agreed upon percentages specified in the related LLC agreement.

Our obligations associated with our interests in the LLC are primarily administering transactions, contributing intellectual property, identifying deals and promoting the sale of deal offerings, coordinating the distribution of deal offerings and providing the record keeping.

Under the LLC agreement, as amended, the LLC shall be dissolved upon the occurrence of any of the following events: (1) either party becoming a majority owner; (2) July 2025; (3) certain elections of Groupon or the strategic partner based on the operational performance of the LLC or other changes to certain terms in the agreement; (4) election of either Groupon or the strategic partner in the event of bankruptcy by the other party; (5) sale of the LLC; or (6) a court's dissolution of the LLC.

We have determined that the LLC is a variable interest entity and that we are its primary beneficiary. We consolidate the LLC because we have the power to direct the activities of the LLC that most significantly impact the LLC's economic performance. In particular, we identify and promote the deal offerings, provide all of the operational and back office support, present the LLC's deal offerings via our websites and mobile applications and provide the editorial resources that create the verbiage for the related deal offers.

16. FAIR VALUE MEASUREMENTS

Fair value is defined under GAAP as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement that is determined based on assumptions that market participants would use in pricing an asset or a liability.

To increase the comparability of fair value measures, the following hierarchy prioritizes the inputs in valuation methodologies used to measure fair value:

Level 1 - Measurements that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets.

Level 2 - Measurements that include other inputs that are directly or indirectly observable in the marketplace.

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Level 3 - Measurements derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable. These fair value measurements require significant judgment.

In determining fair value, we use various valuation approaches within the fair value measurement framework. The valuation methodologies used for our assets and liabilities measured at fair value and their classification in the valuation hierarchy are summarized below:

Fair value option investments and available-for-sale securities. We have fair value option investments and available-for-sale securities that we measure using the income approach. We have classified these investments as Level 3 due to the lack of observable market data over fair value inputs such as cash flow projections and discount rates.

There was no activity in the fair value of recurring Level 3 fair value measurements for the years ended December 31, 2024, 2023, and 2022.

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

Certain assets and liabilities are measured at fair value on a nonrecurring basis, including assets that are written down to fair value as a result of an impairment or modified due to an observable price change in an orderly transaction.

We did not record any significant nonrecurring fair value remeasurements for the year ended December 31, 2024. We recognized a non-cash remeasurement of our investment in SumUp of \$25.8 million during the year ended December 31, 2023. See Note 5, *Investments*, for additional information.

We recognized \$35.4 million in non-cash impairment charges related to goodwill for the year ended December 31, 2022. We recognized \$15.3 million in non-cash impairment charges related to long-lived assets for the year ended December 31, 2022, of which \$3.0 million are included in Restructuring and related charges on our Consolidated Statements of Operations. See Note 3, *Property, Equipment and Software, Net*, Note 4, *Goodwill and Other Intangible Assets* and Note 13, *Restructuring and Related Charges*, for additional information.

Estimated Fair Value of Financial Assets and Liabilities Not Measured at Fair Value

Our financial instruments not carried at fair value consist primarily of accounts receivable, restricted cash, short-term borrowings, accounts payable, accrued merchant and supplier payables and accrued expenses. The carrying values of those assets and liabilities approximate their respective fair values as of December 31, 2024 and 2023 due to their short-term nature.

17. INCOME (LOSS) PER SHARE

Basic net income (loss) per share is computed using the weighted-average number of common shares outstanding during the period. Diluted net income (loss) per share is computed using the weighted-average number of common shares and the effect of potentially dilutive securities outstanding during the period. Potentially dilutive securities include stock options, RSUs, PSUs, ESPP shares, convertible senior notes and capped call transactions. If dilutive, those potentially dilutive securities are reflected in diluted net income (loss) per share using the treasury stock method, except for the convertible senior notes, which are subject to the if-converted method.

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The following table sets forth the computation of basic and diluted net income (loss) per share of Common Stock for the years ended December 31, 2024, 2023 and 2022 (in thousands, except share amounts and per share amounts):

	Year Ended December 31,		
	2024	2023	2022
Basic and diluted net income (loss) per share:			
<u>Numerator</u>			
Net income (loss)	\$ (56,514)	\$ (52,934)	\$ (234,380)
Less: Net income (loss) attributable to noncontrolling interests	2,513	2,476	3,229
Basic net income (loss) attributable to common stockholders	<u>(59,027)</u>	<u>(55,410)</u>	<u>(237,609)</u>
<u>Denominator</u>			
Weighted-average common shares outstanding	39,170,368	31,243,179	30,166,100
Net income (loss) per share:			
Basic and diluted net income (loss) per share:	\$ (1.51)	\$ (1.77)	\$ (7.88)

The following weighted-average potentially dilutive instruments are not included in the diluted net income (loss) per share calculations above because they would have had an antidilutive effect on the net income (loss) per share:

	Year Ended December 31,		
	2024	2023	2022
Capped call transactions ⁽¹⁾	3,081,088	3,376,400	3,376,400
Convertible senior notes due 2026 ⁽²⁾	3,081,088	3,376,400	3,376,400
Stock options	3,062,500	2,477,793	—
Convertible senior notes due 2027 ⁽²⁾	750,438	—	—
RSUs	792,675	1,475,683	2,587,585
PSUs	280,807	110,823	16,032
ESPP	11,793	28,139	81,171
Total	11,060,389	10,845,238	9,437,588

(1) The capped call transactions are expected to reduce potential dilution to our Common Stock upon conversion of the 2026 Notes outstanding principal. Upon conversion of both the capped call transactions and then-outstanding 2026 Notes, there will be minimized economic dilution from the 2026 Notes, as exercise of the capped call transactions reduces dilution from the 2026 Notes that would have otherwise occurred when the price of our Common Stock exceeds the conversion price.

(2) We apply the if-converted method in computing the effect of our convertible senior notes on diluted net income (loss) per share, whereby the numerator of our diluted net income (loss) per share computations is adjusted for interest expense, net of tax, and loss on extinguishment of debt, and the denominator is adjusted for the number of shares into which the convertible senior notes could be converted. The effect is only included in the calculation of income (loss) per share for those instruments for which it would reduce income (loss) per share. See Note 7, *Financing Arrangements*, for additional information.

As of December 31, 2024, there were up to 3,698,064 shares of Common Stock issuable upon vesting of outstanding 2024 Executive PSUs and 16,417 shares issuable upon vesting of outstanding PSUs that were excluded from the table above, as the applicable market and performance conditions were not satisfied as of the end of the period. See Note 11, *Compensation Arrangements*, for additional information.

18. SEGMENT AND GEOGRAPHICAL INFORMATION

In accordance with FASB ASC Topic 280, *Segment Reporting*, we disaggregate our operations into two operating and reportable segments: North America and International based on geographically distinct market dynamics. The segment information below reflects the operating results that are regularly provided to and are

GROUPON, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

reviewed by our chief operating decision maker ("CODM"), who is our Chief Executive Officer, to assess performance and make resource allocation decisions. Our segment information is based on the "management" approach. The "management" approach, as defined within FASB ASC Topic 280, designates the internal reporting used by the CODM for making decisions and assessing performance as the source of our reportable segments. Our measure of segment profitability is contribution profit, defined as net revenues less cost of sales and marketing expenses, as presented below, and is regularly provided to and reviewed by the CODM to allocate resources and assess performance. The CODM assesses our segments' performance based on contribution profit predominantly in the monthly budget-to-actual variances analysis when making decisions about the allocation of our investment in marketing expenses to each segment. We do not report asset-related information by reportable segment because our CODM does not regularly receive asset information on a reportable segment basis.

The following table summarizes revenue by reportable segment and category for the years ended December 31, 2024, 2023 and 2022 (in thousands):

	Year Ended December 31,		
	2024	2023	2022
North America			
Local	\$ 350,876	\$ 346,962	\$ 390,449
Goods	10,990	18,436	28,785
Travel	14,206	14,554	17,035
Total North America revenue ⁽¹⁾	<u><u>\$ 376,072</u></u>	<u><u>\$ 379,952</u></u>	<u><u>\$ 436,269</u></u>
International			
Local	\$ 99,333	\$ 111,543	\$ 128,295
Goods	10,929	14,961	23,742
Travel	6,223	8,454	10,779
Total International revenue ⁽¹⁾	<u><u>\$ 116,485</u></u>	<u><u>\$ 134,958</u></u>	<u><u>\$ 162,816</u></u>
Total revenue	<u><u>\$ 492,557</u></u>	<u><u>\$ 514,910</u></u>	<u><u>\$ 599,085</u></u>

(1) North America includes revenue from the United States of \$371.3 million, \$374.0 million and \$428.5 million for the years ended December 31, 2024, 2023 and 2022. There were no other individual countries that represented more than 10% of consolidated total revenue for the years ended December 31, 2024, 2023 and 2022. Revenue is attributed to individual countries based on the location of the customer.

GROUPON, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The following table summarizes contribution profit by reportable segment and reconciles contribution profit to consolidated income (loss) before provision (benefit) for income taxes for the years ended December 31, 2024, 2023 and 2022 (in thousands):

	Year Ended December 31,		
	2024	2023	2022
North America			
Revenue	\$ 376,072	\$ 379,952	\$ 436,269
Cost of revenue			
Payment processor fees	24,608	25,004	25,495
Other segment items (cost of revenue) ⁽¹⁾	<u>13,300</u>	<u>25,955</u>	<u>36,620</u>
Total cost of revenue	<u>37,908</u>	<u>50,959</u>	<u>62,115</u>
Marketing			
Online marketing	109,996	69,403	82,257
Other segment items (marketing) ⁽²⁾	<u>3,100</u>	<u>3,775</u>	<u>21,605</u>
Total marketing	<u>113,096</u>	<u>73,178</u>	<u>103,862</u>
Segment contribution profit	<u><u>\$ 225,068</u></u>	<u><u>\$ 255,815</u></u>	<u><u>\$ 270,292</u></u>
International			
Revenue	\$ 116,485	\$ 134,958	\$ 162,816
Cost of revenue			
Payment processor fees	5,902	7,415	9,215
Other segment items (cost of revenue) ⁽¹⁾	<u>4,441</u>	<u>5,872</u>	<u>4,931</u>
Total cost of revenue	<u>10,343</u>	<u>13,287</u>	<u>14,146</u>
Marketing			
Online marketing	27,432	30,270	38,235
Other segment items (marketing) ⁽²⁾	<u>3,679</u>	<u>7,057</u>	<u>7,134</u>
Total marketing	<u>31,111</u>	<u>37,327</u>	<u>45,369</u>
Segment contribution profit	<u><u>\$ 75,031</u></u>	<u><u>\$ 84,344</u></u>	<u><u>\$ 103,301</u></u>
Total			
Total contribution profit for the reportable segments	\$ 300,099	\$ 340,159	\$ 373,593
Selling, general and administrative	295,399	350,405	481,375
Goodwill impairment	—	—	35,424
Long-lived asset impairment	—	—	12,259
Restructuring and related charges	1,066	8,006	12,350
(Gain) on sale of assets	<u>(5,160)</u>	<u>—</u>	<u>—</u>
Income (loss) from operations	8,794	(18,252)	(167,815)
Other income (expense), net	<u>(39,185)</u>	<u>(25,174)</u>	<u>(24,155)</u>
Income (loss) before provision (benefit) for income taxes	<u><u>\$ (30,391)</u></u>	<u><u>\$ (43,426)</u></u>	<u><u>\$ (191,970)</u></u>

(1) Includes editorial costs, compensation expense for technology support personnel who are responsible for maintaining the infrastructure of our websites, amortization of internally-developed software relating to customer-facing applications, and web hosting.

(2) Includes offline marketing costs, such as television, compensation expense for marketing employees, and customer acquisition and activation expense.

GROUPON, INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

The following table summarizes tangible property and equipment, net of accumulated depreciation, by geographical region as of December 31, 2024 and 2023 (in thousands):

	December 31,	
	2024	2023
United States	\$ 344	\$ 1,037
Rest of the world	397	1,127
Total tangible long-lived assets	\$ 741	\$ 2,164

19. SUBSEQUENT EVENTS

Major Rocket Incentive Shares

On March 11, 2025, the Company entered into an incentive marketing agreement (the "Major Rocket Agreement") with Major Rocket LLC ("Major Rocket"). Pursuant to this Major Rocket Agreement, Major Rocket will provide marketing services in North America including sourcing and facilitation of contracts for enterprise offerings on Groupon's platform. Under the Major Rocket Agreement, Major Rocket is eligible to receive incentive compensation if the merchant offerings it is responsible for sourcing achieve certain financial benchmarks measured on an annual basis during the three-year term of the Major Rocket Agreement. The benchmarks are based on the funds Groupon receives from offerings that Major Rocket sources and range in amount from \$10 million to \$25 million. The incentives payable to Major Rocket upon satisfaction of these benchmarks may be satisfied through the Company's issuance of up to 954,000 shares of the Company's common stock or, at the Company's election, the payment of cash in an amount equal to the then current value of such shares. Any shares so issued would be subject to the achievement of the above-noted benchmarks and are expected to be issued pursuant to the exemption from registration provided by Section 4(a)(2) of the Securities Act of 1933, as amended. If such issuance occurs, the Company will not receive any cash proceeds from any such issuance. The Major Rocket Agreement also grants Groupon the unilateral option to invoke a one-year transition period agreement after the conclusion of the term of the Agreement, during which Major Rocket would continue to undertake responsibilities relating to the facilitation of commercial agreements between Groupon and third party merchants (including the facilitation of the transfer of merchant contracts directly to Groupon) in exchange for a fixed fee of \$25,000 per month and additional performance based incentives, both of which are to be paid in cash.

The description herein is qualified in its entirety by reference to the full and complete terms of the Major Rocket Agreement, a copy of which is attached hereto as Exhibit 10.32.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934 (the Exchange Act), as of December 31, 2024. Based on that evaluation, our management concluded that our disclosure controls and procedures were not effective as of December 31, 2024 due to a material weakness in our internal control over financial reporting, which is described below.

Management's Report on Internal Control over Financial Reporting

Management, including the Chief Executive Officer and Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act. Internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with GAAP.

Management has assessed the effectiveness of our internal control over financial reporting as of December 31, 2024 based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management concluded that our internal control over financial reporting was not effective as of December 31, 2024.

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

As previously disclosed in our annual report for the years ended December 31, 2023 and 2022, we identified a material weakness due to inadequate preventative and detective controls over complex manual calculations used to record certain month-end balances.

The effectiveness of our internal control over financial reporting as of December 31, 2024 has been audited by Deloitte & Touche, LLP, an independent registered public accounting firm, as stated in its report below. This report contains an adverse opinion on the effectiveness of our internal control over financial reporting.

Remediation Plan and Status

Management, with the oversight of the audit committee of our Board, has dedicated resources and efforts to improve our internal controls over financial reporting and has taken the following actions towards remediating the material weakness relating to complex manual calculations.

- Designed new controls and enhanced existing controls for complex manual processes including controls to reconcile source data across accounts and additional review procedures within account reconciliations
- Automated reporting for certain complex accounting calculations to minimize human error
- Formalized a process to identify and address accounting implications for new initiatives
- Added detective analytic management review controls

While we believe these efforts will improve our internal control over financial reporting and substantially address the root cause of the material weakness, such material weakness will not be remediated until we have concluded, through testing, that our controls are designed and operating effectively for a sufficient period of time.

Changes in Internal Control over Financial Reporting

Other than matters described above under "Management's Report on Internal Control over Financial Reporting", management did not identify changes that occurred in our internal control over financial reporting during the year ended December 31, 2024, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Effectiveness of Controls and Procedures

In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply its judgment in evaluating the benefits of possible controls and procedures relative to their costs.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the stockholders and the Board of Directors of Groupon, Inc.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of Groupon, Inc. and subsidiaries (the "Company") as of December 31, 2024, based on criteria established in Internal Control — Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, because of the effect of the material weakness identified below on the achievement of the objectives of the control criteria, the Company has not maintained effective internal control over financial reporting as of December 31, 2024, based on criteria established in Internal Control — Integrated Framework (2013) issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended December 31, 2024, of the Company and our report dated March 11, 2025, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Material Weakness

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. The following material weakness has been identified and is included in management's assessment:

A material weakness exists due to inadequate preventative and detective controls over complex manual calculations used to record certain month-end balances. This material weakness was considered in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements as of and for the year ended December 31, 2024, of the Company, and this report does not affect our report on such financial statements.

/s/ Deloitte & Touche LLP

Chicago, Illinois
March 11, 2025

ITEM 9B. OTHER INFORMATION

During the year ended December 31, 2024, none of our officers or directors adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTION THAT PREVENT INSPECTIONS

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Information regarding our Directors is incorporated by reference from the information under the captions "Board of Directors" and "Corporate Governance at Groupon" in our Proxy Statement for our 2025 Annual Meeting of Stockholders, which will be filed with the SEC within 120 days of December 31, 2024 ("2025 Proxy Statement"). Information regarding our Audit Committee and its Financial Experts is incorporated by reference from the information under the captions "Board Committees" and "Audit Committee Report" in our 2025 Proxy Statement. Information regarding our compliance with Section 16(a) of the Exchange Act is incorporated by reference from the information under the caption "Delinquent Section 16(a) Reports" in our 2025 Proxy Statement. Pursuant to General Instruction G(3) on Form 10-K, information regarding our Executive Officers can be found in Part I of this Annual Report on Form 10-K under the caption "Information About Our Executive Officers."

We have adopted a Code of Conduct, which is applicable to our chief executive officer, chief financial officer and other principal executive and senior financial officers. Our Code of Conduct is available through our website (www.groupon.com). Information about the Code of Conduct is incorporated by reference from the information under the caption "How to Communicate with the Board - Investor Relations Website" in our 2025 Proxy Statement. We will post any amendment to or waiver from the provisions of the Code of Conduct that applies to the above executive officers on our investor relations website (investor.groupon.com) under the caption "Corporate Governance."

Information regarding our insider trading policies and procedures is incorporated by reference from the information under the caption ("Insider Trading Policy") in our 2025 Proxy Statement. In addition, our Insider Trading Policy is filed as Exhibit 19 to this Report.

ITEM 11. EXECUTIVE COMPENSATION

Incorporated by reference from the information under the captions "Named Executive Officer Compensation," "Director Compensation," "Compensation Discussion and Analysis," "Compensation Committee Interlocks and Insider Participation" and "Compensation Committee Report" in our 2025 Proxy Statement.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Incorporated by reference from the information under the captions "Information Regarding Beneficial Ownership of Principal Stockholders, Directors and Management" and "Equity Compensation Plan Information" in our 2025 Proxy Statement.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

Incorporated by reference from the information under the caption "Certain Relationships and Related Party Transactions" in our 2025 Proxy Statement.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

Incorporated by reference from the information about aggregate fees billed to us by our principal accountant, Deloitte & Touche LLP (PCAOB ID No. 34) under the caption "Independent Registered Public Accounting Firm" in our 2025 Proxy Statement.

PART IV

ITEM 15: EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(1) We have filed the following documents as part of the Annual Report on Form 10-K

Groupon, Inc.
Consolidated Financial Statements
As of December 31, 2024 and 2023 and for the Years Ended December 31, 2024, 2023 and 2022

[Report of Independent Registered Public Accounting Firm](#)

[Consolidated Balance Sheets](#)

[Consolidated Statements of Operations](#)

[Consolidated Statements of Comprehensive Income \(Loss\)](#)

[Consolidated Statements of Stockholders' Equity \(Deficit\)](#)

[Consolidated Statements of Cash Flows](#)

[Notes to Consolidated Financial Statements](#)

(2) *Financial Statement Schedules - Groupon, Inc.*

Schedule II-Valuation and Qualifying Accounts

	Balance at Beginning of Year	Net Increase (Decrease) to Expense ⁽¹⁾			Acquisitions and Other	Balance at End of Year	
			(in thousands)				
TAX VALUATION ALLOWANCE:							
Year ended December 31, 2024	\$ 296,129	\$ (9,207)	\$ —	\$ 286,922			
Year ended December 31, 2023	204,462	91,667	—	296,129			
Year ended December 31, 2022	145,105	59,357	—	204,462			

(1) For the years ended December 31, 2024, 2023 and 2022, Net Increase (Decrease) to Expense includes foreign currency translation gains (losses) of \$(12.8) million, \$3.6 million and \$(5.0) million.

All other schedules have been omitted because they are either inapplicable or the required information has been provided in the Consolidated Financial Statements or in the notes thereto.

(3) *Exhibits*

Exhibit Number	Description
2.1	Investment Agreement, dated as of April 19, 2015, among Groupon Trailblazer, Inc., Monster Partners LP and Monster Holdings LP (incorporated by reference to the Company's Current Report on Form 8-K filed April 20, 2015).
3.1	Restated Certificate of Incorporation of the Company (incorporated by reference to the Company's Registration Statement on Form 8-A/A filed on October 31, 2016).
3.2	Certificate of Amendment to the Restated Certificate of Incorporation of the Company, date June 9, 2020 (incorporated by reference to the Company's Current Report on Form 8-K filed June 11, 2020).
3.3*	Amended and Restated By-Laws.
3.4	Amendment to the Amended and Restated By-Laws of the Company, dated as of June 10, 2016 (incorporated by reference to the Company's Current Report on Form 8-K filed on June 14, 2016).
4.1	Specimen Stock Certificate of Common Stock (incorporated by reference to the Company's Registration Statement on Form 8-A/A filed on October 31, 2016).
4.2	Indenture, dated as of March 25, 2021, between Groupon, Inc. and U.S. Bank, National Association, (incorporated by reference to the Company's Current Report on Form 8-K filed on March 25, 2021).
4.3	Form of 1.125% Convertible Senior Note due 2026 (included in Exhibit 4.2 and incorporated by reference to the Company's Current Report on Form 8-K filed on March 25, 2021).
4.4	Description of the Company's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934.
4.5	Indenture, dated as of November 19, 2024, between Groupon, Inc. and U.S. Bank National Association, (incorporated by reference to the Company's Current Report on Form 8-K filed on November 19, 2024).

4.6 [Form of 6.25% Convertible Senior Note due 2027 \(included in Exhibit 4.5 and incorporated by reference to the Company's Current Report on Form 8-K filed on November 19, 2024\).](#)

10.1* [Form of Indemnification Agreement.*](#)

10.2 [Form of Severance Benefit Agreement \(incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2019\).**](#)

10.3 [Amended and Restated Groupon, Inc. 2011 Incentive Plan \(incorporated by reference to Appendix B to the Company's Definitive Proxy Statement on Schedule DEF14A, filed with the SEC on April 29, 2024\).**](#)

10.4 [Non-Employee Directors' Compensation Plan \(incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2022\).**](#)

10.5 [Form of Notice of Restricted Stock Unit Award under 2011 Incentive Plan.**](#)

10.6 [Form of Notice of Performance Share Unit Award and Form of performance Share Unit Award Agreement under 2011 Incentive Plan \(incorporated by reference to the Company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2018\).**](#)

10.7 [Form of Capped Call Confirmation \(incorporated by reference to the Company's Current Report on Form 8-K filed on March 25, 2021\).](#)

10.8 [Second Amended and Restated Credit Agreement, dated as of May 14, 2019, among the Company, JPMorgan Chase Bank, N.A., as Administrative Agent, and the lenders party thereto \(incorporated by reference to the Company's Current Report on Form 8-K filed on May 20, 2019\).](#)

10.9 [First Amendment, dated as of July 17, 2020, among the Company, the subsidiaries of the Company, party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, and the lenders party thereto, to the Second Amended and Restated Credit Agreement, dated as of May 14, 2019, among the Company, JPMorgan Chase Bank, N.A., as Administrative Agent, and the lenders party thereto \(incorporated by reference to the Company's Current Report on Form 8-K filed on July 20, 2020\).](#)

10.10 [Second Amendment, dated as of March 22, 2021, among the Company, the subsidiaries of the Company, party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, and the lenders party thereto, to the Second Amended and Restated Credit Agreement, dated as of May 14, 2019, among the Company, JPMorgan Chase Bank, N.A., as Administrative Agent, and the lenders party thereto \(incorporated by reference to the Company's Current Report on Form 8-K filed on March 22, 2021\).](#)

10.11 [Third Amendment, dated as of September 28, 2022, among the Company, the subsidiaries of the Company, party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, and the lenders party thereto, to the Second Amended and Restated Credit Agreement, dated as of May 14, 2019 \(and as amended by the First Amendment, dated as of July 17, 2020 and the Second Amendment, dated as of March 22, 2021\), among the Company, JPMorgan Chase Bank, N.A., as Administrative Agent, and the lenders party thereto \(incorporated by reference to the Company's Current Report on Form 8-K filed on September 29, 2022\).](#)

10.12 [Fourth Amendment, dated as of March 13, 2023, among the Company, the subsidiaries of the Company, party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, and the lenders party thereto, to the Second Amended and Restated Credit Agreement, dated as of May 14, 2019 \(and as amended by the First Amendment, dated as of July 17, 2020, the Second Amendment, dated as of March 22, 2021 and the Third Amendment, dated as of September 28, 2022\), among the Company, JPMorgan Chase Bank, N.A., as Administrative Agent, and the lenders party thereto \(incorporated by reference to the Company's Current Report on Form 8-K filed on March 15, 2023\).](#)

10.13 [Fifth Amendment, dated as of November 7, 2023, among the Company, the subsidiaries of the Company, party thereto, JPMorgan Chase Bank, N.A., as Administrative Agent, and the lenders party thereto, to the Second Amended and Restated Credit Agreement, dated as of May 14, 2019 \(and as amended by the First Amendment, dated as of July 17, 2020, the Second Amendment, dated as of March 22, 2021, the Third Amendment, dated as of September 28, 2022 and the Fourth Amendment, dated as of March 14, 2023\), among the Company, JPMorgan Chase Bank, N.A., as Administrative Agent, and the lenders party thereto \(incorporated by reference to the Company's Current Report on Form 8-K filed on November 7, 2023\).](#)

10.14 [CEO Notice of Grant of Stock Option and Non-qualified Stock Option Agreement, dated March 30, 2023 \(incorporated by reference to the Company's Current Report on Form 8-K filed on March 31, 2023\)*](#)

10.15 [CEO Employment Agreement, dated March 30, 2023 \(incorporated by reference to the Company's Current Report on Form 8-K filed on March 31, 2023\)**](#)

10.16 [CEO Severance Benefit Agreement, dated March 30, 2023 \(incorporated by reference to the Company's Current Report on Form 8-K filed on March 31, 2023\)**](#)

10.17 [Standstill Agreement, dated March 30, 2023 \(incorporated by reference to the Company's Current Report on Form 8-K filed on March 31, 2023\)](#)

10.18 [CFO Employment Agreement, dated April 13, 2023 \(incorporated by reference to the Company's Current Report on Form 8-K filed on April 13, 2023\)**](#)

10.19 [CFO Equity Side Letter, dated April 13, 2023 \(incorporated by reference to the Company's Current Report on Form 8-K filed on April 13, 2023\)**](#)

10.20 [CFO Severance Benefit Agreement, dated April 13, 2023 \(incorporated by reference to the Company's Current Report on Form 8-K filed on April 13, 2023\)**](#)

10.21 [Backstop Agreement, dated November 9, 2023 \(incorporated by reference to the Company's Current Report on Form 8-K filed on November 13, 2023\).](#)

10.22 [Amendment to CEO Employment Agreement \(incorporated by reference to the Company's Current Report on Form 8-K filed April 1, 2024\)**](#)

10.23 [CEO Employment Agreement \(incorporated by reference to the Company's Current Report on Form 8-K filed May 7, 2024\)*](#)

10.24 [CEO Notice of Grant and Performance Share Agreement \(incorporated by reference to the Company's Current Report on Form 8-K filed May 7, 2024\)**](#)

10.25 [CFO Merit Letter \(incorporated by reference to the Company's Current Report on Form 8-K filed May 7, 2024\)**](#)

10.26 [CFO Notice of Grant and Performance Share Agreement \(incorporated by reference to the Company's Current Report on Form 8-K filed May 7, 2024\)**](#)

10.27	CEO Severance Benefit Agreement (incorporated by reference to the Company's Current Report on Form 8-K filed May 9, 2024)
10.28	CFO Severance Benefit Agreement (incorporated by reference to the Company's Current Report on Form 8-K filed May 9, 2024)
10.29	Amended and Restated Groupon, Inc. 2011 Incentive Plan, as amended (incorporated by reference to the Company's Current Report on Form 8-K filed June 12, 2024)
10.30	Form of Exchange and Subscription Agreement (incorporated by reference to the Company's Current Report on Form 8-K, filed November 12, 2024)
10.31	Security Agreement, dated as of November 19, 2024, among Groupon, Inc., the Guarantors, that may from time to time be a party thereto and U.S. Bank National Association, as a collateral agent (incorporated by reference to the Company's Current Report on Form 8-K, filed November 19, 2024)
10.32	Major Rocket Agreement, dated March 11, 2025
19	Groupon, Inc. Amended and Restated Insider Trading Policy, dated October 19, 2023
21.1	Subsidiaries of Groupon, Inc.
23.1	Consent of Deloitte & Touche LLP
31.1	Certification of Chief Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of Chief Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certifications of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
97	Groupon, Inc. Clawback Policy
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
104***	Cover Page Interactive Data File

* Incorporated by reference to the Company's registration statement on Form S-1 (registration number 333-174661)

** Management contract or compensatory plan or arrangement.

*** The XBRL Instance Document and Cover Page Interactive Data File do not appear in the Interactive Data File because their XBRL tags are embedded within the Inline XBRL document

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on this 11th day of March 2025.

GROUPON, INC.

By: /s/ Dusan Senkypl
Name: Dusan Senkypl
Title: *Chief Executive Officer*

POWER OF ATTORNEY

KNOWN BY ALL PERSONS BY THESE PRESENTS, that the individuals whose signatures appear below hereby constitute and appoint Dusan Senkypl and Jiri Ponrt, and each of them severally, as his or her true and lawful attorneys-in-fact and agents with full power of substitution and resubstitution for him or her and in his or her name, place and stead in any and all capacities to sign any and all amendments to this Annual Report on Form 10-K and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, full power and authority to do or perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or of his substitute or substitutes, may lawfully do to cause to be done by virtue hereof. Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed below by the following persons on behalf of the registrant and in the capacities indicated as of March 11, 2025.

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on this 11th day of March 2025.

<u>Signature</u>	<u>Title</u>
/s/ Dusan Senkypl Dusan Senkypl	Chief Executive Officer and Director (Principal Executive Officer)
/s/ Jiri Ponrt Jiri Ponrt	Chief Financial Officer (Principal Financial Officer)
/s/ Kyle Netzly Kyle Netzly	Chief Accounting Officer (Principal Accounting Officer)
/s/ Theodore J. Leonsis Theodore J. Leonsis	Director
/s/ Jan Barta Jan Barta	Director
/s/ Robert J. Bass Robert J. Bass	Director
/s/ Jason Harinstein Jason Harinstein	Director

**DESCRIPTION OF REGISTRANT'S SECURITIES
REGISTERED PURSUANT TO SECTION 12 OF THE
SECURITIES EXCHANGE ACT OF 1934**

DESCRIPTION OF CAPITAL STOCK

The following description of Groupon Inc.'s (the "Company") capital stock is based upon certain provisions of the Company's restated certificate of incorporation ("Certificate of Incorporation") and amended and restated by-laws ("By-laws") and certain provisions of Delaware law, does not purport to be complete and is subject to and qualified in its entirety by reference to the Certificate of Incorporation and By-laws and the General Corporation Law of the State of Delaware (the "DGCL"). The Certificate of Incorporation and By-laws are filed as exhibits to the Annual Report on Form 10-K of which this Exhibit 4.4 is a part.

Authorized Capital Stock

As of the date hereof, the Company's authorized capital stock consists of 150,500,000 shares, of which 100,500,000 shares of common stock, par value \$0.0001 per share (the "Common Stock"), and 50,000,000 shares of preferred stock, par value \$0.0001 per share (the "Preferred Stock"). All of the outstanding shares of Common Stock are duly authorized, validly issued, fully paid and non-assessable. No shares of preferred stock are outstanding.

Common Stock

Pursuant to the Certificate of Incorporation, the Company's board of directors (the "Board") has the authority to issue up to 100,500,000 shares of Common Stock. Each holder of Common Stock shall be entitled to one (1) vote for each such share on any matter that is submitted to a vote of stockholders and shall otherwise have the rights conferred by the DGCL in respect of such shares. In addition, holders of the Common Stock will vote as a single class of stock on any matter that is submitted to a vote of stockholders. All matters, other than the election of directors, must be approved by the majority of the shares represented in person or by proxy at the meeting and entitled to vote. Directors shall be elected by a plurality of shares represented in person or by proxy at the meeting and entitled to vote.

The holders of Common Stock have no preemptive or conversion rights, redemption provisions or sinking fund provisions. The Company's Common Stock is not subject to future calls or assessments by the Company.

The Company's Common Stock is listed on the NASDAQ Global Select Market under the symbol "GRPN."

Preferred Stock

Pursuant to the Certificate of Incorporation, the Board has the authority, without approval by the stockholders, to issue up to a total of 50,000,000 shares of Preferred Stock in one or more series. The Board may establish the number of shares to be included in each such series and may fix the designations, preferences, powers and other rights of the shares of a series of preferred stock. The Board could authorize the issuance of preferred stock with voting or conversion rights that could dilute the voting power or rights of the holders of the Company's Common Stock. The issuance of Preferred Stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, have the effect of delaying, deferring or preventing a change in control of the Company and might harm the market price of the Company's Common Stock.

Dividend and Liquidation Rights

Subject to any preferential rights of any outstanding series of Preferred Stock created by the Board, the holders of Common Stock are entitled to such dividends as may be declared from time to time by the Board from funds available, and upon liquidation of the Common Stock will share ratably in the funds remaining for distribution to holders of Common Stock.

Anti-Takeover Effects of Delaware Law, the Company's Certificate of Incorporation and By-Laws

Certain provisions of the Certificate of Incorporation, By-laws and the DGCL may have anti-takeover effects. The provisions are designed to reduce, or have the effect of reducing, the Company's vulnerability to unsolicited takeover attempts.

Number of Directors; Removal; Vacancies. The Company currently has eight (8) directors and the By-laws provide that the Company shall have such number of directors as is determined by a resolution of the Board then in office, which is currently set at nine (9). Therefore, the Board currently has one (1) vacancy. No reduction of the authorized number of directors shall have the effect of removing any director before that director's term of office expires. Vacancies on the Board may be filled only by the affirmative vote of a majority of the remaining directors then in office. The Certificate of Incorporation and By-laws provide that directors may be removed with or without cause by the affirmative vote of the holders of a majority of the outstanding shares entitled to vote generally in the election of directors.

Special Meetings of Stockholders; Limitations on Stockholder Action by Written Consent. The Certificate of Incorporation and By-laws provide that special meetings of the Company's stockholders may be called only by the Chairman of the Board, the Company's Chief Executive Officer, a majority of the Board then in office or holders of not less than a majority of the Company's issued and outstanding voting stock. Any action required or permitted to be taken by the Company's stockholders must be effected at an annual or special meeting of stockholders and may not be effected by written consent unless the action to be effected and the taking of such action by written consent have been approved in advance by the Board.

Cumulative Voting. The Certificate of Incorporation and By-laws do not provide for cumulative voting in the election of directors.

Amendments; Vote Requirements. Certain provisions of the Certificate of Incorporation and By-laws provide that the affirmative vote of a majority of the shares entitled to vote on any matter is required for stockholders to

amend the Certificate of Incorporation and By-laws, including those provisions relating to action by written consent and the ability of stockholders to call special meetings.

Authorized but Unissued Shares; Undesignated Preferred Stock. The authorized but unissued shares of Common Stock will be available for future issuance without stockholder approval. These additional shares may be utilized for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions and employee benefit plans. In addition, the Board may authorize, without stockholder approval, undesignated Preferred Stock with voting rights or other rights or preferences that could impede the success of any attempt to acquire the Company. The existence of authorized but unissued shares of Common Stock or Preferred Stock could render it more difficult or discourage an attempt to obtain control of the Company by means of a proxy contest, tender offer, merger or otherwise.

Advance Notice Requirements for Stockholder Proposals and Nomination of Directors. The By-laws provide that stockholders seeking to bring business before an annual meeting of stockholders, or to nominate individuals for election as directors at an annual meeting of stockholders, must provide timely notice in writing. To be timely, a stockholder's notice must be delivered to or mailed and received at the Company's principal executive offices not less than 90 days nor more than 120 days prior to the anniversary date of the date on which the Company first mailed its proxy materials or notice of availability of proxy materials (whichever is earlier) to stockholders for the previous year's annual meeting. However, in the event that the annual meeting was not held in the previous year or if the annual meeting is called for a date that is not within 30 days before or 60 days after such anniversary date, such notice will be timely only if received not earlier than the close of business 120 days prior to such annual meeting and not later than the close of business on the later of (i) 90 days prior to such annual meeting or (ii) the tenth day following the date on which a public announcement of the date of the annual meeting was made. The By-laws also specify requirements as to the form and content of a stockholder's notice. These provisions could have the effect of precluding the conduct of certain business at a meeting if the proper procedures are not followed. These provisions may also discourage a third party from conducting a solicitation of proxies to elect such third party's slate of directors or otherwise attempt to obtain control of us.

Section 203 of the Delaware General Corporation Law. The Company is subject to Section 203 of the DGCL, which prohibits a Delaware corporation from engaging in any business combination with any interested stockholder for a period of three years after the date that such stockholder became an interested stockholder, with the following exceptions:

- before such date, the board of directors of the corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;
- upon completion of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction began, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) those shares owned (i) by persons who are directors and also officers and (ii) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or

- on or after such date, the business combination is approved by the board of directors and authorized at an annual or special meeting of the stockholders, and not by written consent, by the affirmative vote of at least 66 2/3% of the outstanding voting stock that is not owned by the interested stockholder.

In general, Section 203 defines a business combination to include the following:

- any merger or consolidation involving the corporation and the interested stockholder;
- any sale, transfer, pledge or other disposition of 10% or more of the assets of the corporation involving the interested stockholder;
- subject to certain exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder;
- any transaction involving the corporation that has the effect of increasing the proportionate share of the stock or any class or series of the corporation beneficially owned by the interested stockholder; or
- the receipt by the interested stockholder of the benefit of any loss, advances, guarantees, pledges or other financial benefits by or through the corporation.

In general, Section 203 defines an “interested stockholder” as an entity or person who, together with the person’s affiliates and associates, beneficially owns, or within three years prior to the time of determination of interested stockholder status did own, 15% or more of the outstanding voting stock of the corporation.

Choice of Forum

The Certificate of Incorporation provides that the Court of Chancery of the State of Delaware will be the exclusive forum for: (i) any derivative action or proceeding brought on the Company’s behalf; (ii) any action asserting a breach of fiduciary duty; (iii) any action asserting a claim against the Company arising pursuant to the DGCL, the Certificate of Incorporation or By-laws; or (iv) any action asserting a claim against the Company that is governed by the internal affairs doctrine.

Transfer Agent and Registrar

The transfer agent and registrar for the Company’s Common Stock is Computershare Trust Company, N.A. The transfer agent’s address is P.O. Box 43006, Providence, RI 02940-3006.

GROUPON, INC. 2011 INCENTIVE PLAN
NOTICE OF RESTRICTED SHARE UNIT AWARD

The Participant (as defined herein) has been granted a Full Value Award of restricted share units ("RSUs") in Groupon, Inc. (the "Company"), subject to the terms and conditions of the Restricted Share Unit Award Agreement (the "Agreement") and the Groupon, Inc. 2011 Incentive Plan, as amended (the "Plan"), as set forth below. Capitalized terms in this Notice of Restricted Share Unit Award (this "Notice"), unless otherwise defined herein, shall have the meanings assigned to them in the Plan.

1. **Name:** [_____] (the "Participant")

2. **Total Number of RSUs:** [____]

3. **Grant Date:** [____]

4. **Vesting:** Unless otherwise provided in the Participant's individual employment, severance or other agreement(s) with the Company, the RSUs will vest per the vesting schedule set forth below ("Vesting Date(s)"), but only if the Participant has continued to provide material services to the Company, whether as an officer, director, employee, consultant, independent contractor or agent (in "Continuous Service Status") as of each applicable Vesting Date, subject to the Company's or the applicable Subsidiary's right, in its discretion, to continue or pause vesting upon an approved leave of absence to the extent permitted under applicable law.

[____]
5. **Settlement:** The RSUs shall be converted to Shares contingent upon the Participant's Continuous Service Status through the Vesting Date(s), as applicable, and will be issued to the Participant in the form of Shares as soon as practicable thereafter, subject to any tax withholding obligation with respect to any Tax-Related Items (as defined in Section 3 of the Agreement).

6. **Termination:** Unless otherwise provided in the Participant's individual employment, severance or other agreement(s) with the Company, upon the Participant's Termination Date, all unvested RSUs awarded in this Notice and the Agreement shall be forfeited, and all rights of the Participant to such RSUs shall immediately terminate. In case of any dispute as to whether a Termination Date has occurred, the Committee's determination shall be final, binding and conclusive.

7. **General Terms:** The Participant understands that the Participant's employment with or service to the Company is for an unspecified duration, can be terminated at any time in accordance with applicable law, and that nothing in this Notice, the Agreement, or the Plan changes the nature of that relationship. The Participant acknowledges that the vesting of the RSUs pursuant to this Notice and the Agreement is conditioned on the occurrence of Vesting Date(s). The Participant understands that this Notice is subject to the terms and conditions of the Agreement and the Plan prospectus that contains the entire plan, both of which are incorporated herein by reference. The Participant represents and warrants that the Participant has received and read this Notice, the Agreement, and the Plan. If there are any inconsistencies between this Notice or Agreement and the Plan, the terms of the Plan will govern.

PARTICIPANT

(Accept award online via your [insert Fidelity website] account)

Date

**GROUPON, INC. 2011 INCENTIVE PLAN
RESTRICTED SHARE UNIT AWARD AGREEMENT**

Capitalized terms in this agreement (this “Agreement”), unless otherwise defined herein, shall have the meanings assigned to them in the Groupon, Inc. 2011 Incentive Plan (the “*Plan*”).

You, as the Participant, have been granted a Full Value Award of restricted share units (“RSUs”) in Groupon, Inc. (the “Company”) subject to the terms, restrictions and conditions of the Plan, the Notice of Restricted Share Unit Award (the “Notice”) and this Agreement.

1. No Stockholder Rights. Unless and until such time as Shares are issued in settlement of vested RSUs, the Participant shall have no ownership of the Shares underlying the RSUs and shall have no right to receive dividends or dividend equivalents with respect to such Shares or to vote such Shares.

2. No Transfer. Awards under the Plan are not transferable except to the Participant’s Beneficiary upon the death of the Participant.

3. Tax Withholding Obligations.

(a) Regardless of any action the Company takes with respect to any or all income tax, social insurance, payroll tax, payment on account or other tax-related items related to the Participant’s participation in the Plan and legally applicable to the Participant (“Tax-Related Items”), the Participant acknowledges that the ultimate liability for all Tax-Related Items is and remains the Participant’s responsibility and may exceed the amount actually withheld by the Company. The Participant further acknowledges that the Company: (i) makes no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the grant of RSUs, including the grant, vesting or settlement of RSUs, the subsequent sale of Shares acquired pursuant to such vesting and the receipt of any dividends and/or dividend equivalents; and (ii) does not commit to and is under no obligation to structure the terms of the grant or any aspect of the RSUs to reduce or eliminate the Participant’s liability for Tax-Related Items or achieve any particular tax result. Further, if the Participant becomes subject to tax in more than one jurisdiction between the Grant Date and the date of any relevant taxable event, the Participant acknowledges that the Company may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

(b) Prior to any relevant taxable or tax withholding event, the Participant shall pay or make adequate arrangements satisfactory to the Company to satisfy all Tax-Related Items. In this regard, the Participant authorizes the Company or its agents, at the Company’s discretion, to satisfy the obligations with regard to all Tax-Related Items by one or more of the following:

(i) Withholding from any wages or other cash compensation paid to the Participant by the Company;

(ii) Withholding otherwise deliverable Shares to be issued upon vesting/settlement of the RSUs; or

(iii) Withholding from the proceeds of the sale of Shares acquired upon vesting/settlement of the RSUs either through a voluntary sale or through a mandatory sale arranged by the Company (on the Participant’s behalf pursuant to this authorization).

(c) To avoid negative accounting treatment, the Company may withhold or account for Tax-Related Items by considering applicable minimum statutory withholding amounts or other applicable withholding rates. If the obligation for Tax-Related Items is satisfied by withholding in Shares, for tax purposes, the Participant shall be deemed to have been issued the full number of Shares subject to the vested RSUs, notwithstanding that a number of Shares are held back solely for the purpose of paying the Tax-Related Items due as a result of any aspect of the Participant’s participation in the Plan. Finally, the Participant shall pay to the Company any amount of Tax-Related Items that the Company may be required to withhold as a result of the Participant’s participation in the Plan that cannot be satisfied by the means previously described. The Company may refuse to deliver the Shares or proceeds of the sale of Shares if the Participant fails to comply with the Participant’s obligations in connection with the Tax-Related Items.

(d) Further, to the extent applicable, the settlement of the RSUs is intended to either be exempt from Section 409A of the Code under the “short-term deferral” exemption, or otherwise comply with Section 409A of the Code, and this Agreement will be interpreted, operated and administered in a manner that is consistent with this intent. In furtherance of this intent, the Company may, at any time and without the Participant’s consent, modify the terms of the Award as it determines appropriate to comply with the requirements of Section 409A of the Code and the related U.S. Department of Treasury guidance. The Company makes no representation or covenant to ensure that the RSUs, settlement of the RSUs or other payment hereunder are exempt from or compliant with Section 409A.

of the Code and will have no liability to the Participant or any other party if the settlement of the RSUs or other payment hereunder that is intended to be exempt from, or compliant with, Section 409A of the Code, is not so exempt or compliant or for any action taken by the Company with respect thereto.

4. Compliance with Laws and Regulations. The issuance of Shares underlying the RSUs will be subject to and conditioned upon compliance by the Company and the Participant (including any written representations, warranties and agreements as the Committee may request of the Participant for compliance with all applicable laws) with all applicable state, federal, local and foreign laws and regulations of any governmental authority, including adopting any such conforming amendments as are necessary to comply with Section 409A of the Code (if applicable), and with all applicable requirements of any national or regional securities exchange or quotation system on which the Shares may be listed or quoted at the time of such issuance or transfer.

5. No Advice Regarding Award. The Company is not providing any tax, legal, or financial advice, nor is the Company making any recommendations regarding the Participant's participation in the Plan, or the acquisition or sale of the underlying Shares. The Participant is hereby advised to consult with the Participant's own personal tax, legal and financial advisors regarding the Participant's participation in the Plan before taking any action related to the Plan.

6. Legend on Certificates. The certificates and/or book-entry notation representing the Shares issued hereunder shall be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan, this Agreement or the rules, regulations, and other requirements of the U.S. Securities and Exchange Commission, any national or regional securities exchange or quotation system upon which such Shares are listed, and any applicable federal, state, local and foreign laws, and the Committee may cause a legend or legends, electronic or otherwise, to be put on any such certificates and/or book-entry notation to make appropriate reference to such restrictions.

7. Successors and Assigns. The Company may assign any of its rights under this Agreement. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Agreement will be binding upon the Participant and the Participant's heirs, executors, administrators, legal representatives, successors and assigns.

8. Entire Agreement; Severability. The Plan and the Notice are incorporated herein by reference. Except with respect to vesting terms specifically provided in the Participant's individual employment, severance or other agreement(s) with the Company, the Plan, the Notice and this Agreement supersede in their entirety all prior undertakings and agreements of the Company and the Participant with respect to the subject matter hereof. If any provision of this Agreement is determined by a court of law to be illegal or unenforceable, then such provision will be enforced to the maximum extent possible and the other provisions will remain fully effective and enforceable.

9. Waiver. Waiver of any term or condition of this Agreement by any party shall not be construed as a waiver of a subsequent breach or failure of the same term or condition, or a waiver of any other term or condition of this Agreement. Any waiver must be in writing.

10. Governing Law and Venue. The validity, interpretation, instruction, performance, enforcement and remedies of or relating to this Agreement, and the rights and obligations of the parties hereunder, shall be governed by and construed in accordance with the substantive laws of the State of Delaware, without regard to the conflict of law principles, rules or statutes of any jurisdiction. For the purpose of litigating any dispute that arises under this Agreement, the parties hereby consent to the exclusive jurisdiction and agree that such litigation shall be conducted in the federal or state courts of the State of Illinois.

11. Notices. Any notice or document required to be filed with the Committee or the Company under the Plan must be in writing and will be properly filed if delivered or mailed to the Company's [insert department] at Groupon's principal executive offices. If intended for the Participant, notices shall be delivered personally or shall be addressed (if sent by mail) to the Participant's then current residence address as shown on the Company's records, or to such other address as the Participant directs in a notice to the Company, or shall be delivered electronically to the Participant's email address as shown on the Company's records. All notices shall be deemed to be given on the date received at the address of the addressee or, if delivered personally or electronically, on the date delivered. The Company may, in its sole discretion, decide to deliver any documents related to current or future participation in the Plan through an on-line or electronic system established and maintained by the Company or its designee. The Company may, by written notice to affected persons, revise its notice procedures from time to time. Any notice required under the Plan (other than a notice of election) may be waived in writing by the person entitled to notice.

12. Need to Accept Award. The Participant acknowledges that the Notice and this Agreement must be accepted within 90 days of the Grant Date in order to be eligible to receive any benefits from this Award, unless otherwise determined by the Company in its discretion. If this Award is not accepted within that time period, the Award may be cancelled and all benefits under this Award will be forfeited. To accept this Award, the Participant must access the Fidelity website and follow the instructions for acceptance. If this grant was distributed to the

Participant in hard copy format, the Participant must sign the agreement and return it to the Company's Compensation Department within 90 days.

By the Participant's signature and the signature of the Company's representative below and on the Notice, the Participant and the Company agree that this Award of RSUs is granted under and governed by the terms and conditions of the Plan, the Notice and this Agreement. The Participant has reviewed the Plan, the Notice and this Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Agreement, and fully understands all provisions of the Plan, the Notice and this Agreement. The Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Committee upon any questions relating to the Plan, the Notice and this Agreement. The Participant further agrees to notify the Company upon any change in the Participant's residence address or personal email address.

PARTICIPANT

(Accept award online via your [insert Fidelity website] account)

Date

MARKETING AGREEMENT

PARTIES

(1) Groupon, Inc, a Delaware corporation, with its principal place of business at 35 W Wacker Dr 25 FL, Chicago, IL 60601, USA ("Groupon"); and
(2) Major Rocket, LLC, a Delaware limited liability company, with its principal place of business at 19494 Biscayne Blvd Flr. 3 Aventura, FL 33180, USA ("Major Rocket").

BACKGROUND

(A) Groupon operates a global e-commerce marketplace connecting subscribers with third party merchants by offering activities, travel, goods and services.
(B) Major Rocket is a marketing agency that helps brands and merchants acquire customers through marketing solutions.
(C) Major Rocket and one or more Subsidiaries of Groupon are already parties to existing agreements whereby Major Rocket has contracted with such Subsidiaries to promote and sell vouchers on the Groupon Website on behalf of third-party merchants.
(D) Groupon and Major Rocket wish to enter into a non-exclusive incentive marketing agreement whereby Major Rocket markets Groupon's services to Merchants and enters into contracts with Groupon and/or its Subsidiaries on behalf of Merchants to feature their goods or services on Groupon's Website, and in return for achieving certain thresholds described herein, Major Rocket will be remunerated.

IT IS HEREBY AGREED AS FOLLOWS:

1. INTERPRETATION

1.1 In this Agreement, the following terms shall have the following meanings:

Accredited Investor means an entity that qualifies as an accredited investor under Rule 501(a) of Regulation D under the Securities Act of 1933, as amended (the "Securities Act"), including but not limited to (i) a corporation, partnership, limited liability company, or other entity with total assets in excess of \$5,000,000 that was not formed for the specific purpose of acquiring the securities, or (ii) an entity in which all of its equity owners are accredited investors.

Agreement means this Marketing Agreement.

Applicable Law means any applicable statutes, statutory instruments, regulations and other legislative provisions in any jurisdiction, and any applicable judgment of a relevant court of law or decision of a tribunal or competent authority which creates binding precedent and rules, regulations, and/or codes of practice, in each case as in effect from time to time.

Confidential Information means any information disclosed at any time by a party to the other that was expressly marked as confidential or that a reasonable person would understand to be confidential.

Deal means the offering for sale of Vouchers on the Website for a Merchant's goods and/or services, or otherwise enabling purchasers to buy or book such goods and/or services via the Website.

Effective Date means the date that the last party signs this Agreement.

Eligible Contract means a contract Groupon or one of its Subsidiaries or affiliates enters into with Major Rocket for the promotion of a Merchant on the Website, pursuant to which: (a) Major Rocket's commission is not more than 10% of the revenue from Voucher sales that Major Rocket has received from Groupon or its Subsidiary or affiliate under the contract; and (b) Major Rocket complies with its obligations under Clauses 2.2 and 2.4. To the extent Major Rocket earns consideration from Merchants in connection with Eligible Contracts or Eligible Deals, but which is not directly from Voucher sales, such consideration shall not be counted as revenue for the purposes of clause (a) above, but Major Rocket shall share all information with Groupon regarding this additional consideration prior to entering into such Eligible Contract. The parties agree that the definition of Eligible Contract can be modified if agreed upon in writing by both parties.

Eligible Deal means a Deal made available on the Website based on or pursuant to an Eligible Contract.

Major Rocket-Related Profit or **MRRP** means (a) all MRRR less (b) any refunds for an applicable Eligible Deal issued by Groupon (whether in the form or cash or credits) to purchasers of such Eligible Deal, plus (c) any sums reclaimed by Groupon from Major Rocket under the Eligible Contract arising from refunds, provided such reclaimed sums are received by Groupon within 45 days of Groupon notifying Major Rocket in writing, by making the information available in the merchant center portal associated with the Eligible Deal, that it has issued such refund.

Major Rocket-Related Revenue or **MRRR** mean the Revenue Groupon or its Subsidiary or their respective affiliates receive from purchasers of an Eligible Deal via the Website. "Revenue" in this definition shall mean gross revenue in respect of an Eligible Deal from purchaser payments, less (a) the amount of commissions from Voucher sales remitted to Major Rocket under the applicable Eligible Contract; (b) any sales tax or similar taxes that Groupon is legally required to collect from a purchaser, and (c) credit card fees owed by Groupon in connection with the transaction; provided that Revenue shall not include any monies

received by Groupon for Vouchers purchased by purchasers for an Eligible Deal, which are not redeemed or viewed in a manner that would trigger payment to Major Rocket under the terms of the Eligible Contract.

Merchant means a third-party business offering goods and/or services to consumers, excluding Other Groupon Partners.

Other Groupon Partners means any merchant or brand that has an existing direct contractual relationship with Groupon as of the Effective Date unrelated to Major Rocket.

Intellectual Property Rights means all patents, rights to inventions, utility models, copyright and related rights, trade marks, service marks, trade, business and domain names, rights in trade dress or get-up, rights in goodwill or to sue for passing off, unfair competition rights, rights in designs, rights in computer software, database rights, topography rights, rights in confidential information (including know-how and trade secrets) and any other intellectual property rights, in each case whether registered or unregistered and including all applications for, and renewals or extensions of, such rights, and all similar or equivalent rights or forms of protection in any part of the world.

Subsidiary means any subsidiary of Groupon, Inc., including but not limited to Groupon Merchant Services, LLC.

Voucher means a voucher, code or similar instrument issued by Groupon that can be, as applicable, either viewed or redeemed with a Merchant to receive services as specified in the related Deal.

Website means www.groupon.com, www.livingsocial.com and/or Groupon's mobile application for use in the United States and Canada, or any other website or mobile application of Groupon or any of its Subsidiaries on which an Eligible Deal is made available in North America.

1.2 References to Clauses and Sub-clauses are to clauses and sub-clauses of this Agreement.

1.3 The headings are inserted for convenience only and shall not affect the interpretation or construction of this Agreement.

1.4 Words imparting the singular shall include the plural and vice versa. Words imparting a gender shall include the other gender and the neutral and references to persons shall include an individual, Groupon, corporation, firm, partnership, trust, association, government or local authority department or other authority or body (whether corporate or unincorporated).

1.5 References to "written" or in "writing" include in electronic form and similar means of communication.

1.6 The words "include" or "including" or "in particular" or like words or expressions shall not be interpreted as limiting the generality of any foregoing words and shall mean without limitation.

1.7

2. MAJOR ROCKET'S OBLIGATIONS

2.1 Subject to the termination provisions in Clause 5, Major Rocket shall, on a non-exclusive basis, use commercially reasonable efforts to promote Groupon's services to Merchants suitable for featuring on the Website and enter into Eligible Contracts with Groupon (and/or its Subsidiaries or affiliates) on its behalf.

2.2 Major Rocket shall, for each Eligible Contract, provide Groupon, at the time Major Rocket executes such Eligible Contract, with the following information regarding Major Rocket's margin earned thereunder:

(a) the amount of such margin;

(b) the relevant inputs used by Major Rocket in calculating such margin; and

(c) any other supporting materials reasonably requested by Groupon.

In addition, if at any time during the term of an Eligible Contract, the margin thereunder changes, then within 30 days of any such change, Major Rocket shall provide the same information to Groupon.

2.3 Contracts entered into between Groupon and/or its Subsidiaries or affiliates and Major Rocket prior to the Effective Date, which have not been terminated as of the Effective Date, shall be deemed Eligible Contracts, if they otherwise comply with the definition of Eligible Contract and Major Rocket furnishes the required margin information for such contracts pursuant to Clause 2.2 within thirty (30) days following the Effective Date. During such thirty-day period, Major Rocket shall be permitted to modify any contract entered into prior to the Effective Date to cause the applicable commission payable to Major Rocket thereunder (if currently greater than 10%) to be no more than 10% of the revenue from Voucher sales that Major Rocket has received from Groupon or its Subsidiary or affiliate under the contract, in which event each such contract shall be deemed an Eligible Contract, prospectively, as long as Major Rocket furnishes the required margin information for any such contract pursuant to Clause 2.2 within such thirty-day period, provided that MRRP earned during a time when Major Rocket was earning a commission of greater than 10% shall not count towards the thresholds in Clause 3.

2.4 Major Rocket shall make commercially reasonable efforts to facilitate at least one strategic meeting annually between Groupon and each Merchant with whom Major Rocket entered into an Eligible Contract.

2.5 Within the first three months of this Agreement and subject to Groupon's prior approval, Major Rocket shall use commercially reasonable efforts to integrate its systems with Groupon via API to improve the Voucher redemption experience.

2.6 If Major Rocket continues to enter into Eligible Contracts and contracts with Groupon and/or its Subsidiaries or affiliates on behalf of Merchants, it shall continue to refrain from charging Merchants commission in excess of 10% of the revenue from Voucher sales that Major Rocket receives from Groupon and/or its Subsidiaries or affiliates under the contracts.

2.7 Nothing in this Agreement obligates or requires either party to enter into any Eligible Contract with the other party. Subject to Clause 9, Groupon and its Subsidiaries and affiliates retain the right, in their sole discretion, to reject or refuse to enter into any proposed Eligible Contract, to terminate an existing Eligible Contract, and/or to pause or cease running an Eligible Deal that is already running, at any time and for any reason; provided, that if Groupon or its Subsidiaries or affiliates pause or cease running an Eligible Deal or terminate an existing Eligible Contract, and subsequently run their own deal with the applicable Merchant or renew an Eligible Contract at the expiration thereof directly with the Merchant, Groupon's or its Subsidiaries' or affiliates' own deal or direct renewal will be treated exactly like an Eligible Contract under this Agreement and all MRRP achieved by Groupon and/or its Subsidiaries or affiliates from such deals (including for the period after they enter into their own deal or direct renewal) will be counted towards Major Rocket's achievement of the thresholds set forth in Clause 3.

3. COMPENSATION

3.1 Groupon shall compensate Major Rocket in addition to sums owed by it and/or its Subsidiaries under Eligible Contracts, in accordance with this Clause 3.

3.2 Major Rocket shall have the opportunity to receive up to 954,000 shares of Groupon's common stock (the "**Incentive Share Pool**").

3.3 The number of Incentive Shares, if any, that Groupon shall issue to Major Rocket from the Incentive Share Pool shall be determined as follows:

(a) if, at any time between 1 January 2025 and 31 December 2026, the total MRRP for all Eligible Deals exceeds \$10 Million, as determined in accordance with Sub-Section 3.5, Groupon shall issue to Major Rocket 238,500 shares (equal to 25% of the Incentive Share Pool);

(b) if the threshold in Sub-clause 3.3(a) is met and then at any time between 1 January 2025 and 31 December 2027, the total MRRP for all Eligible Deals exceeds \$15 Million (inclusive of all MRRP used to satisfy the threshold at Sub-clause 3.3(a), as determined in accordance with Sub-Section 3.5, Groupon shall issue to Major Rocket 238,500 Incentive Shares (equal to 25% of the Incentive Share Pool (such that Major Rocket will then have received 50% of the total Incentive Share Pool));

(c) if Major Rocket meets the thresholds in Sub-clauses 3.3(a) and (b) and then, at any time between 1 January 2025 and 31 December 2027, the total MRRP for all Eligible Deals exceeds \$20 Million (inclusive of all MRRP used to satisfy the thresholds at Sub-clauses 3.3(a) and (b)) as determined in accordance with Sub-Section 3.5, Groupon shall issue to Major Rocket 238,500 Incentive Shares (equal to 25% of the Incentive Share Pool (such that Major Rocket will then have received 75% of the total Incentive Share Pool)); and

(d) if Major Rocket meets the thresholds in Sub-clauses 3.3(a) to (c) and then, at any time between 1 January 2025 and 31 December 2027, the total MRRP for all Eligible Deals exceeds \$25 Million (inclusive of all MRRP used to satisfy the thresholds at Sub-clauses 3.3(a) to (c)) as determined in accordance with Sub-Section 3.5, Groupon shall issue to Major Rocket 238,500 Incentive Shares (equal to 25% of the Incentive Share Pool (such that Major Rocket will then have received 100% of the total Incentive Share Pool)).

3.4 In the event Major Rocket fails to meet the threshold in Sub-clause 3.3(a) the number of Incentive Shares issued to Major Rocket shall be determined as follows:

(a) if, at any time between 1 January 2025 and 31 December 2027, the total MRRP for all Eligible Deals exceeds, \$15 Million, as determined in accordance with Sub-Section 3.5, Groupon shall issue to Major Rocket 318,000 Incentive Shares (equal to 33% of the Incentive Share Pool);

(b) if, at any time between 1 January 2025 and 31 December 2027, the total MRRP for all Eligible Deals exceeds \$20 Million (inclusive of all MRRP used to satisfy the threshold at Sub-clause 3.4(a)), as determined in accordance with Sub-Section 3.5, Groupon shall issue to Major Rocket 318,000 Incentive Shares (equal to 33% of the Incentive Share Pool (such that Major Rocket will then have received 66% of the total Incentive Share Pool));

(c) if, at any time between 1 January 2025 and 31 December 207, the total MRRP for all Eligible Deals exceeds \$25 Million (inclusive of all MRRP used to satisfy the thresholds at Sub-clauses 3.4(a) and (b)), as determined in accordance with Sub-Section 3.5, Groupon shall issue to Major Rocket 318,000 Incentive Shares (equal to 34% of the Incentive Share Pool (such that Major Rocket will then have received 100% of the total Incentive Share Pool)).

3.5 Groupon shall calculate MRRP on a fiscal quarterly basis in arrears. As soon as possible after the end of each fiscal quarter, but in any event no later than twenty (20) days after the end of each fiscal quarter, Groupon shall provide Major Rocket with a written report that includes the following information: (a) the aggregate MRRP and MRRR for the applicable fiscal quarter; (b) the aggregate MRRP and MRRR for the period between January 1, 2025 and the end of the applicable fiscal quarter; and (c) a statement as to whether any of the applicable thresholds under Clauses 3.3 or 3.4 have been met. In connection with each such report, Major Rocket may, within fifteen (15) days of receiving the report, request in writing that Groupon provide supporting documentation sufficient to demonstrate the accuracy of the calculations. Upon receiving such a request, Groupon shall provide such documentation within ten (10) days.

3.6 In order for any threshold under Clauses 3.3 or 3.4 to be deemed met, the total MRRP must remain above that threshold for a continuous period of thirty (30) days after the date on which Groupon first determines that the threshold was exceeded. If, at any time during the initial thirty (30) day window, MRRP falls below the threshold due to refunds or other deductions from MRRP made in accordance with this Agreement, the threshold shall be deemed not met unless and until MRRP again exceeds the threshold, in which event a new thirty (30) day measurement period shall begin. If, within six months following the issuance of any Initial Incentive Shares (as defined below) to Major Rocket, the total MRRP subsequently falls below one or more of the thresholds that triggered such issuance due to refunds or other deductions from MRRP made in accordance with this Agreement, Major Rocket, within thirty (30) days of receiving written notice from Groupon, shall return all the applicable portion of the Initial Incentive Shares issued for achieving those thresholds.

3.7 Groupon shall issue 80% of the applicable number of Incentive Shares to Major Rocket no later than forty (40) days after the determination of whether an applicable threshold was met is made (in each case, the "**Initial Incentive Shares**"). The remaining 20% of the Incentive Shares earned as a result of meeting any of the above-described thresholds ("**Holdback Amount**") shall be retained by Groupon and held for Major Rocket for a period of six months after the date of the issuance of the initial 80% of the applicable Incentive Shares (the "**Holdback Period**"), and then issued to Major Rocket immediately following the end of the Holdback Period as long as, during the Holdback Period, the total MRRP has not fallen below the applicable threshold(s) that triggered the issuance of the applicable Initial Incentive Shares, due to refunds or other deductions from MRRP made in accordance with this Agreement.

3.8 If Major Rocket disagrees with any of Groupon's calculations of MRRP, it shall have a period of fifteen (15) days following its receipt of the applicable monthly report to notify Groupon of its disagreement; provided, that if Major Rocket requests supporting documentation in accordance with Clause 3.5, it shall have a period of fifteen (15) days following its receipt of the supporting documentation to notify Groupon of its disagreement (it being understood that if Major Rocket does not timely provide its notice of disagreement in accordance herewith, Groupon's calculations of MRRP shall be final and binding on the parties). Groupon and Major Rocket shall then use commercially reasonable efforts to resolve their disagreement for a period of fifteen (15) days. Additionally, if Groupon does not provide the reporting or supporting documentation described in Clause 3.5 within the timeframes specified therein, Major Rocket may serve notice on Groupon of such failure, in which case Groupon shall have an additional seven (7) days from receipt of such notice to provide the applicable report or supporting documentation to Major Rocket. If the parties are unable to resolve their disagreement in accordance herewith, or if Groupon fails to provide the applicable report or supporting documentation in accordance herewith, the parties shall promptly engage a mutually-agreed upon arbitrator to resolve the dispute (who may, if necessary, engage an accountant consultant to advise of mathematical calculations and/or accounting questions). Each party shall reasonably cooperate with the arbitrator and provide any information reasonably requested by the arbitrator to enable the arbitrator to perform its duties. Any resolution by mutual agreement of the parties or the arbitrator in accordance herewith shall be final and binding on the parties. The fees and expenses of any arbitrator shall be borne equally by the parties; provided, that Groupon shall bear all of the arbitrator's fees and expenses in any case where the matter has come before the arbitrator because Groupon has failed to provide any report or supporting documentation in accordance with this Agreement and Major Rocket is deemed by the arbitrator to be the prevailing party in the dispute. In the event the resolution of a dispute results in a determination that one of the thresholds have been met and an issuance of shares is triggered, Groupon shall issue the shares no later than thirty (30) days after the resolution of the dispute.

3.9 The Incentive Shares issued to Major Rocket under this Agreement will be offered pursuant to Section 4(a)(2) of the Securities Act and will not be registered, and the parties agree that any such Incentive Shares shall be "restricted securities" under Rule 144 of the Securities Act. Groupon shall take all necessary actions to ensure that the Incentive Shares are eligible for resale under Rule 144, including, but not limited to, providing any necessary information to Major Rocket to facilitate the resale of the Incentive Shares in accordance with Rule 144 and complying with all periodic reporting requirements of the Securities Exchange Act of 1934. Upon Major Rocket's request and at Major Rocket's expense, Groupon shall use its commercially reasonable efforts to cause the prompt removal of any restrictive legends on the Incentive Shares, provided that Major Rocket provides the Company with such documentation as the Company may reasonably request to ensure compliance with applicable

securities laws. Major Rocket must represent and warrant that it qualifies as an Accredited Investor under Rule 501(a) of Regulation D. Major Rocket further acknowledges that the Incentive Shares will not have been registered under the Securities Act and may not be sold, transferred, or otherwise disposed of except pursuant to an effective registration statement or an exemption from the registration requirements of the Securities Act, including Rule 144. Major Rocket further acknowledges Rule 144 requires, among other conditions, a minimum holding period of at least six months and the availability of current public information about Groupon, and that Groupon is under no obligation to register the Incentive Shares under the Securities Act.

3.10 Notwithstanding anything to the contrary set forth in this Agreement, Groupon may, at its sole discretion, have the option to satisfy any obligation to issue Incentive Shares by the payment of cash to Major Rocket in an amount in cash equal to the fair market value of the Incentive Shares otherwise issuable on the date such payment is made (which fair market value shall be based on the highest closing price of such common stock on NASDAQ during the ten (10) trading-day period ending on the date of such payment). In the event that Groupon's common stock, prior to issuance to Major Rocket, ceases to be publicly listed on NASDAQ, the parties shall negotiate in good faith to restructure the compensation arrangements in Clause 3 in a manner that provides Major Rocket with substantially equivalent economic value.

4. REPRESENTATIONS AND WARRANTIES

4.1 Each party represents and warrants to the other that:

- (a) it is duly organised, validly existing and in good standing under the laws of the jurisdiction of its incorporation;
- (b) it has the corporate power and authority to execute and deliver this Agreement; and
- (c) it shall comply with all Applicable Law.

4.2 Major Rocket additionally represents, warrants and undertakes that:

- (a) it is and at all times during the terms of this Agreement will be an Accredited investor; and
- (b) it shall provide its services under this Agreement professionally and in accordance with industry standards.

4.3 Major Rocket additionally represents, warrants and undertakes that it complies with all applicable international, federal, state, local and other laws, including but not limited to the U.S. Foreign Corrupt Practices Act and UK Bribery Act, and any and all executive orders and rules and regulations issued thereunder that prohibit providing a payment of money or anything of value to a foreign government official, public international organisation official, foreign political party, foreign political party official or candidates for such offices, either directly or indirectly, for the purpose of influencing official acts and decisions (including failures to act and decide) in order to assist in obtaining or retaining business or directing business to any entity.

4.4 Major Rocket represents, warrants and undertakes that its participation in this Agreement and acceptance of remuneration pursuant to this Agreement is in compliance with FCPA, OFAC, anti-bribery laws, anti-kickback laws, import/export laws, and all laws and regulations in any jurisdiction.

5. TERMINATION AND TRANSITION

5.1 This Agreement shall commence on the Effective Date and last until the earlier of (a) 31 December 2027; or (b) the issuance of the final tranche of Incentive Shares under and in accordance with Clause 3 (in conjunction with the achievement by Major Rocket of the \$25 Million MRRP threshold or modified threshold as described in Clauses 3.3 and 3.4).

5.2 Either party may terminate this Agreement immediately at any time by giving written notice to the other party if the other party is in material breach of this Agreement which, if remediable, it fails to remedy within 14 days of written notice from the terminating party requiring it to do so.

5.3 If Major Rocket is sold, if there is a change in its control, or if Brian Lefton is no longer the CEO of the Company, Major Rocket will provide notice to Groupon in writing within fifteen (15) days of any such event; provided, that none of such events shall give Groupon any right to terminate this Agreement.

5.4 On termination of this Agreement in accordance herewith, each party shall, if requested to by the other party, immediately deliver to the other party or destroy (at the election of the other party), unless prohibited by applicable law: all copies of Confidential Information and data provided by that party to the other party for the purposes of this Agreement.

5.5 Any provision of this Agreement which expressly or by implication is intended to come into or continue in force on or after termination of this Agreement, including Clauses 1, 3, 5, 4, 5.5, 5.6, 5.7, 5.8, 7, 8, 10, 11, 12, 13, 14, 15, 16 and 17 shall remain in full force and effect indefinitely.

5.6 Groupon shall have the unilateral right (but not the obligation) to enter into a subsequent one-year transition period with Major Rocket ("Transition Period") following termination of this Agreement. Groupon may elect to invoke the Transition Period by providing written notice to Major Rocket thereof no later than January 31, 2028; or (b) ninety (90) days after the date of the issuance of the final tranche of Incentive Shares awarded under and in accordance with Clause 3 (in conjunction with the achievement by Major Rocket of the \$25 Million MRRP threshold or modified threshold as described in Clauses 3.3 and 3.4).

5.7 If elected by Groupon, the Transition Period will last for a period of one year from the date that it is invoked by Groupon in writing.

5.8 During the Transition Period, the following terms shall apply:

- (a) During the course of the Transition Period, Groupon shall pay Major Rocket a retainer fee equal to \$25,000 per month, such amounts to be invoiced by Major Rocket to Groupon monthly and paid by Groupon on a net-30 basis;
- (b) Major Rocket shall make commercially reasonable efforts to transfer any and all of the Eligible Contracts if requested by Groupon to become direct contractual relationships between Groupon and/or its Subsidiaries and the applicable Merchant either via an irrevocable assignment or facilitating the signing of a new contract directly between Groupon/its Subsidiary and the applicable Merchant (collectively referred to as a "**Transferred Contract**"). Groupon shall have the right to refuse the transfer of any Eligible Contracts;
- (c) For each Eligible Contract that Major Rocket transfers to Groupon or a Subsidiary pursuant to the terms of this provision at Groupon's request, Groupon shall compensate Major Rocket by paying a lump sum performance fee equal to 40% of the MRRP associated with that Transferred Contract during the 12 month-period prior to the date of the commencement of the Transition Period ("**Performance Fee**"). Groupon shall pay the Performance Fee to Major Rocket within thirty (30) days of the date that an Eligible Contract becomes a Transferred Contract in accordance herewith; and
- (d) Major Rocket shall continue to comply with its obligations under Clauses 2.2 and 2.4.

6. INTELLECTUAL PROPERTY

6.1 Groupon grants to Major Rocket a non-exclusive, royalty free, revocable (after termination of this Agreement or any applicable Transition Period) right to use Groupon's Intellectual Property Rights solely for the purpose of promoting Groupon's services to Merchants.

6.2

7. CONFIDENTIALITY

7.1 Each party undertakes that it shall not at any time disclose to any person or otherwise use any Confidential Information of the other party, except as permitted in accordance with this Agreement.

7.2 Each party may disclose the other party's Confidential Information: (a) to its employees who need to know such information for the purposes of carrying out that party's obligations under this Agreement; or (b) as may be required by Applicable Law, including SEC disclosure/reporting obligations.

7.3 The obligations of this Clause 7 do not apply in respect of any Confidential Information which: (a) is or becomes generally available to the public; (b) was developed independently by the receiving party; (c) was available to the receiving party on a non-confidential basis before disclosure by the disclosing party; or (d) was, is or becomes available to the receiving party on a non-confidential basis from a person who, to the receiving party's knowledge, is not bound by a confidentiality agreement with the disclosing party or otherwise prohibited from disclosing the information to the receiving party.

7.4 The parties acknowledge that the disclosing party shall be entitled to claim injunctive relief or other non-monetary remedies, as appropriate, in the event of a breach of this Clause 7 by the receiving party.

7.5

8. INDEMNIFICATION

8.1 To the extent allowed under applicable law, Major Rocket agrees to defend, indemnify and hold Groupon, its affiliated and related entities, and any of its or their respective officers, directors, agents and employees, harmless from and against any claims, lawsuits, investigations, penalties, damages, losses, costs or expenses (including but not limited to reasonable attorneys' fees and costs) that arise out of or relate to any third-party claim arising out of or relating to any of the following:

- (a) any breach by Major Rocket of this Agreement, or the representations and warranties made by Major Rocket in this Agreement;
- (b) any claim for state sales, use, or similar tax obligations of Major Rocket arising from the remuneration provided to it under this Agreement;
- (c) any claim arising out of a violation of any law or regulation by Major Rocket or governing Major Rocket ;

- (d) any claim by a purchaser or anyone else arising out of or relating to false advertising by Major Rocket;
- (e) any claim arising out of Major Rocket's misuse of personally identifiable information, or any violation by Major Rocket of an applicable data privacy or security law; and

(f) any claim arising out of Major Rocket's gross negligence, fraud or willful misconduct.

(g) nothing in this provision shall be construed to limit or supersede the parties' respective indemnity obligations agreed upon in the Eligible Contracts (or any other unrelated contracts involving the parties). It is generally understood by the parties that, when Major Rocket enters into Eligible Contracts with Groupon, it will agree to defend, indemnify and hold Groupon, its affiliated and related entities, harmless for all claims arising out of or relating to the Merchant offerings provided in the Eligible Deals, including claims arising out of acts committed by the Merchants on whose behalf Major Rocket is entering into those agreements, unless otherwise agreed upon. Nothing in this Agreement shall alter or change those obligations, which will be governed by the terms of those contracts.

8.2 To the extent allowed under applicable law, Groupon agrees to defend, indemnify and hold Major Rocket, its affiliated and related entities, and any of its or their respective officers, directors, agents and employees, harmless from and against any penalties, damages, losses, costs or expenses (including but not limited to reasonable attorneys' fees and costs) that arise out of or relate to any third-party claim arising out of or relating to any of the following:

- (a) any breach by Groupon of this Agreement, or the representations and warranties made by Groupon in this Agreement;
- (b) any claim arising out of a violation of any law or regulation by Groupon or governing Groupon or its Subsidiaries;
- (c) any claim arising out of Groupon's misuse of personally identifiable information, or any violation by Groupon of an applicable data privacy or security law; and
- (d) any claim arising out of Groupon's gross negligence, fraud or willful misconduct.

8.3 The party entitled to indemnification under Clauses 8.1 or 8.2 (in each case, the "**Indemnified Party**") shall notify the party required to provide such indemnification thereunder (in each case, the "**Indemnifying Party**") in writing promptly after becoming aware of any such third-party claim; provided, that the failure to provide such notice promptly shall not relieve the Indemnifying Party of its obligations hereunder except to the extent that the Indemnifying Party is materially prejudiced thereby. The Indemnifying Party has the right, exercisable by written notice to the Indemnified Party within thirty (30) days of receipt of the notice from the Indemnified Party, to assume and conduct the defense of such third-party claim with counsel selected by the Indemnifying Party. If the Indemnifying Party timely assumes the defense of the third-party claim in accordance herewith, the Indemnified Party will have the right to participate in (but not control) the defense and to choose and appoint its own counsel at its own cost and expense. If the Indemnifying Party does not timely assume the defense of the third-party claim in accordance herewith, the Indemnified Party will have the right to control the defense with counsel selected by the Indemnified Party and the costs and expenses (including reasonable legal fees and expenses) of such defense shall be subject to indemnification by the Indemnifying Party in accordance herewith. The Indemnified Party and the Indemnifying Party shall reasonably cooperate with each other in connection with the defense of any third-party claim. The Indemnified Party shall not consent to a settlement of, or the entry of any judgment arising from, any third-party claim, without the prior written consent of the Indemnifying Party (such consent not to be unreasonably withheld). Except with the prior written consent of the Indemnified Party (such consent not to be unreasonably withheld), the Indemnifying Party shall not consent to a settlement of, or the entry of any judgment arising from, any third-party claim that (i) provides for injunctive or other nonmonetary relief affecting the Indemnified Party or (ii) does not include as an unconditional term thereof the giving by each claimant or plaintiff to such Indemnified Party of a release from all liability with respect to such claim.

8.4

9. EXCLUSIVITY MATTERS

9.1 In the event, during the term of this Agreement, Groupon or a Subsidiary or affiliate enters into a contractual agreement that results in a separate Groupon (or a Subsidiary or affiliate) deal beginning to run after the Effective Date that is for a Merchant who already has an existing Eligible Deal on the Website, Groupon shall promptly notify Major Rocket thereof in writing. In such event, Major Rocket may serve a notice of objection to Groupon by providing written notification within thirty (30) days of receiving the written notice from Groupon ("**Notice of Objection**"). In the event that Groupon receives a Notice of Objection from Major Rocket objecting to the running of a new deal with a Merchant who already has an Eligible Deal sourced through Major Rocket, Groupon may choose between (a) terminating the new deal within thirty (30) days of the Notice of Objection, or (b) continuing the new deal in which case that new deal will be treated exactly like an Eligible Deal under this Agreement and all MRRP achieved by Groupon or a Subsidiary or affiliate from such new deals (including for the period prior to the Notice of Objection) will be counted towards Major Rocket's achievement of the thresholds set forth in Clause 3.

9.2 In the event that Groupon is dissatisfied with management of an existing Eligible Contract by Major Rocket, it will serve notice in writing to Major Rocket (with a reasonably detailed description of the reasons for such dissatisfaction), who will make commercially reasonable efforts to improve upon the issues identified by Groupon. If, in Groupon's reasonable estimation, it remains dissatisfied with Major Rocket's management of the Eligible Contract after a period of thirty (30) days following such written notice, Major Rocket agrees that Groupon may approach the applicable merchant associated with the Eligible Contract and run its own deal; provided, that in such case, Groupon's own deal will be treated exactly like an Eligible Contract under this Agreement and all MRRP achieved by Groupon from such deals (including for the period after Groupon enters into its own deal) will be counted towards Major Rocket's achievement of thresholds set forth in Clause 3.

9.3 Nothing in this Agreement shall in any way restrict Major Rocket or its affiliates from engaging in any business with any third party.

10. VARIATION

10.1 No alteration to or variation or waiver of this Agreement shall take effect unless and until the same is in writing and signed on behalf of each of the parties by a duly authorised representative.

10.2

11. WAIVER

11.1 No failure to exercise, nor delay or omission by any party in exercising any right, power or remedy conferred on it under this Agreement or provided by law shall affect that right or remedy; or operate as a waiver of it nor will any partial exercise by any party of any right or remedy prevent any further exercise of that right or remedy or the exercise of any other right or remedy.

11.2 A waiver by a party of any right arising through the breach by the other party will not prevent the first party from subsequently requiring compliance with the obligation that has been breached.

11.3

12. SEVERANCE

12.1 If any provision of this Agreement is found to be invalid, illegal or unenforceable but would be valid, legal or enforceable if some parts of the provision were deleted, the provision in question shall apply with such modifications as may be necessary to make it valid, legal or enforceable.

12.2

13. ENTIRE AGREEMENT

13.1 This Agreement contains all the terms agreed between the parties regarding its subject matter and supersedes and excludes any prior agreement, understanding or arrangement between the parties, whether oral or in writing. No representation, undertaking or promise shall be taken to have been given or be implied from anything said or written in negotiations between the parties prior to this Agreement except as expressly stated in this Agreement. Provided, however, this Agreement does not supersede or govern any of the terms relating to performance of Eligible Contracts, Eligible Deals, or other contracts between Major Rocket and Groupon for marketing services performed by Groupon for Major Rocket and third-party merchants.

13.2

14. ASSIGNMENT

14.1 Subject to the following sentence, this Agreement may not be assigned in whole or in part by a party without the other party's prior written consent, not to be unreasonably withheld or delayed. Each party is authorized to transfer or assign this Agreement to a present or future affiliate or pursuant to a merger, consolidation, reorganization or sale of all or substantially all of the assets or business, or by operation of law, without notice to the other party.

14.2

15. NO PARTNERSHIP OR AGENCY

15.1 Nothing in this Agreement is intended to, or shall be deemed to, establish any partnership or joint venture between any of the parties, nor does it create an agency relationship between the parties.

16. NOTICE

16.1 In respect of any notice to be given to Groupon under this Agreement, the notice shall be sent by email to legal@groupon.com.

16.2 In respect of any notice to be given to Major Rocket under this Agreement, the notice shall be sent to 19495 Biscayne Blvd Ste 300 Aventura FL 33180
16.3 Notices shall be deemed received on the day that they are sent.

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16.4

17. GOVERNING LAW AND JURISDICTION

17.1 This Agreement (and all non-contractual obligations arising out of or connected to it) shall be governed by and construed in accordance with the laws of the State of Illinois. Subject to Clause 3.8, the parties irrevocably agree that the state and federal courts located in Cook County, Illinois, shall have exclusive jurisdiction to settle any dispute arising out of or in connection with this Agreement.

18.

19.

EXECUTED by

)

GROUPON, INC

)

acting by:

)

/s/ Jiri Ponrt

Chief Financial Officer

)

Jiri Ponrt

Name of Chief Financial Officer

)

EXECUTED by

)

MAJOR ROCKET, LLC

)

acting by:

)

/s/ Brian Lefton

Chief Executive Officer

)

Brian Lefton

Name of Chief Executive Officer

)

Groupon Inc.**Insider Trading Policy**

Groupon, Inc. (the "Company") and its Board of Directors have adopted this Insider Trading Policy (this "Policy") both to satisfy our obligation to prevent insider trading and to help you avoid the severe consequences associated with violations of the insider trading laws. The Policy also is intended to prevent even the appearance of improper conduct on the part of anyone employed by or associated with the Company.

Scope of Policy

Persons Covered. This Policy applies to all directors, officers, employees, agents and consultants of the Company and its subsidiaries and affiliated companies. In this Policy, references to "you" include:

- your family members who reside with you;
- else who lives in your household;
- any family members who do not live in your household but whose transactions in securities are directed by you or are subject to your influence or control (such as parents or children who consult with you before they trade in securities);
- any person to whom you have disclosed material, nonpublic information; and
- any person acting on your behalf or on behalf of any individual listed above.

You are responsible for making sure that the purchase or sale of any security covered by this Policy by any such person complies with this Policy.

Securities Covered. Although it is most likely that the "material, nonpublic information" you possess will relate to the common stock of the Company, the Company may from time to time issue other securities that are publicly traded and, therefore, subject to this Policy. In addition, this Policy applies to purchases and sales of the securities of other entities, including customers or suppliers of the Company and entities with which the Company may be negotiating major transactions (such as an acquisition, investment or sale of assets). Information that is not material to the Company may nevertheless be material to those entities.

Statement of Policy

No Trading on "Material, Nonpublic Information." If you possess "material, nonpublic information" relating to the Company, its subsidiaries or any other entity, you may not (a) purchase or sell securities of the Company or such other entity, (b) direct any other person to purchase or sell such securities or (c) disclose the information to anyone outside the Company.

Material, Nonpublic Information. "Material, nonpublic information" is information that is not available to the public at large that could affect the market price of a security and which a reasonable investor would regard as important in deciding whether to buy, sell or hold the security. Either positive or negative information may be material. Because trading that receives scrutiny will be evaluated after the fact with the benefit of hindsight, questions concerning the materiality of particular information should be resolved in favor of materiality, and trading should be avoided. Common examples of material information are:

- forecasts, estimates or projections of earnings or results of operations for current or future periods;
- significant operational metrics such as traffic, customers and units;
- news of a pending or proposed merger, acquisition, tender offer, divestiture or disposition of significant assets;
- significant new products, services or markets;
- actual or threatened major litigation, or the resolution of such litigation;
- major events regarding securities, including the declaration of a stock split, dividend or the offering of additional securities (debt or equity);
- new major contracts, orders, suppliers, customers or finance sources, or the loss thereof;
- a change in management or directors; or
- financial liquidity problems.

Public Information. Information is considered to be available to the public only when it has been released to the public through appropriate channels (for example, by means of a press release, a publicly accessible conference call or a governmental filing) and enough time has elapsed to permit the investment market to absorb and evaluate the information. As a general rule, information is considered absorbed and evaluated after the completion of the second trading day after the information is released.

Improper Disclosure. The Company has authorized only certain individuals to publicly release material, nonpublic information. Unless you are explicitly authorized to do so, you must refrain from discussing material, nonpublic information with anyone outside the Company. If such information is improperly disclosed to outsiders, the Company may be forced to release it publicly. For example, an improper disclosure which results in a news story about a pending acquisition may require public release of plans that could upset the transaction. Therefore, you should avoid discussing such information in public and should ensure that documents containing sensitive information about the Company are secure and are not distributed improperly. You should review and comply with the Company's Global Code of Conduct and Fair Disclosure Policy, which cover disclosure of Company information.

"Black Out" Periods

A "black out" period is a period during which you may not execute transactions in Company securities. Please bear in mind that even if a black out period is not in effect, at no time may you trade in Company securities if you are aware of material, nonpublic information about the Company. For example, if the Company issues a quarterly earnings release and you are aware of other material, nonpublic information not disclosed in the earnings release, you may not trade in Company securities.

Earnings Black Out Periods. You may not buy or sell Company securities during the period beginning on the next trading day following the fifteenth calendar day of the last month of each fiscal quarter or fiscal year of the Company (or prior trading day if the 15th is a weekend or holiday) and ending following the completion of two market trading days after the public release of the financial results for such fiscal quarter or year (for example, by means of a press release, a publicly accessible conference call or a governmental filing). For example, the first quarter of 2019 ended on

Sunday, March 31, 2019. If the Company issues its earnings release for the first quarter of 2019 prior to the opening of the market on Wednesday, May 1, 2019, your last day to purchase or sell the Company's common stock will be Friday, March 15, 2019 and then you will not be able to purchase or sell until Friday, May 3, 2019 (because the market is closed on weekends). In accordance with this Policy, the Company will from time to time advise interested parties of the expected timing of its earnings releases.

Event-Specific Black Out Periods. The Company reserves the right to impose trading black out periods from time to time when, in the judgment of the Company, a black out period is warranted. A black out period may be imposed for any reason, including the Company's involvement in a material transaction, the anticipated issuance of interim earnings guidance or other material public announcements. The existence of an event-specific black out period may not be announced, or may be announced only to those who are aware of the transaction or event giving rise to the black out period. If you are made aware of the existence of an event-specific black out period, you should not disclose the existence of such black out period to any other person. Individuals that are subject to event-specific black out periods will be contacted when these periods are instituted from time to time.

Pension Fund Black Out Periods. The Sarbanes-Oxley Act of 2002 prohibits all purchases, sales or transfers of Company securities by directors and officers of the Company during a "pension fund black out period." A pension fund black out period exists whenever 50% or more of the participants in a Company benefit plan are unable to conduct transactions in their Company common stock accounts for more than three (3) consecutive business days. These black out periods typically occur when there is a change in the benefit plan's trustee, record keeper or investment manager. Individuals that are subject to these black out periods will be contacted when these periods are instituted from time to time.

Hardship Exceptions. If you have an unexpected and urgent need to sell Company securities in order to generate cash you may, in appropriate circumstances, be permitted to sell Company securities during a black out period. Hardship exceptions may be granted only by the General Counsel and must be requested at least two (2) business days in advance of the proposed transaction.

Other Trading Restrictions

The Company considers it improper and inappropriate for you to engage in short-term or speculative transactions in Company securities or in other transactions in Company securities that may lead to inadvertent violations of the U.S. insider trading laws. Accordingly, your transactions in Company securities are subject to the following guidance.

Short Sales. You may not engage in short sales of Company securities (sales of securities that are not then owned), including a "sale against the box" (a sale with delayed delivery).

Publicly Traded Options and Hedging. You may not engage in transactions in publicly traded options on Company securities (such as puts, calls and other derivative securities) on an exchange or in any other organized market or purchase financial instruments or enter into hedging transactions designed to offset a decrease in the value of the Company's securities.

Standing Orders. You should not place a standing order to buy or sell common stock. A standing order placed with a broker to sell or purchase stock at a specified price leaves you with no control over the timing of the transaction. A standing order transaction executed by the broker when you are aware of material, nonpublic information may result in unlawful insider trading even if the standing order was placed at a time when you did not possess material, nonpublic information.

Margin Account and Pledges. You may not pledge any Company securities as collateral for a loan and you may not hold Company securities as collateral in a margin account. You may not have control over these transactions as the securities may be sold at certain times without your consent. A margin or foreclosure sale that occurs when you are aware of material, nonpublic information may, under some circumstances, result in unlawful insider trading. An exception to this prohibition may be granted if you wish to pledge Company securities as collateral for a loan (not including margin debt) and clearly demonstrate the financial capacity to repay the loan without resort to the pledged securities. If you wish to pledge Company securities as collateral for a loan, you must submit a request for approval to the General Counsel and the Chief Financial Officer at least two weeks prior to the proposed execution of documents evidencing the proposed pledge and receive written authorization from the General Counsel. Notwithstanding anything set forth above, in the event of any request for an exception to this prohibition by the Chief Executive Officer, Chief Financial Officer or General Counsel, such individual must submit a request for approval to the Chairman of the Board of Directors of the Company or the Chairman of the Audit Committee of the Board of Directors at least two weeks prior to the proposed execution of documents evidencing the proposed pledge and receive written authorization therefrom.

Transactions Under Company Benefit Plans

The U.S. insider trading laws also restrict your ability to engage in certain transactions under the Company's benefit plans, as described below:

Stock Option Exercises. You may exercise stock options for cash at any time. However, you may not sell the underlying shares of Company stock and you may not engage in a cashless exercise of a stock option through a broker (because this entails selling a portion of the underlying stock to cover the costs of exercise) during any black out period or while you possess material, nonpublic information.

Stock Incentive Plan. You may be granted stock-based compensation awards, including restricted shares, under the Groupon, Inc. 2011 Incentive Plan. You may not, however, sell any Company stock granted under the plan during any black out period or while you possess material, nonpublic information.

Rule 10b5-1 Plans

Transactions in Company securities under a plan that complies with Rule 10b5-1 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), are not subject to the prohibition on trades during black out periods or the prohibition on trading while being aware of material, nonpublic information described above.

In general, a Rule 10b5-1 plan must be entered into before the employee is aware of material, nonpublic information and may not be adopted during a black out period. Once the plan is adopted, the employee must not exercise any influence over the amount of securities to be traded, the price at which they are to be traded or the date of the trade. In addition, the plan must either specify (including by formula) the amount, pricing and timing of transactions in advance or delegate discretion on those matters to an independent third party.

All Rule 10b5-1 plans, and amendments thereto, shall be approved in writing by the General Counsel & Corporate Secretary, or another member of the legal department acting at the direction of the General Counsel & Corporate Secretary, at least thirty (30) days in advance of any trades thereunder and submitted to the Director of Compliance ("DOC") for review.

Corporate officers and directors are encouraged to employ Rule 10b5-1 plans in connection with any sale or disposition of Company securities. The Company requires that all Rule 10b5-1 plans be approved in writing and in advance by the Company's counsel.

Section 16 Reporting; Pre-Clearance

Directors and executive officers of the Company must file periodic reports regarding their ownership of Company securities pursuant to Section 16(a) of the Exchange Act, and are subject to disgorgement of "short-swing" profits pursuant to Section 16(b) of the Exchange Act. Violations of or failure to comply with these requirements can result in Securities and Exchange Commission enforcement action. The Company will notify you if you are subject to Section 16 of the Exchange Act.

Directors, members of the senior executive team (STEAM) and such other individuals as the General Counsel may designate from time to time must pre-clear all transactions in Company securities with the Company's General Counsel prior to executing such transactions unless such transactions are covered by an approved 10b5-1 plan. The General Counsel must pre-clear transactions in Company securities with the Chief Executive Officer and the Vice President & Deputy General Counsel, Corporate & Securities prior to executing such transactions unless such transactions are covered by an approved 10b5-1 plan. A request for pre-clearance should be submitted at least two business days in advance of the proposed transaction and contain a brief description of the proposed transaction.

Gift-Giving

You may donate Company stock you own at any time. If you maintain control over the timing of the sale of any donated stock, the sale is subject to the black out periods and the other rules herein.

Post-Termination Transactions

If you are aware of material, nonpublic information when your employment or service relationship terminates, you may not trade in Company securities until that information has been publicly released.

Consequences

Insider trading violations are pursued vigorously by the Securities and Exchange Commission and the U.S. Attorneys and are punished severely. The Audit Committee of the Board will review the conduct of those who violate the policy. Subject to the Audit Committee's determination, that person may have to reimburse the Company for any fines, fees, or expenses incurred by the Company as a result of any noncompliance with the Insider Trading Policy, as well as face the cancellation of outstanding stock options and disqualification from performance-based compensation going forward. Failure to comply with this Policy may also subject you to additional Company-imposed sanctions, including dismissal for cause, whether or not your failure to comply results in a violation of law.

Procedures for Submission of Complaints

Submission of complaints from Company employees regarding actual or potential violations of the Insider Trading Policy shall follow the procedures set forth below:

- Complaints made may be submitted confidentially or anonymously via e-mail or mail;
- Upon receipt of a complaint, the DOC will: (a) determine whether the complaint relates to this Policy; and (b) when possible, acknowledge receipt of the complaint to the sender;

- The DOC will review such complaints under the Audit Committee's oversight. The review process shall, to the fullest extent possible, honor the confidentiality of the complainant;
- The DOC shall maintain a record of all complaints, including, but not limited to: (a) substance of complaint; (b) date of receipt of the complaint; (c) actions taken to investigate the complaint and the dates on which such actions were taken; (d) recommendations made in response to the complaint and the date such recommendations were made; and (e) outcome of the investigation into the complaint and the date such determination was made (collectively, the "DOC's Log");
- The DOC will notify the Audit Committee of any substantiated or meritorious complaints and review with the Audit Committee the appropriate corrective action;
- The DOC and/or the Audit Committee may utilize outside legal counsel and other experts and advisors to investigate allegations of improper insider trading;
- The Company will not take any inappropriate retaliatory action against any Company employee with respect to good faith reporting of complaints relating to or arising out of this Policy; and
- Copies of complaints and the DOC's Log will be maintained for five (5) years from the date made.

Amended and Restated: October 19, 2023

Subsidiary	Jurisdiction
Groupon Canada Inc.	Canada
Groupon Activities, LLC	Delaware (U.S.A.)
Groupon Distribution Services, LLC	Delaware (U.S.A.)
Groupon Merchant Services, LLC	Virginia (U.S.A.)
GI International Holdings, Inc.	Delaware (U.S.A.)
Groupon Canada Corp, Inc.	Delaware (U.S.A.)
Groupon Getaways, Inc.	Delaware (U.S.A.)
Groupon Goods, Inc.	Delaware (U.S.A.)
Groupon Product Services, LLC	Delaware (U.S.A.)
Groupon Trailblazer, Inc.	Delaware (U.S.A.)
GrouponLive, LLC	Delaware (U.S.A.)
LivingSocial, LLC	Delaware (U.S.A.)
Obtiva Corporation	Illinois (U.S.A.)
GROUPON S.P.R.L.	Belgium
Groupon France SAS	France
Groupon Goods France	Germany
Groupon Europe GmbH	Germany
Groupon Goods Germany GmbH	Ireland
Groupon International Ltd.	Ireland
Groupon-CityDeal (Ireland) Ltd.	Italy
Groupon Goods Italy S.r.l.	Italy
Groupon S.r.l.	Luxembourg
GI Luxembourg S.a.r.l	Morocco
Groupon SARL	Netherlands
Groupon Goods Netherlands B.V.	Netherlands
Groupon Holdings B.V.	Netherlands
Groupon Netherlands B.V.	Netherlands
Groupon Sp.z o.o.	Poland
Groupon Shared Services Poland Sp. z.o.o.	Poland
Groupon Spain, SLU	Spain
Groupon Goods Global GmbH	Switzerland
Groupon International GmbH	Switzerland
Groupon International Travel GmbH	Switzerland
Groupon FZE	United Arab Emirates
Groupon Goods UK Ltd.	United Kingdom
Groupon Shop Ltd.	United Kingdom
MyCity Deal Ltd.	United Kingdom
Groupon Australia Pty Ltd.	Australia
Groupon Getaways Pty Ltd.	Australia
Groupon Shared Services Private Limited	India

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-253511, 333-253513, and 333-273553 on Form S-3 and Registration Statement No. 333-273871 and 333-280234 on Form S-8 of our reports dated March 11, 2025, relating to the financial statements of Groupon, Inc. and subsidiaries (the “Company”), and the effectiveness of the Company’s internal control over financial reporting appearing in this Annual Report on Form 10-K for the year ended December 31, 2024.

/s/ Deloitte & Touche LLP

Chicago, Illinois
March 11, 2025

Certification

I, Dusan Senkypl, certify that:

1. I have reviewed this Annual Report on Form 10-K of Groupon, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 11, 2025

/s/ Dusan Senkypl

Dusan Senkypl
Chief Executive Officer
(*Principal Executive Officer*)

Certification

I, Jiri Ponrt, certify that:

1. I have reviewed this Annual Report on Form 10-K of Groupon, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: March 11, 2025

/s/ Jiri Ponrt
 Jiri Ponrt
 Chief Financial Officer
 (Principal Financial Officer)

**Certifications Pursuant to
18 U.S.C. Section 1350
As Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the Annual Report of Groupon, Inc. (the "Company") on Form 10-K for the period ended December 31, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Dusan Senkypl, Chief Executive Officer of the Company, and Jiri Ponrt, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to our knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

By: /s/ Dusan Senkypl
Dusan Senkypl
Chief Executive Officer
(*Principal Executive Officer*)

By: /s/ Jiri Ponrt
Jiri Ponrt
Chief Financial Officer
(*Principal Financial Officer*)

Date: March 11, 2025

GROUPON, INC.
Clawback Policy
Effective as of October 2, 2023
Adopted November 22, 2023

Purpose

As required pursuant to the listing standards of the Nasdaq Stock Market LLC (the “**Stock Exchange**”), Section 10D of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and Rule 10D-1 under the Exchange Act, the Compensation Committee (the “**Committee**”) of the Board of Directors (the “**Board**”) of Groupon, Inc. (the “**Company**”) has adopted this Clawback Policy (this “**Policy**”) to empower the Company to recover Covered Compensation (as defined below) erroneously awarded to a Section 16 Officer (as defined below) in the event of an Accounting Restatement (as defined below). This Policy also contains other compensation-related clawback provisions applicable to Covered Officers (as defined below) as described herein.

Notwithstanding anything in this Policy to the contrary, at all times, this Policy remains subject to interpretation and operation in accordance with the final rules and regulations promulgated by the U.S. Securities and Exchange Commission (the “**SEC**”), the final listing standards adopted by the Stock Exchange, and any applicable SEC or Stock Exchange guidance or interpretations issued from time to time regarding such Covered Compensation recovery requirements (collectively, the “**Final Guidance**”). Questions regarding this Policy should be directed to the Company’s Legal Compliance Team (legalcompliance@groupon.com).

Triggering Events

Accounting Restatement

Unless a Clawback Exception (as defined below) applies, the Company will recover reasonably promptly from each Section 16 Officer the Covered Compensation Received (as defined below) by such Section 16 Officer in the event that the Company is required to prepare an Accounting Restatement. If a Clawback Exception applies with respect to a Section 16 Officer, the Company may forgo such recovery under this Policy from any such Section 16 Officer.

Detrimental Activity

If the Committee reasonably, and in good faith, determines that any current or former Covered Officer who was granted and Received Incentive-Based Compensation on or after the Effective Date (as defined below) has engaged in Detrimental Activity (as defined below), regardless of whether that Detrimental Activity resulted in any noncompliance that resulted in the Company’s obligation to prepare an Accounting Restatement, then the Committee may direct the Company to use prompt and reasonable efforts to recover from each Covered Officer all Covered Compensation. Notwithstanding anything to the contrary in this Policy, the provisions of this Policy applicable to the recovery of Covered Compensation due to Detrimental Activity shall only apply to Incentive-Based Compensation earned (with respect to performance share units) or paid (with respect to cash incentives) after the Effective Date.

Key Definitions

For purposes of this Policy, the following terms have the following meanings:

- “**Accounting Restatement**” means an accounting restatement that the Company is required to prepare due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.
- “**Covered Compensation**” means:
 - (a) If the Triggering Event is due to an Accounting Restatement, the amount of Incentive-Based Compensation (as defined below) Received during the applicable Recovery Period (as defined below) that exceeds the amount of Incentive-Based Compensation that otherwise would have been Received during such Recovery Period had it been determined based on the relevant restated amounts, and computed without regard to any taxes paid. Incentive-Based Compensation Received by a Section 16 Officer will only qualify as Covered Compensation for purposes of an Accounting Restatement if: (i) it is Received on or after October 2, 2023; (ii) it is Received after such Section 16 Officer begins service as a Section 16

Officer; (iii) such Section 16 Officer served as a Section 16 Officer at any time during the performance period for such Incentive-Based Compensation; and (iv) it is Received while the Company has a class of securities listed on a national securities exchange or a national securities association. For Incentive-Based Compensation based on stock price or total shareholder return, where the amount of erroneously awarded Covered Compensation for purposes of an Accounting Restatement is not subject to mathematical recalculation directly from the information in an Accounting Restatement, the amount of such Incentive-Based Compensation that is deemed to be Covered Compensation will be based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total shareholder return upon which the Incentive-Based Compensation was Received, and the Company will maintain and provide to the Stock Exchange documentation of the determination of such reasonable estimate; or

(b) If the Triggering Event is due to a Covered Officer engaging in Detrimental Activity, the amount deemed appropriate by the Committee, but in no event will such Covered Compensation exceed the total amount of Incentive-Based Compensation earned (with respect to performance share units) or paid (with respect to cash incentives) to that Covered Officer for the year in which the Triggering Event occurred.

- ***Covered Officer*** means each Section 16 Officer and such other officers as may be specified by the Committee from time to time.
- ***Detrimental Activity*** means an intentional act of fraud or dishonesty in the performance of a Covered Officer's duties with respect to the Company that results in any material financial loss to the Company.
- ***Incentive-Based Compensation*** means:
 - (a) If the Triggering Event is due to an Accounting Restatement, any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure (as defined below). For purposes of clarity, Incentive-Based Compensation includes compensation that is in any plan, other than tax-qualified retirement plans, including long term disability, life insurance, and supplemental executive retirement plans, and any other compensation that is based on such Incentive-Based Compensation, such as earnings accrued on notional amounts of Incentive-Based Compensation contributed to such plans; or
 - (b) If the Triggering Event is due to a Covered Officer engaging in Detrimental Activity, (1) the annual or other short-term incentive awards granted or earned based on the degree of achievement of one or more financial reporting measures under the Company's annual or short-term cash incentive compensation programs; (2) the performance share units or other performance-based awards (plus any amount attributable to such awards) granted or earned based on the degree of achievement of one or more financial reporting measures under the Company's long-term incentive and/or equity programs; and (3) any other incentive-based compensation granted or earned based on the degree of achievement of one or more financial reporting measures pursuant to an "incentive plan," as such term is defined for purposes of Regulation S-K under the Exchange Act; plus any shares of stock issued under, and/or any other benefit reasonably related to, such compensation.
- ***Financial Reporting Measure*** is defined as a measure that is determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measures that are derived wholly or in part from such measures. Stock price and total shareholder return are also Financial Reporting Measures.
- ***Received*** means:
 - (a) If the Triggering Event is due to an Accounting Restatement, Incentive-Based Compensation is deemed ***Received*** in the Company's fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, even if the payment or grant of the Incentive-Based Compensation occurs after the end of that period; or
 - (b) If the Triggering Event is due to a Covered Officer engaging in Detrimental Activity, ***Received*** means with respect to any Incentive-Based Compensation, the Incentive-Based Compensation as to which either the applicable performance period ended (i) at any time during the three fiscal years prior to the year in which the Committee determines that a Triggering Event due to a Covered Officer engaging in Detrimental Activity has occurred or (ii) at any time prior to such a Triggering Event in the year in which the Committee determines that such a Triggering Event has occurred. In addition, for any stock-settled Incentive-Based Compensation, the amount Received means the amount granted as of the grant date (for unvested awards) or paid as of the payment date (for vested awards).

- **“Recovery Period”** means the three completed fiscal years immediately preceding the Trigger Date (as defined below) and, if applicable, any transition period resulting from a change in the Company’s fiscal year within or immediately following those three completed fiscal years (provided, however, that if a transition period between the last day of the Company’s previous fiscal year end and the first day of its new fiscal year comprises a period of nine to 12 months, such period would be deemed to be a completed fiscal year).
- **“Section 16 Officer”** is defined as any current or former “Section 16 officer” of the Company within the meaning of Rule 16a-1(f) under the Exchange Act, as determined by the Board or the Committee. Section 16 Officers include, at a minimum, “executive officers” as defined in Rule 3b-7 under the Exchange Act and identified under Item 401(b) of Regulation S-K.
- **“Trigger Date”** as of which the Company is required to prepare an Accounting Restatement is the earlier to occur of: (i) the date that the Board, applicable Board committee, or officers authorized to take action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare the Accounting Restatement or (ii) the date a court, regulator, or other legally authorized body directs the Company to prepare the Accounting Restatement.
- **“Triggering Event”** means an Accounting Restatement or Detrimental Activity.

Clawback Exceptions

The Company is required to recover all Covered Compensation Received by a Section 16 Officer in the event of a Triggering Event due to an Accounting Restatement unless (i) one of the following conditions are met and (ii) the Committee has made a determination that recovery would be impracticable in accordance with Rule 10D-1 under the Exchange Act (under such circumstances, a **“Clawback Exception”** applies):

- the direct expense paid to a third party to assist in enforcing this Policy would exceed the amount to be recovered (and the Company has already made a reasonable attempt to recover such erroneously awarded Covered Compensation from such Section 16 Officer, has documented such reasonable attempt(s) to recover, and has provided such documentation to the Stock Exchange);
- recovery would violate home country law that was adopted prior to November 28, 2022 (and the Company has already obtained an opinion of home country counsel, acceptable to the Stock Exchange, that recovery would result in such a violation, and provided such opinion to the Stock Exchange); or
- recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of Section 401(a)(13) or Section 411(a) of the Internal Revenue Code and regulations thereunder. For purposes of clarity, this Clawback Exception only applies to tax-qualified retirement plans and does not apply to other plans, including long term disability, life insurance, and supplemental executive retirement plans, or any other compensation that is based on Incentive-Based Compensation in such plans, such as earnings accrued on notional amounts of Incentive-Based Compensation contributed to such plans.

If the Triggering Event is due to a Covered Officer engaging in Detrimental Activity, the Committee has discretion regarding whether it will choose to recover Covered Compensation Received by such Covered Officer, regardless of whether a Clawback Exception applies.

Prohibitions

The Company is prohibited from paying or reimbursing the cost of insurance for, or indemnifying, any Section 16 Officer against the loss of erroneously awarded Covered Compensation due to an Accounting Restatement.

Administration and Interpretation

The Committee will administer this Policy in accordance with the Final Guidance (with respect to Triggering Events due to an Accounting Restatement), and will have full and exclusive authority and discretion to supplement, amend, repeal, interpret, terminate, construe, modify, replace and/or enforce (in whole or in part) this Policy, including the authority to correct any defect, supply any omission or reconcile any ambiguity, inconsistency or conflict in this Policy, subject to the Final Guidance. At least once a year, the Committee will meet to consider

any necessary or appropriate changes to this Policy and will consult either a compensation consultant or an outside legal counsel to assess the alignment of this Policy with prevailing market practices and developments in applicable law and regulations. The Committee will have full and exclusive authority to take any action with respect to this Policy it deems appropriate, including following such annual review. All such reasonable actions, interpretations and determinations taken or made by the Committee will be final, conclusive and binding.

The Committee will have the authority to offset any compensation or benefit amounts that become due to the applicable Covered Officers to the extent permissible under Section 409A of the Internal Revenue Code of 1986, as amended, and as it deems necessary or desirable to recover any Covered Compensation.

Each Covered Officer, upon being so designated or assuming such position, is required to execute and deliver to the Legal Compliance Team (legalcompliance@groupon.com) an acknowledgment of and consent to this Policy, substantially in the form attached hereto or such other form that is reasonably acceptable to and provided by the Company from time to time, (i) acknowledging and consenting to be bound by the terms of this Policy, (ii) agreeing to fully cooperate with the Company in connection with any of such Covered Officer's obligations to the Company pursuant to this Policy, and (iii) agreeing that the Company may enforce its rights under this Policy through any and all reasonable means permitted under applicable law as it deems necessary or desirable under this Policy. For the avoidance of doubt, each Covered Officer will be fully bound by, and must comply with, this Policy, whether or not such Covered Officer has executed and returned such acknowledgment and consent form to the Company.

Disclosure

This Policy, and any recovery of Covered Compensation by the Company pursuant to this Policy that is required to be disclosed in the Company's filings with the SEC, will be disclosed as required by the Securities Act of 1933, as amended, the Exchange Act, and related rules and regulations, including the Final Guidance.

No Duplication of Recovery.

There shall be no duplication of recovery under the provisions of this Policy related to Accounting Restatements and Detrimental Activity nor between this Policy and 15 U.S.C. Section 7243 (Section 304 of The Sarbanes-Oxley Act of 2002).

Effective Date

This Policy shall be effective as of October 2, 2023 (the "**Effective Date**") and shall supersede the Company's Clawback Policy, adopted October 14, 2021 (the "**Prior Policy**"), effective as of the Effective Date. Notwithstanding the foregoing, the Prior Policy will remain in effect with respect to any Covered Compensation Received prior to the Effective Date.

GROUPON, INC.

Clawback Policy Acknowledgment and Consent

The undersigned hereby acknowledges that he or she has received and reviewed a copy of the Clawback Policy (the “*Policy*”) of Groupon, Inc. (the “*Company*”), effective as of October 2, 2023, as adopted by the Compensation Committee of the Company’s Board of Directors.

Pursuant to such Policy, the undersigned hereby:

- acknowledges that he or she has been designated as (or assumed the position of) a Covered Officer (as defined in the Policy);
- acknowledges and consents to the Policy;
- acknowledges and consents to be bound by the terms of the Policy;
- agrees to fully cooperate with the Company in connection with any of the undersigned’s obligations to the Company pursuant to the Policy, including, without limitation, the repayment by or recovery from the undersigned of Covered Compensation (as defined in the Policy); and
- agrees that the Company may enforce its rights under the Policy through any and all reasonable means permitted under applicable law as the Company deems necessary or desirable under the Policy.

ACKNOWLEDGED AND AGREED:

Name: _____

Date: