

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 10-Q**

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

For the quarterly period ended March 31, 2025

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

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 is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☒

As of May 5, 2025, there were 39,816,140 shares of the registrant's Common Stock outstanding.

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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 Quarterly Report on Form 10-Q, which are defined in the list below (the "Glossary"). Newly defined terms within this Quarterly Report on Form 10-Q are included within the Glossary and may also be defined within applicable sections of this Quarterly 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 Restructuring Plan	August 2022 Board approved restructuring 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
2026 Notes	The Company's 1.125% convertible senior notes due March 2026
2027 Notes	The Company's 6.250% convertible senior secured notes due March 2027
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
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.
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CODM	Chief Operating Decision Maker
Common Stock	Company common stock, par value \$0.00001 per share
Compensation Committee	Compensation Committee of the Board
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
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
ESPP	The Company's 2012 Employee Stock Purchase Plan
Exchange Act	Securities Exchange Act of 1934, as amended
Exchange and Subscription Agreements	The privately-negotiated agreements entered into on November 12, 2024
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
GAAP	U.S. Generally Accepted Accounting Principles
GDPR	General Data Protection Regulation
Giftcloud	Giftcloud Ltd.
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
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
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
SG&A	Selling, general and administrative
SumUp	SumUp Holdings S.a.r.l, a privately-held mobile payments company
TTM	Trailing twelve months
VAT	Value added tax

PART I. FINANCIAL INFORMATION

FORWARD-LOOKING STATEMENTS

This Quarterly 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," "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; a potential economic slowdown; 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 our Annual Report on Form 10-K for the year ended December 31, 2024 and Part II, Item 1A. *Risk Factors* on our Quarterly Report on Form 10-Q for the quarter ended March 31, 2025, as well as in our Condensed 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.

ITEM 1. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

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

	March 31, 2025	December 31, 2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 226,814	\$ 228,843
Accounts receivable, net	32,061	34,153
Prepaid expenses and other current assets	52,149	52,365
Total current assets	311,024	315,361
Property, equipment and software, net	16,519	17,827
Right-of-use assets - operating leases, net	5,495	6,041
Goodwill	178,685	178,685
Intangible assets, net	4,347	4,738
Investments	74,823	74,823
Deferred income taxes	5,839	6,071
Other non-current assets	11,421	9,144
Total assets	\$ 608,153	\$ 612,690
Liabilities and equity (deficit)		
Current liabilities:		
Current portion of convertible senior notes, net	\$ 53,379	\$ —
Accounts payable	10,502	11,311
Accrued merchant and supplier payables	190,370	196,350
Accrued expenses and other current liabilities	95,235	97,765
Total current liabilities	349,486	305,426
Convertible senior notes, net	193,051	246,013
Operating lease obligations	3,196	3,604
Other non-current liabilities	16,763	16,596
Total liabilities	562,496	571,639
Commitments and contingencies (see Note 6)		
Stockholders' equity (deficit)		
Common Stock, par value \$0.0001 per share, 100,500,000 shares authorized; 50,106,923 shares issued and 39,812,806 shares outstanding at March 31, 2025; 50,090,026 shares issued and 39,795,909 shares outstanding at December 31, 2024	5	5
Additional paid-in capital	2,449,516	2,441,656
Treasury stock, at cost, 10,294,117 shares at March 31, 2025 and December 31, 2024	(922,666)	(922,666)
Accumulated deficit	(1,501,739)	(1,508,914)
Accumulated other comprehensive income (loss)	20,363	30,734
Total Groupon, Inc. stockholders' equity (deficit)	45,479	40,815
Noncontrolling interests	178	236
Total equity (deficit)	45,657	41,051
Total liabilities and equity (deficit)	\$ 608,153	\$ 612,690

See Notes to Condensed Consolidated Financial Statements.

GROUPON, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)
(in thousands, except share and per share amounts)
(unaudited)

	Three Months Ended March 31,	
	2025	2024
Revenue	\$ 117,187	\$ 123,084
Cost of revenue	10,889	12,527
Gross profit	106,298	110,557
Operating expenses:		
Marketing	34,437	28,809
Selling, general and administrative	69,840	74,282
Restructuring and related charges	137	96
Total operating expenses	104,414	103,187
Income (loss) from operations	1,884	7,370
Other income (expense), net	7,571	(12,682)
Income (loss) from continuing operations before provision (benefit) for income taxes	9,455	(5,312)
Provision (benefit) for income taxes	1,428	6,194
Income (loss) from continuing operations	8,027	(11,506)
Income (loss) from discontinued operations, net of tax	(471)	—
Net income (loss)	7,556	(11,506)
Net (income) loss attributable to noncontrolling interests	(381)	(765)
Net income (loss) attributable to Groupon, Inc.	\$ 7,175	\$ (12,271)
Basic net income (loss) per share:		
Continuing operations	\$ 0.19	\$ (0.33)
Discontinued operations	(0.01)	—
Basic net income (loss) per share	\$ 0.18	\$ (0.33)
Diluted net income (loss) per share:		
Continuing operations	\$ 0.18	\$ (0.33)
Discontinued operations	(0.01)	—
Diluted net income (loss) per share	\$ 0.17	\$ (0.33)
Weighted average number of shares outstanding:		
Basic	39,809,354	37,709,971
Diluted	41,719,655	37,709,971
Comprehensive income (loss):		
Net income (loss)	\$ 7,556	\$ (11,506)
Other comprehensive income (loss) from continuing operations		
Net change in unrealized gain (loss) on foreign currency translation adjustments	(10,371)	12,352
Other comprehensive income (loss) from continuing operations	(10,371)	12,352
Other comprehensive income (loss) from discontinued operations	—	—
Other comprehensive income (loss)	(10,371)	12,352
Comprehensive income (loss)	(2,815)	846
Comprehensive income attributable to noncontrolling interests	(381)	(765)
Comprehensive income (loss) attributable to Groupon, Inc.	\$ (3,196)	\$ 81

See Notes to Condensed Consolidated Financial Statements.

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

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					
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
Comprehensive income (loss)	—	—	—	—	—	7,175	(10,371)	(3,196)	381	(2,815)
Vesting of RSUs	19,805	—	—	—	—	—	—	—	—	—
Shares issued under ESPP	6,509	—	67	—	—	—	—	67	—	67
Tax withholdings related to net share settlements of stock-based compensation awards	(9,417)	—	44	—	—	—	—	44	—	44
Stock-based compensation on equity-classified awards	—	—	7,749	—	—	—	—	7,749	—	7,749
Distributions to noncontrolling interest holders	—	—	—	—	—	—	—	—	(439)	(439)
Balance at March 31, 2025	50,106,923	\$ 5	\$ 2,449,516	(10,294,117)	\$ (922,666)	\$ (1,501,739)	\$ 20,363	\$ 45,479	\$ 178	\$ 45,657

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					
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)	—	—	—	—	—	(12,271)	12,352	81	765	846
Rights Offering, net of issuance costs	7,079,646	1	79,618	—	—	—	—	79,619	—	79,619
Vesting of RSUs	55,162	—	—	—	—	—	—	—	—	—
Shares issued under ESPP	5,388	—	28	—	—	—	—	28	—	28
Tax withholdings related to net share settlements of stock-based compensation awards	(15,130)	—	(356)	—	—	—	—	(356)	—	(356)
Stock-based compensation on equity-classified awards	—	—	2,427	—	—	—	—	2,427	—	2,427
Distributions to noncontrolling interest holders	—	—	—	—	—	—	—	—	(827)	(827)
Balance at March 31, 2024	49,272,332	\$ 5	\$ 2,419,282	(10,294,117)	\$ (922,666)	\$ (1,462,158)	\$ 6,705	\$ 41,168	\$ 257	\$ 41,425

See Notes to Condensed Consolidated Financial Statements.

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

	Three Months Ended March 31,	
	2025	2024
Operating activities		
Net income (loss)	\$ 7,556	\$ (11,506)
Less: Income (loss) from discontinued operations, net of tax	(471)	—
Income (loss) from continuing operations	8,027	(11,506)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization of property, equipment and software	5,210	8,071
Amortization of acquired intangible assets	401	1,606
Stock-based compensation	7,694	2,374
Liability-classified 2024 Executive PSUs ⁽¹⁾	2,418	—
Foreign currency (gains) losses, net	(7,074)	9,797
Change in assets and liabilities:		
Accounts receivable	2,625	515
Prepaid expenses and other current assets	860	3,564
Right-of-use assets - operating leases	744	750
Accounts payable	(873)	(6,087)
Accrued merchant and supplier payables	(7,979)	(16,082)
Accrued expenses and other current liabilities	(5,263)	(2,298)
Operating lease obligations	(819)	(2,489)
Payment for early lease termination	—	(1,832)
Other, net	(5,993)	3,506
Net cash provided by (used in) operating activities from continuing operations	(22)	(10,111)
Net cash provided by (used in) operating activities from discontinued operations	—	—
Net cash provided by (used in) operating activities	(22)	(10,111)
Investing activities		
Purchases of property and equipment and capitalized software	(3,737)	(3,709)
Proceeds from sale of assets, net	—	116
Acquisitions of intangible assets and other investing activities	—	(338)
Net cash provided by (used in) investing activities from continuing operations	(3,737)	(3,931)
Net cash provided by (used in) investing activities from discontinued operations	—	—
Net cash provided by (used in) investing activities	(3,737)	(3,931)
Financing activities		
Payments of borrowings under revolving credit agreement	—	(42,776)
Proceeds from Rights Offering, net of issuance costs	—	79,619
Other financing activities	(454)	(1,502)
Net cash provided by (used in) financing activities	(454)	35,341
Effect of exchange rate changes on cash, cash equivalents and restricted cash, including cash classified within current assets of discontinued operations	2,331	(494)
Net increase (decrease) in cash, cash equivalents and restricted cash, including cash classified within current assets of discontinued operations	(1,882)	20,805
Less: Net increase (decrease) in cash classified within current assets of discontinued operations	—	—
Net increase (decrease) in cash, cash equivalents and restricted cash	(1,882)	20,805
Cash, cash equivalents and restricted cash, beginning of period ⁽²⁾	262,569	167,638
Cash, cash equivalents and restricted cash, end of period ⁽²⁾	\$ 260,687	\$ 188,443

(1) This activity relates to the stock-based compensation expense for the liability-classified 2024 Executive PSU awards granted in 2024 that are required to be settled in cash. See Note 7, *Stockholders' Equity (Deficit) and Compensation Arrangements*, for additional information.

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

	Three Months Ended March 31,	
	2025	2024
Supplemental disclosure of cash flow information from continuing operations		
Cash activity:		
Cash paid for interest	\$ 4,275	\$ 1,719
Income tax payments	1,984	1,144
Cash paid for amounts included in the measurement of operating lease liabilities	812	2,400
Non-cash investing activity from continuing operations:		
Right-of-use assets obtained in exchange for operating lease liabilities	108	1,264
Increase (decrease) in liabilities related to purchases of property and equipment and capitalized software	\$ (199)	\$ 117

(2) The following table provides a reconciliation of Cash, cash equivalents and restricted cash shown above to amounts reported within the Condensed Consolidated Balance Sheets as of March 31, 2025, December 31, 2024, March 31, 2024 and December 31, 2023 (in thousands):

	March 31, 2025	December 31, 2024	March 31, 2024	December 31, 2023
Cash and cash equivalents	\$ 226,814	\$ 228,843	\$ 158,717	\$ 141,563
Restricted cash included in prepaid expenses and other current assets	33,873	33,726	29,726	26,075
Cash, cash equivalents and restricted cash	<u>\$ 260,687</u>	<u>\$ 262,569</u>	<u>\$ 188,443</u>	<u>\$ 167,638</u>

See Notes to Condensed Consolidated Financial Statements.

GROUPON, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

NOTE 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 13, *Segment Information*, for more information.

Unaudited Interim Financial Information

We have prepared the accompanying Condensed Consolidated Financial Statements in accordance with GAAP and applicable rules and regulations of the SEC for interim financial reporting. These Condensed Consolidated Financial Statements are unaudited and, in our opinion, include all adjustments, consisting of normal recurring adjustments and accruals, necessary for the fair presentation of the Condensed Consolidated Balance Sheets, Statements of Operations and Comprehensive Income (Loss), Cash Flows and Stockholders' Equity (Deficit) for the periods presented. These Condensed Consolidated Financial Statements and notes should be read in conjunction with the audited Consolidated Financial Statements and notes included in our Annual Report on Form 10-K for the year ended December 31, 2024.

In connection with the dispositions of our operations in Latin America in 2017, we recorded indemnification liabilities for certain tax assessments and other matters which were presented in income (loss) from discontinued operations. During the three months ended March 31, 2025, we recorded an additional accrual related to one of the assessments under the indemnification which is presented in income (loss) from discontinued operations. See Note 6, *Commitments and Contingencies*, for additional information.

Principles of Consolidation

The Condensed Consolidated Financial Statements include the accounts of Groupon, Inc. and its wholly-owned subsidiaries, majority-owned subsidiaries over which we exercise control and variable interest entities for which we are the primary beneficiary. All intercompany accounts and transactions have been eliminated in consolidation. Outside stockholders' interests in subsidiaries are shown on the Condensed 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.

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 Condensed 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.

Reclassifications

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

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

Adoption of New Accounting Standards

There were no new accounting standards adopted during the three months ended March 31, 2025.

Recently Issued Accounting Standards

In December 2023, the FASB issued ASU 2023-09 *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, requiring the Company to disclose specified additional information in its income tax rate reconciliation, including additional information for reconciling items that meet a quantitative threshold and provide enhanced disclosures related to income taxes paid. This ASU is effective for annual periods beginning after December 15, 2024. 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.

NOTE 2. GOODWILL AND LONG-LIVED ASSETS

Goodwill

As of March 31, 2025 and December 31, 2024, the balance of our goodwill was \$178.7 million. There was no goodwill activity during the three months ended March 31, 2025 and 2024. All goodwill is within our North America segment.

Long-Lived Assets

In March 2024, we entered into an agreement with a third party to sell the rights to certain intangible assets within our North America segment 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.

The following table summarizes intangible assets as of March 31, 2025 and December 31, 2024 (in thousands):

	March 31, 2025			December 31, 2024		
	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Gross Carrying Value	Accumulated Amortization	Net Carrying Value
Merchant relationships	\$ 19,133	\$ 19,133	\$ —	\$ 18,576	\$ 18,576	\$ —
Trade names	9,496	9,164	332	9,425	9,027	398
Patents	1,250	1,070	180	1,250	1,008	242
Other intangible assets	10,499	6,664	3,835	10,483	6,385	4,098
Total	\$ 40,378	\$ 36,031	\$ 4,347	\$ 39,734	\$ 34,996	\$ 4,738

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Amortization of intangible assets is computed using the straight-line method over the estimated useful life of the asset, which ranges from 1 to 10 years. Amortization expense related to intangible assets was \$0.4 million and \$1.6 million for the three months ended March 31, 2025 and 2024. As of March 31, 2025, estimated future amortization expense related to intangible assets is as follows (in thousands):

Remaining amounts in 2025	\$	1,110
2026		1,231
2027		1,069
2028		853
2029		84
Thereafter		—
Total	\$	<u>4,347</u>

NOTE 3. INVESTMENTS

As of March 31, 2025 and December 31, 2024, our carrying value in other equity investments was \$74.8 million, which relates to our non-controlling equity interest in SumUp, and our available-for-sale securities and fair value option investments had a carrying value of zero. There were no changes in fair value of our investments for the three months ended March 31, 2025 and 2024.

The following table summarizes our percentage ownership in our investments as of the dates noted below:

	March 31, 2025 and December 31, 2024		
Other equity investments	1%	to	19%
Available-for-sale securities	1%	to	19%
Fair value option investments	10%	to	19%

NOTE 4. SUPPLEMENTAL CONDENSED CONSOLIDATED BALANCE SHEETS AND STATEMENTS OF OPERATIONS INFORMATION

The following table summarizes Prepaid expenses and other current assets as of March 31, 2025 and December 31, 2024 (in thousands):

	March 31, 2025	December 31, 2024
Prepaid expenses	\$ 11,162	\$ 11,319
Income taxes receivable	2,327	2,686
Restricted cash ⁽¹⁾	33,874	33,726
Other	4,786	4,634
Total prepaid expenses and other current assets	<u>\$ 52,149</u>	<u>\$ 52,365</u>

(1) Primarily consists of cash collateral related to our letters of credit and other cash collateral. See Note 5, *Financing Arrangements*, for additional information.

The following table summarizes Other non-current assets as of March 31, 2025 and December 31, 2024 (in thousands):

	March 31, 2025	December 31, 2024
Deferred contract acquisition costs, net	\$ 3,403	\$ 3,211
Security deposits	2,760	2,983
Other	5,258	2,950
Total other non-current assets	<u>\$ 11,421</u>	<u>\$ 9,144</u>

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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The following table summarizes Accrued expenses and other current liabilities as of March 31, 2025 and December 31, 2024 (in thousands):

	March 31, 2025	December 31, 2024
Customer credits	\$ 23,406	\$ 22,349
Accrued marketing	12,707	15,118
Compensation and benefits	13,636	11,436
Foreign VAT assessments ⁽¹⁾	8,679	8,355
Accrued consulting and professional fees	3,390	4,429
Refunds reserve	4,325	4,328
Deferred revenue	3,705	4,130
Current portion of lease obligations	3,115	3,317
Income taxes payable	4,298	2,691
Other	17,974	21,612
Total accrued expenses and other current liabilities	\$ 95,235	\$ 97,765

(1) See Note 6, *Commitments and Contingencies*, for additional information.

The following table summarizes Other non-current liabilities as of March 31, 2025 and December 31, 2024 (in thousands):

	March 31, 2025	December 31, 2024
Contingent income tax liabilities	\$ 12,949	\$ 13,358
Deferred income taxes	1,923	1,918
Other	1,891	1,320
Total other non-current liabilities	\$ 16,763	\$ 16,596

The following table summarizes Other income (expense), net for the three months ended March 31, 2025 and 2024 (in thousands):

	Three Months Ended March 31,	
	2025	2024
Interest income	\$ 1,365	\$ 1,042
Interest expense	(3,971)	(2,009)
Foreign currency gains (losses), net and other ⁽¹⁾	10,177	(11,715)
Other income (expense), net	\$ 7,571	\$ (12,682)

(1) Foreign currency gains (losses), net and other for the three months ended March 31, 2025 and 2024 is primarily due to foreign currency fluctuations on intercompany balances with our subsidiaries.

NOTE 5. FINANCING ARRANGEMENTS

Convertible Senior Secured Notes due 2027

In November 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, with an annual effective interest rate of 7.17%. 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. The 2027 Notes are convertible into Common

Stock or a combination of cash and Common Stock, at the Company's election. 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, unless such assets are sold. 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.

The carrying amount of the 2027 Notes consisted of the following as of March 31, 2025 and December 31, 2024 (in thousands):

	March 31, 2025	December 31, 2024
Fair value of principal recorded at issuance ⁽¹⁾	\$ 196,210	\$ 196,210
Less: debt discount	(3,159)	(3,483)
Total	\$ 193,051	\$ 192,727

(1) The principal of the 2027 Notes was recorded at fair value of \$196.2 million, which is equal to the exchanged principal of \$176.3 million and cash consideration received of \$19.9 million.

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 March 31, 2025 and December 31, 2024 was \$207.6 million and \$192.0 million and was determined using a lattice model.

During the three months ended March 31, 2025, we recognized interest costs on the 2027 Notes as follows (in thousands):

	Three Months Ended March 31, 2025	
Contractual interest	\$	3,082
Amortization of debt discount		372
Total	\$	3,454

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 semi-annually 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. In connection with the issuance of the 2027 Notes in November 2024, the Company exchanged \$176.3 million aggregate principal amount of 2026 Notes held by the Offering Participants for \$176.3 million aggregate principal amount of the 2027 Notes.

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. The 2026 Notes are convertible into cash, shares of our Common Stock, or any combination of cash and shares of our Common Stock. 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.

The carrying amount of the 2026 Notes consisted of the following as of March 31, 2025 and December 31, 2024 (in thousands):

	March 31, 2025	December 31, 2024
Principal amount	\$ 53,740	\$ 53,740
Less: debt discount	(361)	(454)
Net carrying amount of liability component	\$ 53,379	\$ 53,286

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 March 31, 2025 and December 31, 2024 was \$50.2 million and \$48.7 million and was determined using a lattice model.

During the three months ended March 31, 2025 and 2024, we recognized interest costs on the 2026 Notes as follows (in thousands):

	Three Months Ended March 31,	
	2025	2024
Contractual interest	\$ 151	\$ 730
Amortization of debt discount	93	391
Total	\$ 244	\$ 1,121

Capped Call Transactions

In connection with the 2026 Notes, we entered into privately-negotiated capped call transactions. 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.

No changes to the capped call transactions occurred in connection with the Exchange and Subscription agreements pertaining to the issuance of the 2027 Notes.

Revolving Credit Agreement

In February 2024, we prepaid \$43.1 million to terminate all commitments to access further credit under the Credit Agreement using a portion of the \$80.0 million in proceeds received from the Rights Offering. See Note 7, *Stockholders' Equity (Deficit) and Compensation Arrangements*, for additional information regarding the Rights Offering. The Payoff Amount included \$42.8 million in principal, \$0.1 million in interest and \$0.2 million in fees. 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, pursuant to our pre-existing Cash Collateral Agreement.

The amounts committed to letters of credit under the Cash Collateral Agreement and Credit Agreement as of March 31, 2025 and December 31, 2024 were \$31.8 million and \$33.7 million. 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 expense and other current assets on the Condensed Consolidated Balance Sheets. See Note 4, *Supplemental Condensed Consolidated Balance Sheets and Statements of Operations Information*, for additional

information.

NOTE 6. COMMITMENTS AND CONTINGENCIES

Our contractual obligations and commitments as of March 31, 2025 and through the date of this report, did not materially change from the amounts set forth in our 2024 Annual Report on Form 10-K.

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,

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consumer class actions and suits alleging, among other things, violations of state consumer protection or privacy laws.

On October 31, 2024, we learned the highest-level court declined to hear our appeal related to a Portugal VAT assessment for the periods from 2013 to 2015 of approximately \$4.2 million, inclusive of penalties and interest through March 31, 2025. This assessment became final and due during the fourth quarter of 2024 and is expected to be paid in 2025. The related obligation for this assessment is presented in Accrued expenses and other current liabilities in our Condensed Consolidated Balance Sheets as of March 31, 2025. We currently have a bank guarantee of \$3.8 million in place relating to this assessment that is classified as restricted cash in our Condensed Consolidated Balance Sheets as of March 31, 2025.

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 \$4.6 million, inclusive of penalties and interest through March 31, 2025. During 2024, we received a negative ruling at the lowest level court and subsequently lodged an appeal to the second-level court to assert factual and legal challenges to this assessment. Also in 2024, we recorded a contingent liability of \$4.6 million in our Condensed Consolidated Balance Sheets after concluding that an adverse outcome was probable. During the current quarter, there have been no updates related to the appeal and a contingent liability of \$4.6 million is recorded as of March 31, 2025. We currently have a bank guarantee of \$4.0 million in place relating to this assessment that is classified as restricted cash in our Condensed Consolidated Balance Sheets as of March 31, 2025.

A Groupon subsidiary in Italy, Groupon S.r.l., is presently litigating a tax dispute with the Italian tax authorities relating to a \$123.5 million Assessment, inclusive of taxes, penalties and interest through March 31, 2025. Refer to Note 10, *Income Taxes* for additional information.

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.

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We establish an accrued liability for loss contingencies related to legal, regulatory and indirect tax 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, regulatory and indirect tax 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 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. In 2020 and 2019, we decreased our indemnification liabilities due to the expiration of certain indemnification obligations. Our remaining indemnification liabilities were \$2.8 million as of March 31, 2025.

After negative rulings at the first and second tier courts in March 2024 and April 2025 for the majority of the assessed amounts, the Company filed a special appeal to the second-level court requesting the court to revisit certain aspects of its decision. If this special appeal is unsuccessful, Groupon will appeal to the third tier court. For one of the matters for which the special appeal was filed, the Company concluded an adverse outcome is probable based on the second tier court findings specific to that case. The Company therefore determined it is probable a loss has been incurred for this individual matter and recorded additional liability of \$0.5 million, including interest and penalties, which is presented within Income (loss) from discontinued operations on the Condensed Consolidated Statement of Operations for the three months ended March 31, 2025.

We estimate that the total amount of obligations that are reasonably possible to arise under the indemnifications, inclusive of the contingent liability of \$0.5 million recorded during the three months ended March 31, 2025, should not exceed our bank guarantee of \$10.2 million for these assessments. Our bank guarantee is classified as restricted cash in our Condensed Consolidated Balance Sheets as of March 31, 2025.

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.

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NOTE 7. STOCKHOLDERS' EQUITY (DEFICIT) AND COMPENSATION ARRANGEMENTS

Groupon, Inc. Incentive Plan

In August 2011, we established the 2011 Plan under which options, RSUs, PSUs and 2024 Executive PSUs of up to 20,775,000 shares of Common Stock are authorized for future issuance to employees, consultants and directors. The 2011 Plan is administered by the Compensation Committee. As of March 31, 2025, 6,005,860 shares of Common Stock were available for future issuance under the 2011 Plan.

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 RSU activity for the three months ended March 31, 2025:

	RSUs	Weighted-Average Grant Date Fair Value (per unit)
Unvested at December 31, 2024	711,346	\$ 11.18
Granted	23,614	11.80
Vested	(19,805)	15.29
Forfeited	(37,758)	12.15
Unvested at March 31, 2025	<u>677,397</u>	<u>\$ 11.03</u>

As of March 31, 2025, \$4.6 million of unrecognized compensation costs related to unvested RSUs are expected to be recognized over a remaining weighted-average period of 1.13 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 %

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The table below summarizes stock option activity for the three months ended March 31, 2025:

	Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding at December 31, 2024	3,062,500	\$ 6.00	1.25	\$ 18,834
Outstanding at March 31, 2025	3,062,500	6.00	1.00	39,108
Exercisable at March 31, 2025	3,062,500	\$ 6.00	1.00	\$ 39,108

As of March 31, 2025, all compensation costs related to unvested stock options granted under the 2011 Plan were recognized. The total fair value of shares vested during the three months ended March 31, 2025 was \$0.4 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 Condensed Consolidated Statement of Operations upon any subsequent sale of the shares acquired upon exercise of the options.

Performance Share Units

Vesting of 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.

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, 2024, no shares were issued upon vesting in April 2025 as the specified performance conditions were not met by the end of the performance period.

The table below summarizes PSU activity for the three months ended March 31, 2025:

	PSUs	Weighted-Average Grant Date Fair Value (per unit)
Unvested at December 31, 2024	16,417	\$ 16.68
Granted	—	—
Vested	—	—
Forfeited	(16,417)	16.68
Unvested at March 31, 2025	—	\$ —

As of March 31, 2025, the performance conditions related to unvested PSUs were not met and therefore they were not recognized.

2024 Executive PSUs

Equity-classified 2024 Executive PSUs

We granted 2024 Executive PSUs on June 12, 2024 and October 14, 2024. 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 and ending on May 1, 2027. The 2024 Executive PSUs have four stock price hurdles: \$14.86, \$20.14, \$31.01, and \$68.82 based on a 90 consecutive calendar day volume-weighted average stock price. The stock price hurdles were not met during the three months ended March 31, 2025. 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

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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.

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 three months ended March 31, 2025:

	Equity-classified 2024 Executive PSUs	Weighted-Average Grant Date Fair Value (per unit)
Unvested at December 31, 2024	3,698,064	\$ 13.29
Granted	—	—
Vested	—	—
Forfeited	(121,971)	13.59
Unvested at March 31, 2025	3,576,093	\$ 13.28

As of March 31, 2025, we had unrecognized compensation costs related to unvested equity-classified 2024 Executive PSUs of \$21.1 million. The cost is expected to be recognized over a remaining weighted-average period of 1.53 years.

On May 2, 2025, the first stock price hurdle of \$14.86 was achieved based on the 90 consecutive calendar day volume-weighted average stock price. Accordingly, up to 295,022 equity-classified 2024 Executive PSUs are eligible to vest subject to the Compensation Committee's determinations as to the satisfaction of the other requirements for such Executive PSUs.

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 on the Condensed Consolidated Balance Sheets.

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%.

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%.

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As of March 31, 2025, the 2.08 year service condition period exceeds the derived service period and therefore we will recognize the expense over the 2.08 year requisite period. The key inputs used in the Monte Carlo simulation as of March 31, 2025 were the risk-free rate of 3.85%, dividend yield of 0.00% and our stock price volatility of 102.08%.

The table below summarizes liability-classified 2024 Executive PSU activity for the quarter ended March 31, 2025:

	Liability-classified 2024 Executive PSUs	Weighted-Average Grant Date Fair Value (per unit)
Unvested at December 31, 2024	261,365	\$ 6.70
Granted	—	—
Vested	—	—
Forfeited	—	—
Unvested at March 31, 2025	261,365	\$ 6.70

As of March 31, 2025, we had unrecognized compensation costs related to unvested liability-classified 2024 Executive PSUs of \$2.2 million. The cost is expected to be recognized over a remaining weighted-average period of 1.50 years.

On May 2, 2025, the first stock price hurdle of \$14.86 was achieved based on the 90 consecutive calendar day volume-weighted average stock price. Accordingly, the equivalent of up to 21,562 liability-classified 2024 Executive PSUs are eligible to be settled in cash subject to the Compensation Committee's determinations as to the satisfaction of the other requirements for such Executive PSUs. We expect the cash settlement to be paid during the second quarter 2025.

Major Rocket Incentive Shares

On March 11, 2025 (the "grant date"), the Company entered into a marketing agreement with Major Rocket with a three-year contractual term beginning January 1, 2025. Pursuant to the Major Rocket Agreement, Major Rocket provides 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 ranging 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 Common Stock or, at the Company's election, the payment of cash in an amount equal to the then current value of such shares.

The award is equity-classified under ASC 718, given the Company's past practice of settlement of such awards in shares of equity, and its intent and ability to do so. The total compensation expense is measured at the grant-date fair value of the maximum number of shares issuable, which was approximately \$9.3 million, based on the grant date share price as of March 11, 2025. Compensation expense will be recognized over the service period as Major Rocket's services are received through December 31, 2027, or earlier if all the financial benchmarks are met before then, and only when achievement of these benchmarks becomes probable. As of March 31, 2025, no compensation expense has been recognized, as the achievement of these benchmarks was not deemed probable.

Rights Offering

In November 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.

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 such conditions as may be required to comply with any applicable Nasdaq Global Market stock exchange rules

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and regulations. The Expiration Date for the subscription period for the Rights Offering ended on January 17, 2024.

The Rights Offering was fully backstopped by the Backstop Party, an entity affiliated with (i) Dusan Senkypl, the Company's CEO 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 of the Rights Offering 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, 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, less issuance costs incurred. 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.

NOTE 8. REVENUE RECOGNITION

Refer to Note 13, *Segment Information*, for revenue summarized by reportable segment and category for the three months ended March 31, 2025 and 2024.

Customer Credits

We issue credits to customers that can be applied to future purchases through our online marketplaces. Credits are primarily issued as consideration for refunds and, to a lesser extent, for customer relationship purposes. The following table summarizes the activity in the liability for customer credits for the three months ended March 31, 2025 (in thousands):

	Customer Credits
Balance as of December 31, 2024	\$ 22,349
Credits issued	23,054
Credits redeemed ⁽¹⁾	(20,028)
Breakage revenue recognized	(2,069)
Foreign currency translation	100
Balance as of March 31, 2025	\$ 23,406

(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.

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. Deferred contract acquisition costs are presented in Prepaid expenses and other current assets and Other non-current assets on the Condensed Consolidated Balance Sheets. As of March 31, 2025 and December 31, 2024, deferred contract acquisition costs were \$4.5 million and \$4.2 million.

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The amortization of deferred contract acquisition costs is classified within Selling, general and administrative expense in the Condensed Consolidated Statements of Operations. We amortized \$1.5 million of deferred contract acquisition costs for the three months ended March 31, 2025 and 2024.

Allowance for Expected Credit Losses on Accounts Receivable

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.

The following table summarizes the activity in the allowance for expected credit losses on accounts receivable for the three months ended March 31, 2025 (in thousands):

	Allowance for Expected Credit Losses
Balance at December 31, 2024	\$ 2,673
Change in provision	(329)
Write-offs	294
Foreign currency translation	31
Balance as of March 31, 2025	<u>\$ 2,669</u>

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. We recognized variable consideration from unredeemed vouchers that were sold in a prior period of \$0.3 million and \$4.1 million for the three months ended March 31, 2025 and 2024. When actual redemptions differ from our estimates, the effects could be material to the Condensed Consolidated Financial Statements.

NOTE 9. 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. During the three months ended March 31, 2025, we recorded an immaterial amount of Restructuring and related charges for this plan in the Condensed Consolidated Statements of Operations.

NOTE 10. INCOME TAXES

Our income tax provision for interim periods is determined using an estimate of our annual effective tax rate, adjusted for discrete items.

Provision (benefit) for income taxes and Income (loss) from continuing operations before provision (benefit) for income taxes for the three months ended March 31, 2025 and 2024 were as follows (in thousands):

	Three Months Ended March 31,			
	2025		2024	
Provision (benefit) for income taxes	\$	1,428	\$	6,194
Income (loss) from continuing operations before provision (benefit) for income taxes	\$	9,455	\$	(5,312)

Our U.S. Federal income tax rate is 21%. The primary factor impacting the effective tax rate for the three months ended March 31, 2025 and 2024 was the pretax losses incurred in jurisdictions that have valuation allowances against their net deferred tax assets, including a provision benefit due to a tax refund received during the quarter. For the three months ended March 31, 2025 and 2024, 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 will 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.

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 are subject to claims for tax assessments by foreign jurisdictions, including a proposed assessment for \$123.5 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 with operations formerly 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 filed an appeal to the Italian Supreme Court on March 12, 2025. 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 will involve 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) is set to be enforceable in October 2025. However, Groupon S.r.l. filed a motion for a full stay of the provisional payment obligations on April 18, 2025. Groupon S.r.l. expects a hearing on the possible stay of provisional payments to take place in the second or third quarter 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.

Additionally, unrelated to the tax matter above, in July 2024, Groupon S.r.l. received final assessments of approximately \$32.2 million related to a 2017 distribution made to its parent entity. On October 18, 2024, Groupon S.r.l. lodged an appeal to the first-tier court and a hearing is set for October 17, 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, in other jurisdictions we believe it is reasonably possible that reductions of up to \$2.7 million in unrecognized tax benefits may occur within the 12 months following March 31, 2025 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 March 31, 2025 and December 31, 2024 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.

NOTE 11. 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.

In determining fair value, we use valuation approaches within the fair value measurement framework. 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 material activity in the fair value of recurring Level 3 fair value measurements for the three months ended March 31, 2025 and 2024.

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 three months ended March 31, 2025 and 2024.

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 March 31, 2025 and December 31, 2024 due to their short-term nature.

NOTE 12. 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, incentive shares, and

convertible senior notes. 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 three months ended March 31, 2025 and 2024 (in thousands, except share amounts and per share amounts):

	Three Months Ended March 31,	
	2025	2024
Basic and diluted net income (loss) per share:		
<u><i>Numerator</i></u>		
Net income (loss) - continuing operations	\$ 8,027	\$ (11,506)
Less: Net income (loss) attributable to noncontrolling interests	<u>381</u>	<u>765</u>
Net income (loss) attributable to common stockholders - continuing operations	7,646	(12,271)
Net income (loss) attributable to common stockholders - discontinued operations	<u>(471)</u>	<u>—</u>
Basic net income (loss) attributable to common stockholders	\$ 7,175	\$ (12,271)
<u><i>Denominator</i></u>		
Shares used in computation of basic net income (loss) per share	39,809,354	37,709,971
Weighted-average effect of diluted securities		
Stock options	1,594,981	—
RSUs	314,170	—
ESPP Shares	<u>1,150</u>	<u>—</u>
Shares used in computation of diluted net income (loss) per share	41,719,655	37,709,971
Basic net income (loss) per share:		
Continuing operations	\$ 0.19	\$ (0.33)
Discontinued operations	<u>(0.01)</u>	<u>—</u>
Basic net income (loss) per share	<u>\$ 0.18</u>	<u>\$ (0.33)</u>
Diluted net income (loss) per share:		
Continuing operations	\$ 0.18	\$ (0.33)
Discontinued Operations	<u>(0.01)</u>	<u>—</u>
Diluted net income (loss) per share	<u>\$ 0.17</u>	<u>\$ (0.33)</u>

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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 from continuing operations:

	Three Months Ended March 31,	
	2025	2024
Capped call transactions ⁽¹⁾	788,903	3,376,400
Convertible Senior notes due 2026 ⁽²⁾	788,903	3,376,400
Stock options	—	3,062,500
Convertible Senior notes due 2027 ⁽²⁾	6,575,268	—
RSUs	8,743	762,967
PSUs	—	422,371
ESPP	—	10,731
Total	8,161,817	11,011,369

(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 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 5, *Financing Arrangements*, for additional information.

As of March 31, 2025, there were up to 3,576,093 shares of Common Stock issuable upon vesting of outstanding 2024 Executive PSUs and 954,000 shares issuable upon vesting of outstanding Major Rocket incentive shares that were excluded from the table above as neither the applicable market and performance conditions nor the specified merchant revenue-related profit thresholds were satisfied as of the end of the period.

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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NOTE 13. SEGMENT 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 reviewed by our CODM, who is our CEO, 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 three months ended March 31, 2025 and 2024 (in thousands):

	Three Months Ended March 31,	
	2025	2024
North America		
Local	\$ 85,942	\$ 86,460
Goods	1,512	3,078
Travel	3,659	4,596
Total North America revenue	<u>\$ 91,113</u>	<u>\$ 94,134</u>
International		
Local	\$ 22,419	\$ 24,750
Goods	2,263	2,445
Travel	1,392	1,755
Total International revenue	<u>\$ 26,074</u>	<u>\$ 28,950</u>
Total revenue	<u>\$ 117,187</u>	<u>\$ 123,084</u>

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The following table summarizes contribution profit by reportable segment and reconciles total contribution profit for the reportable segments to consolidated income (loss) from continuing operations before provision (benefit) for income taxes for the three months ended March 31, 2025 and 2024 (in thousands):

	Three Months Ended March 31,	
	2025	2024
North America		
Revenue	\$ 91,113	\$ 94,134
Cost of revenue		
Payment processor fees	6,354	5,658
Other segment items (cost of revenue) ⁽¹⁾	1,887	4,348
Total cost of revenue	8,241	10,006
Marketing		
Online marketing	25,927	21,676
Other segment items (marketing) ⁽²⁾	547	106
Total marketing	26,474	21,782
Segment contribution profit	\$ 56,398	\$ 62,346
International		
Revenue	\$ 26,074	\$ 28,950
Cost of revenue		
Payment processor fees	1,406	1,466
Other segment items (cost of revenue) ⁽¹⁾	1,242	1,055
Total cost of revenue	2,648	2,521
Marketing		
Online marketing	7,102	5,773
Other segment items (marketing) ⁽²⁾	861	1,254
Total marketing	7,963	7,027
Segment contribution profit	\$ 15,463	\$ 19,402
Total		
Total contribution profit for the reportable segments	\$ 71,861	\$ 81,748
Selling, general and administrative	69,840	74,282
Restructuring and related charges	137	96
Income (loss) from operations	1,884	7,370
Other income (expense), net	7,571	(12,682)
Income (loss) continuing operations before provision (benefit) for income taxes	\$ 9,455	\$ (5,312)

(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.

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NOTE 14. SUBSEQUENT EVENTS

On April 10, 2025, the Company entered into a sale and purchase agreement and sold a non-core UK-based subsidiary, Giftcloud Ltd ("Giftcloud"), in exchange for cash consideration of €15.5 million, subject to certain adjustments. The subsidiary operates an online platform and smartphone application used for digitizing the traditional form of plastic gift cards. The Company received 95% of the consideration in April 2025 and will receive the remaining 5% of the consideration during the later part of the second quarter 2025.

The net assets subject to this transaction did not meet the criteria for held-for-sale classification as of March 31, 2025.

ITEM 2. 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 Condensed Consolidated Financial Statements and related notes included under Part I, Item 1 of this Quarterly Report on Form 10-Q. 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 Part II, Item 1A, *Risk Factors*, and elsewhere in this Quarterly Report. See Part I, *Forward-Looking Statements*, for additional information.

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 operate in three categories, Local, Goods and Travel. See Item 1, Note 13, *Segment Information*, for additional information.

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 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.

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 Condensed 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 Adjusted 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 and units for the three months ended March 31, 2025 and 2024 were as follows (in thousands):

	Three Months Ended March 31,	
	2025	2024
Gross billings	\$ 386,476	\$ 381,146
Units	8,540	9,125

Our active customers for the trailing twelve months ended March 31, 2025 and 2024 were as follows (in thousands):

	Trailing Twelve Months Ended March 31,	
	2025	2024
TTM active customers	15,472	16,130

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* measures the amount of marketing investment needed to generate revenue and is defined as net revenues less cost of sales and marketing expense.
- *Adjusted EBITDA* is a non-GAAP financial measure that we define as Net income (loss) from continuing operations 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) from continuing operations, 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 continuing operations 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 from continuing operations, refer to our discussion in the *Liquidity and Capital Resources* section.

The following table presents the above financial metrics for the three months ended March 31, 2025 and 2024 (in thousands):

	Three Months Ended March 31,	
	2025	2024
Revenue	\$ 117,187	\$ 123,084
Gross profit	106,298	110,557
Contribution profit	71,861	81,748
Adjusted EBITDA	15,326	19,517
Free cash flow	(3,759)	(13,820)

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 Condensed 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 1, Note 9, *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. In addition, recent and potential future changes to trade and tariff policies may introduce increased pricing volatility and overall uncertainty into our operations. To minimize the impact of macroeconomic conditions on our business, and to create value for our merchants and customers, 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 and units for the three months ended March 31, 2025 and 2024 were as follows (in thousands):

	Three Months Ended March 31,		
	2025	2024	% Change
Gross billings			
Local	\$ 255,656	\$ 231,053	10.6 %
Goods	8,621	14,968	(42.4)
Travel	22,242	26,911	(17.3)
Total gross billings	<u>\$ 286,519</u>	<u>\$ 272,932</u>	5.0
Units			
Local	5,367	5,102	5.2 %
Goods	259	574	(54.9)
Travel	89	108	(17.6)
Total units	<u>5,715</u>	<u>5,784</u>	(1.2)

North America TTM active customers for the trailing twelve months ended March 31, 2025 and 2024 were as follows (in thousands):

	Trailing Twelve Months Ended March 31,		
	2025	2024	% Change
TTM active customers	10,466	10,234	2.3 %

Comparison of the Three Months Ended March 31, 2025 and 2024:

North America gross billings and TTM active customers increased by \$13.6 million and 0.2 million, while units decreased 0.1 million for the three months ended March 31, 2025 compared with the prior year period. As a result of our supply transformation efforts and favorable refund rates 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 in the Goods category.

Financial Metrics

North America segment revenue, cost of revenue and gross profit for the three months ended March 31, 2025 and 2024 were as follows (in thousands):

	Three Months Ended March 31,		
	2025	2024	% Change
Revenue			
Local	\$ 85,942	\$ 86,460	(0.6)%
Goods	1,512	3,078	(50.9)
Travel	3,659	4,596	(20.4)
Total revenue	<u>\$ 91,113</u>	<u>\$ 94,134</u>	(3.2)
Cost of revenue			
Local	\$ 7,478	\$ 8,634	(13.4)%
Goods	198	416	(52.4)
Travel	565	956	(40.9)
Total cost of revenue	<u>\$ 8,241</u>	<u>\$ 10,006</u>	(17.6)
Gross profit			
Local	\$ 78,464	\$ 77,826	0.8 %
Goods	1,314	2,662	(50.6)
Travel	3,094	3,640	(15.0)
Total gross profit	<u>\$ 82,872</u>	<u>\$ 84,128</u>	(1.5)
<i>% of Consolidated revenue</i>	77.8 %	76.5 %	
<i>% of Consolidated cost of revenue</i>	75.7	79.9	
<i>% of Consolidated gross profit</i>	78.0	76.1	

Comparison of the Three Months Ended March 31, 2025 and 2024:

North America revenue, cost of revenue and gross profit decreased by \$3.0 million, \$1.8 million and \$1.3 million for the three months ended March 31, 2025 compared with the prior year period. While Local billings grew year over year, our Local revenue remained relatively flat as a result of higher redemption rates as well as lower deal margins. Our Goods revenue decrease was driven by a de-emphasis on our Goods category. The decrease in cost of revenue is primarily due to a decrease in amortization of internally-developed software relating to customer-facing applications. Our Travel category showed slight decreased activity year over year due to lower site traffic. Gross profit decreased due to a decrease in revenue.

Marketing and Contribution Profit

North America marketing and contribution profit for the three months ended March 31, 2025 and 2024 was as follows (in thousands):

	Three Months Ended March 31,		
	2025	2024	% Change
Marketing	\$ 26,474	\$ 21,782	21.5 %
% of Revenue	29.1 %	23.1 %	
Contribution profit	\$ 56,398	\$ 62,346	(9.5)%

Comparison of the Three Months Ended March 31, 2025 and 2024:

North America marketing expense and marketing expense as a percentage of revenue increased for the three months ended March 31, 2025 compared with the prior year period, primarily driven by an increased investment in our performance marketing campaigns.

North America contribution profit decreased for the three months ended March 31, 2025 compared with the prior year period, primarily due to an increase in marketing expense.

International

Operating Metrics

International segment gross billings and units for the three months ended March 31, 2025 and 2024 were as follows (in thousands):

	Three Months Ended March 31,		
	2025	2024	% Change
Gross billings			
Local	\$ 80,478	\$ 85,033	(5.4)%
Goods	12,399	14,481	(14.4)
Travel	7,080	8,700	(18.6)
Total gross billings	\$ 99,957	\$ 108,214	(7.6)
Units			
Local	2,446	2,888	(15.3)%
Goods	336	404	(16.8)
Travel	43	49	(12.2)
Total units	2,825	3,341	(15.4)

International TTM active customers for the trailing twelve months ended March 31, 2025 and 2024 were as follows (in thousands):

	Trailing Twelve Months Ended March 31,		
	2025	2024	% Change
TTM active customers	5,006	5,896	(15.1)%

Comparison of the Three Months Ended March 31, 2025 and 2024:

International gross billings, units and TTM active customers decreased by \$8.3 million, 0.5 million and 0.9 million for the three months ended March 31, 2025 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. There was a year-over-year decrease of \$4.6 million in Local gross billings, as well as a decrease of 0.4 million in units, as a direct result of our exit of Italy. The decline in our Goods and Travel categories were primarily attributable to an overall decline in site traffic. In addition, there was a \$2.4 million unfavorable 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 three months ended March 31, 2025 and 2024 were as follows (in thousands):

	Three Months Ended March 31,		
	2025	2024	% Change
Revenue			
Local	\$ 22,419	\$ 24,750	(9.4)%
Goods	2,263	2,445	(7.4)
Travel	1,392	1,755	(20.7)
Total revenue	<u>\$ 26,074</u>	<u>\$ 28,950</u>	(9.9)
Cost of revenue			
Local	\$ 2,094	\$ 1,919	9.1 %
Goods	364	406	(10.3)
Travel	190	196	(3.1)
Total cost of revenue	<u>\$ 2,648</u>	<u>\$ 2,521</u>	5.0
Gross profit			
Local	\$ 20,325	\$ 22,832	(11.0)%
Goods	1,899	2,038	(6.8)
Travel	1,202	1,559	(22.9)
Total gross profit	<u>\$ 23,426</u>	<u>\$ 26,429</u>	(11.4)
% of Consolidated revenue	22.2 %	23.5 %	
% of Consolidated cost of revenue	24.3	20.1	
% of Consolidated gross profit	22.0	23.9	

Comparison of the Three Months Ended March 31, 2025 and 2024

International revenue and gross profit decreased by \$2.9 million and \$3.0 million, while cost of revenue increased \$0.1 million for the three months ended March 31, 2025 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. Excluding Italy, the Local category revenue grew year over year. The decline in our Goods and Travel categories were primarily attributable to an overall decline in site traffic. Revenue and gross profit also had unfavorable impacts of \$0.6 million and \$0.5 million from year-over-year changes in foreign currency exchange rates. Although revenue declined year over year due to our exit from Italy, cost of revenue increased slightly, as cloud-related expenses remained unchanged despite reduced headcount.

Marketing and Contribution Profit

International marketing and contribution profit for the three months ended March 31, 2025 and 2024 were as follows (in thousands):

	Three Months Ended March 31,		
	2025	2024	% Change
Marketing	\$ 7,963	\$ 7,027	13.3 %
% of Revenue	30.5 %	24.3 %	
Contribution profit	\$ 15,463	\$ 19,402	(20.3)%

Comparison of the Three Months Ended March 31, 2025 and 2024:

International marketing expense and marketing expense as a percentage of revenue increased for the three months ended March 31, 2025 compared with the prior year period, primarily due to increased investment in our online marketing spend paired with decreased revenue year over year.

International contribution profit decreased for the three months ended March 31, 2025 compared with the prior year period, primarily due to increased investment in our online marketing spend paired with decreased revenue year over year.

Consolidated Operating Expenses

Operating expenses for the three months ended March 31, 2025 and 2024 were as follows (in thousands):

	Three Months Ended March 31,		
	2025	2024	% Change
Marketing	\$ 34,437	\$ 28,809	19.5 %
Selling, general and administrative ⁽¹⁾	69,840	74,282	(6.0)
Restructuring and related charges	137	96	42.7
Total operating expenses	\$ 104,414	\$ 103,187	1.2
% of Gross profit:			
Marketing	32.4 %	26.1 %	
Selling, general and administrative	65.7 %	67.2 %	

(1) The three months ended March 31, 2025 and 2024 include \$7.7 million and \$2.3 million of stock-based compensation expense and \$3.4 million and \$5.3 million of depreciation and amortization expense.

Comparison of the Three Months Ended March 31, 2025 and 2024:

Marketing expense and marketing expense as a percentage of gross profit increased for the three months ended March 31, 2025 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 three months ended March 31, 2025 compared with the prior year period, primarily due to a decrease in cloud costs and amortization of internally developed software relating to non-customer facing applications. The decrease was partially offset by an increase in stock-based compensation.

Consolidated Other Income (Expense), Net

Other income (expense), net includes interest expense, interest income 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 three months ended March 31, 2025 and 2024 was as follows (in thousands):

	Three Months Ended March 31,	
	2025	2024
Other income (expense), net	\$ 7,571	\$ (12,682)

Comparison of the Three Months Ended March 31, 2025 and 2024:

The change in Other income (expense), net for the three months ended March 31, 2025 as compared to the three months ended March 31, 2024 is primarily related to a \$21.9 million favorable change in net foreign currency gains (losses) which primarily resulted from U.S. dollar-denominated intercompany balances with our foreign subsidiaries. The gains, net were primarily driven by the Euro appreciation against the U.S. dollar during the three months ended March 31, 2025.

Consolidated Provision (Benefit) for Income Taxes

Provision (benefit) for income taxes for the three months ended March 31, 2025 and 2024 were as follows (in thousands):

	Three Months Ended March 31,		
	2025	2024	% Change
Provision (benefit) for income taxes	\$ 1,428	\$ 6,194	(76.9)%
Effective tax rate	15.1 %	(116.6)%	

Comparison of the Three Months Ended March 31, 2025 and 2024:

The effective tax rates for the three months ended March 31, 2025 and 2024 were impacted by the pretax losses incurred in jurisdictions that have valuation allowances against their net deferred tax assets and in the quarter ended March 31, 2025, a benefit due to a tax refund received during the quarter. For the three months ended March 31, 2025 and 2024, 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 1, Note 10, *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, which are presented on a continuing operations basis, 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) from continuing operations 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) from continuing operations.

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 three months ended March 31, 2025 and 2024, special charges and credits included charges related to our Italy Restructuring Plan, 2022 Restructuring Plan and 2020 Restructuring Plan. 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.

The following is a reconciliation of Adjusted EBITDA to the most comparable GAAP financial measure, Net income (loss) from continuing operations, for the three months ended March 31, 2025 and 2024 (in thousands):

	Three Months Ended March 31,	
	2025	2024
Net income (loss) from continuing operations	\$ 8,027	\$ (11,506)
Adjustments:		
Stock-based compensation ⁽¹⁾	7,694	2,374
Depreciation and amortization	5,611	9,677
Restructuring and related charges	137	96
Other (income) expense, net	(7,571)	12,682
Provision (benefit) for income taxes	1,428	6,194
Total adjustments	7,299	31,023
Adjusted EBITDA	\$ 15,326	\$ 19,517

(1) Stock-based compensation excludes expense related to the 2024 Executive PSUs that are required to be settled in cash. Refer to Item 1, Note 7, *Stockholder's Equity* for more information.

Free cash flow. Free cash flow is a non-GAAP liquidity measure that comprises net cash provided by operating activities from continuing operations 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 from continuing operations, 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. In addition, free cash flow reflects the impact of the timing difference between when we are paid by customers and when we pay merchants and suppliers. Therefore, we believe it is important to view free cash flow as a complement to our Condensed 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 tables represent the effect on our Condensed Consolidated Statements of Operations from changes in exchange rates versus the U.S. dollar for the three months ended March 31, 2025 (in thousands):

	Three Months Ended March 31, 2025		
	At Avg. Q1 2024 Rates ⁽¹⁾	Exchange Rate Effect ⁽²⁾	As Reported
Gross billings	\$ 388,904	\$ (2,428)	\$ 386,476
Revenue	117,770	(583)	117,187
Cost of revenue	10,960	(71)	10,889
Gross profit	106,810	(512)	106,298
Marketing	34,681	(244)	34,437
Selling, general and administrative	70,616	(776)	69,840
Restructuring and related charges	139	(2)	137
Income (loss) from continuing operations	1,372	512	1,884

(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 \$226.8 million as of March 31, 2025. 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, as well as the repayment of the 2026 Notes upon maturity in March 2026.

We are subject to claims for tax assessments by foreign jurisdictions, including a proposed Assessment for \$123.5 million (€114.2 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 with operations formerly 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. has appealed 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 would involve 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) is set to come due in October 2025. However, Groupon S.r.l. filed a motion for a full stay of the provisional payment obligations on April 18, 2025. Groupon S.r.l. expects a hearing on the possible stay of provisional payments to take place in the second or third quarter 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 total payments due in 2025 under the terms of the installment plans total \$14.2 million (€13.2 million). Such amounts are recorded as Other non-current assets within the Condensed 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 10, *Income Taxes* for additional information.

Our net cash flows from operating, investing and financing activities from continuing operations for the three months ended March 31, 2025 and 2024 were as follows (in thousands):

	Three Months Ended March 31,	
	2025	2024
Cash provided by (used in):		
Operating activities	\$ (22)	\$ (10,111)
Investing activities	(3,737)	(3,931)
Financing activities	(454)	35,341

Our free cash flow for the three months ended March 31, 2025 and 2024 and a reconciliation to the most comparable GAAP financial measure, Net cash provided by (used in) operating activities from continuing operations, for those periods were as follows (in thousands):

	Three Months Ended March 31,	
	2025	2024
Net cash provided by (used in) operating activities from continuing operations	\$ (22)	\$ (10,111)
Purchases of property and equipment and capitalized software from continuing operations	(3,737)	(3,709)
Free cash flow	<u>\$ (3,759)</u>	<u>\$ (13,820)</u>

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 three months ended March 31, 2025, our net cash used in operating activities from continuing operations was \$22.0 thousand as compared with net cash used in operating activities from continuing operations of \$10.1 million in the prior period. The increase in operating cash flow for the current period is primarily attributed to the timing of accounts receivable and merchant payable. Specifically, we experienced faster collections from our payment processors, which led to a reduction in accounts receivable. This improvement in cash collections positively impacted our cash flows. Strategic supplier payments in late 2024 decreased merchant payable entering 2025, resulting in a lower beginning merchant payable balance for the current period. We resumed regular payment cycles during the three months ended March 31, 2025 which led to lower merchant payable activity, directly supporting improved cash flow in the current period.

Net cash provided by (used in) investing activities

For the three months ended March 31, 2025, our net cash used in investing activities from continuing operations was \$3.7 million as compared with net cash used in investing activities from continuing operations of \$3.9 million in the prior period. The investing activities from continuing operations during the three months ended March 31, 2025 remained relatively consistent to the prior period.

Net cash provided by (used in) financing activities

For the three months ended March 31, 2025, our net cash used in financing activities from continuing operations was \$0.5 million as compared with net cash provided by financing activities from continuing operations of \$35.3 million in the prior period. The year-over-year change from financing activities is primarily due to \$79.6 million of proceeds received from the Rights Offering, partially offset by an increase of \$42.8 million in payments of borrowings under our revolving credit facility for the three months ended March 31, 2024.

Matters related to the Rights Offering and Credit Agreement

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 a portion of 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 1, Note 5, *Financing Arrangements*, for additional information regarding the Credit Agreement and Item 1, Note 7, *Stockholders' Equity (Deficit) and Compensation Arrangements*, for additional information regarding the Rights Offering.

Matters related to the 2026 Notes and 2027 Notes

In 2021, we issued the 2026 Notes in the principal amount of \$230.0 million.

The 2026 Notes bear interest at a rate of 1.125% per annum, payable semi-annually in arrears on March 15 and September 15 of each year, with an annual effective interest rate of 1.83%.

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 March 15 and September 15 of each year, 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 1, Note 5, *Financing Arrangements*, for additional information regarding the 2026 Notes and 2027 Notes.

Other Liquidity and Capital Resource matters

As of March 31, 2025, we had \$85.4 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 currently anticipate the need to, repatriate funds to the United States to satisfy domestic liquidity needs arising in the ordinary course of business.

Contractual Obligations and Commitments

Our contractual obligations and commitments as of March 31, 2025, did not materially change from the amounts set forth in our 2024 Annual Report on Form 10-K.

Off-Balance Sheet Arrangements

We did not have any off-balance sheet arrangements as of March 31, 2025.

Significant Accounting Policies and Critical Accounting Estimates

The preparation of Condensed 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 from these estimates.

Management's Discussion and Analysis of Financial Condition and Results of Operations is based upon our Condensed Consolidated Financial Statements, which have been prepared in accordance with GAAP. Our significant accounting policies are discussed in Part II, Item 8, Note 2, *Summary of Significant Accounting Policies* in our Annual Report on Form 10-K for the year ended December 31, 2024. In addition, refer to the critical accounting estimates under 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 year ended December 31, 2024.

ITEM 3. 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 three months ended March 31, 2025, we derived approximately 22.2% 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 March 31, 2025 and December 31, 2024.

As of March 31, 2025, our net working capital surplus (defined as current assets less current liabilities) from subsidiaries that are subject to foreign currency translation risk was \$12.3 million. The potential increase in this working capital surplus from a hypothetical 10% adverse change in quoted foreign currency exchange rates would be \$1.2 million. This compares with a \$8.3 million working capital surplus subject to foreign currency exposure as of December 31, 2024, for which a 10% adverse change would have resulted in a potential increase in this working capital surplus of \$0.8 million.

Interest Rate Risk

Our cash balance as of March 31, 2025, 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 \$196.2 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 1, Note 5, *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 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our CEO and CFO, evaluated the effectiveness of our disclosure controls and procedures as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, as of March 31, 2025.

Based on that evaluation and because of the previously-reported material weaknesses in internal control over financial reporting, our CEO and CFO concluded that our disclosure controls and procedures were not effective as of March 31, 2025.

Notwithstanding the material weakness in our internal control over financial reporting, our CEO and CFO have concluded that the Condensed Consolidated Financial Statements present fairly, in all material respects, our financial position, results of operations and cash flows in accordance with GAAP.

Remediation Plan and Status

Management, with the oversight of the audit committee of our Board, continues to dedicate 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

Except for the enhancements to controls to address the material weakness, management did not identify changes that occurred in our internal control over financial reporting during the three months ended March 31, 2025, 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.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

For a description of our material pending legal proceedings, please see Item 1, Note 6, *Commitments and Contingencies*, to our Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

ITEM 1A. RISK FACTORS

There have been no material changes from the risk factors previously disclosed in Part I, Item 1A, *Risk Factors* of our Annual Report on Form 10-K for the year ended December 31, 2024, except as supplemented below.

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.

To the extent any of the recently enacted tariffs remain in place for a sustained period of time, or in the event a global or domestic economic downturn results therefrom, the disposable income of our customers could be significantly reduced, which may result in a decline in demand for some or all our goods and services, which could adversely affect our results of operations and financial condition.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Recent Sales of Unregistered Securities

During the three months ended March 31, 2025, we did not issue any unregistered equity securities.

Issuer Purchases of Equity Securities

As of March 31, 2025, there have been no changes to our Board authorized share repurchase program. For additional information, please refer to Part II, Item 5, *Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities* in our Annual Report on Form 10-K for the year ended December 31, 2024.

The following table provides information about purchases of shares of our Common Stock during the three months ended March 31, 2025 related to shares withheld upon vesting of RSUs 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
January 1-31, 2025	7,036	\$ 10.65	—	—
February 1-28, 2025	556	12.98	—	—
March 1-31, 2025	1,825	16.52	—	—
Total	9,417	\$ 11.93	—	—

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

ITEM 5. OTHER INFORMATION

During the three months ended March 31, 2025, 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.

Major Rocket Incentive Shares

On March 11, 2025, the Company entered into the Major Rocket Agreement with 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.

ITEM 6. EXHIBITS

Exhibit Number	Description
10.1	<u>Major Rocket Agreement, dated March 11, 2025 (incorporated by reference to the Company's Annual Report on Form 10-K filed March 11, 2025)</u>
31.1	<u>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</u>
31.2	<u>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</u>
32.1	<u>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</u>
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

* Management contract of 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

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 7th day of May 2025.

GROUPON, INC.

By: /s/ Jiri Ponrt
Name: Jiri Ponrt
Title: Chief Financial Officer

CERTIFICATION

I, Dusan Senkypl, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q 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: May 7, 2025 /s/ Dusan Senkypl

Dusan Senkypl
Chief Executive Officer
(Principal Executive Officer)

CERTIFICATION

I, Jiri Ponrt, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q 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: May 7, 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 Quarterly Report of Groupon, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2025, 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: May 7, 2025