

GROUPON

SHAREHOLDER
LETTER

Q2 2026



GROUPON

OUR MISSION:

To get People Offline Through
Quality Local Experiences at
Great Value



OUR BELIEF:

The Best Things in Life
Happen Offline



Fellow shareholders,

We believe the best things in life happen offline. As the world becomes increasingly digitized, we believe demand will grow for analog, in-person experiences and for the digital pathways consumers use to identify, discover, and book those experiences. Groupon sits at that intersection of consumer intent and local supply, a natural bridge between the AI economy and the millions of local merchants who power Main Street.

Q2 fell slightly short on the top line, with Billings and Revenue each down 1% year-over-year, while Adjusted EBITDA finished at the high end of our guidance range and Free Cash Flow was strong at a positive \$15 million. The top-line shortfall was concentrated in North America Local, which continued to see pressure in Q2 and came in below our expectations. Looking ahead, we enter Q3 with momentum, with our business accelerating to mid-single-digit growth in July, a positive signal for the trajectory of our marketplace in the second half.

Project Foundry

Project Foundry, introduced last quarter, remains our most consequential initiative as we redesign how Groupon works to be an AI-native company. Our approach is first-principles and company-wide: we are rethinking how the entire organization runs, across every function, with AI at the center of how work gets done. Our ambition is that AI handles all repetitive work at Groupon, so our employees spend their time either managing AI agents or talking to customers and merchants. The overarching goal is increasing our execution velocity, collapsing the time between recognizing a customer or merchant unmet need and shipping the solution. We believe operating at AI speed is critical to succeeding in an AI-first world. Just over four months in, we are extremely pleased with the progress we have made and the momentum we are building. We are starting to see outcomes delivered faster for our customers and strategic bets moving at an accelerated pace. AI now builds and optimizes tens of thousands of hyperlocal marketing campaigns, a scale no human team could run, and engineering output per developer has more than doubled in the past six months. This progress and the green shoots we see, while not yet uniform across the entire company, give us confidence we are on the right path. We are doubling down to accelerate this transformation and expect that our organization will be AI-fluent by default by the end of 2026.

Our Strategic Bets

The organic search landscape is being rebuilt around AI-generated answers, a shift that is creating a dynamic environment for platforms whose content and infrastructure can surface wherever consumers search. As we discussed last quarter, we made our search foundation a priority for exactly this reason, and that work is now paying off: revenue from our organic channels returned to growth in Q2, and accelerated to double-digit growth in July. We have been using AI to produce and structure quality local content at a scale that was not previously possible, including making the reviews our customers write easier to find and understand, and this work is making our platform more relevant to both traditional search engines and the AI systems consumers increasingly use to discover and decide. Organic is an inherently volatile



channel and there is still work ahead, including winning back local rankings, but we expect this channel will contribute to our accelerating growth in the second half. Together with our high-performing paid marketing engine, our improving organic channels are strengthening our reach, bringing new customers into the Groupon experience.

Our second focus is making the Groupon experience more personal and more relevant, so that the customers we bring in engage more deeply and purchase more often. Managed channels, email, push, and SMS, continued their improving trajectory in Q2 on the customer data platform we scaled last quarter: we are sending fewer, more effective messages, with revenue per send up strong double-digits, oriented around each customer's lifetime value rather than any single transaction. Alongside managed channels, our new consumer platform is scaling across all surfaces globally, and we have begun experimenting with significantly improved customer experiences on our app and website. Those experiments showed us the same rebuilt experience worked beautifully for some customers and not at all for others, with the differences following clear patterns in category affinity, browsing habits, and local supply. So rather than one experience for everyone, we are building a customized one, where different customers see a different Groupon experience. Some customers prefer to explore a map, others browse carousels, others a swipe-based interface. What makes this customization possible is AI reading patterns across our data at a depth we could not reach before. An AI-first team ships new experiments every week, and customer signals that arrive in the morning can now become shipped features the same day, a cycle that previously took months. These efforts are converging into a single view of the customer that shapes both how we reach them and what they see, and we expect progress in personalizing our surfaces and managed channels to contribute to our accelerating growth in the second half and, most importantly, to drive higher conversion and higher purchase frequency over time.

Trust and Quality is our newest bet, and it goes to the heart of our mission: quality local experiences at great value. Groupon has always stood for deals, but delivering quality experiences at great value, consistently, is how a marketplace earns trust. We are building a curated experience marketplace where every deal earns its place and no one has to second-guess a purchase. A purchase that works builds trust, a problem resolved well builds even more, and both bring the customer back to their next experience.

AI now analyzes customer experiences and interactions across the marketplace, detecting deals that need improvement and guiding merchants on how to strengthen their offering. We are raising the bar on what appears on Groupon and have remediated or removed hundreds of deals that did not meet it. AI now resolves the large majority of customer support contacts on its own, and resolves them roughly three times faster than at the start of the year. In the second half we are building on this foundation, with verification before a deal publishes, a redesigned redemption experience including wallet support, and a pilot of a Groupon AI concierge that helps customers answer questions and book experiences.

We expect Trust and Quality, together with personalization, to begin contributing modestly to results in the second half of 2026. We also believe this bet can help us unlock a larger long-term opportunity. Local experiences are among the least structured corners of commerce, and a



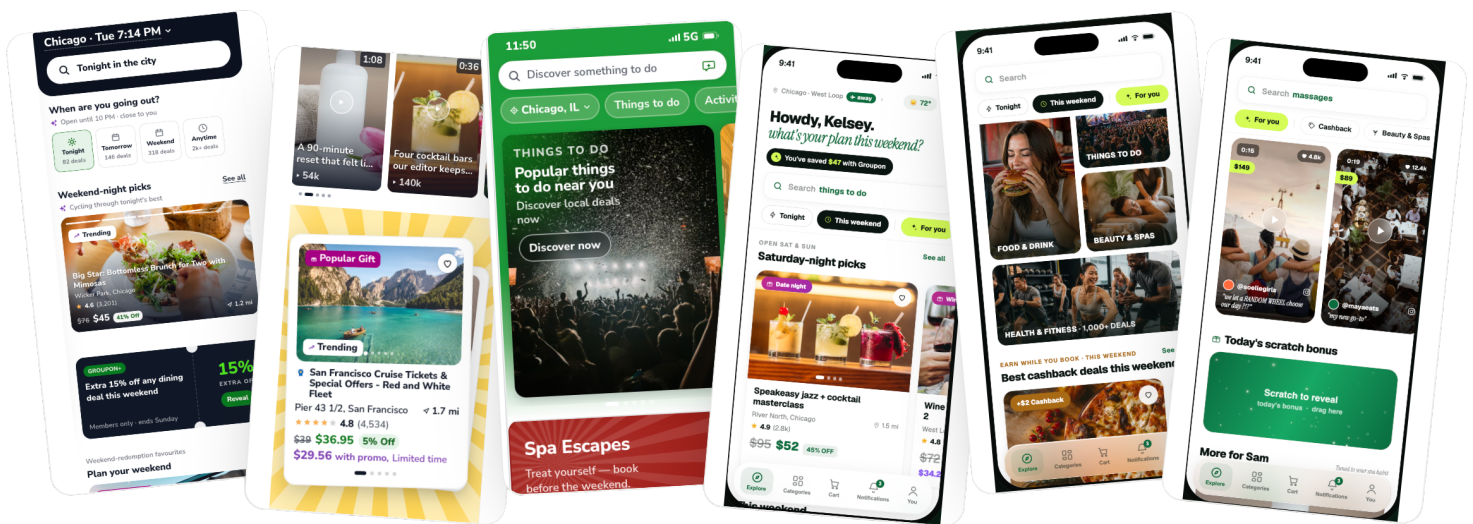
marketplace that can reliably evaluate quality and value across millions of experiences and preferences is building exactly the foundation AI systems will need as consumers increasingly turn to AI for help deciding how to spend their time offline.

Building the Platform

We continue our work to rebuild Groupon's technology stack into a modern, best-in-class experience marketplace platform powered by AI. We began migrating our consumer front end three years ago, and for much of that time progress was uneven; building AI-natively has accelerated the trajectory, and we now expect every surface in every geography to be fully migrated to our new platform by the end of Q3. The work runs deeper than the surfaces customers see: we are rebuilding back-end services for AI speed, we are unifying our data so that every team and every AI agent works from the same picture of the business, and every new project now starts on shared AI infrastructure rather than from scratch. These are foundational investments that compound, the kind that make sense only if you are building for the next decade rather than the next quarter.

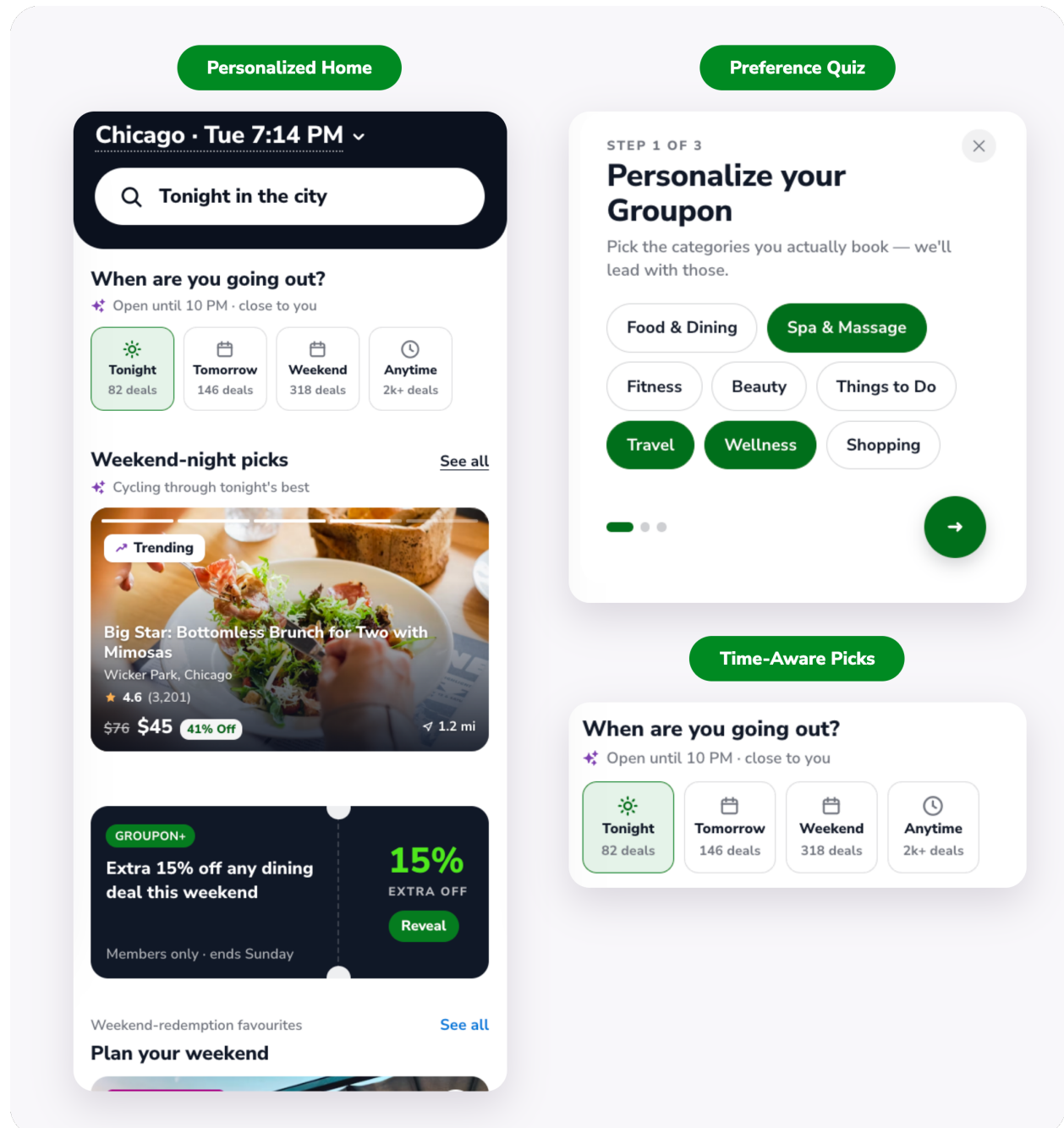
We also continue to invest in building a best-in-class management team of AI-native, experienced marketplace operators with the ambition to match the opportunity in front of us. Following the appointment of Amit Shah to our Board and establishment of a Board AI Committee, we continue to strengthen the leadership and governance supporting Groupon's transformation to an AI-native experience marketplace. This week Adi Rajkumar joined Groupon as Chief Operating Officer, and Mark Marge joined as Vice President of Marketplace Strategy and Operations. Both join us with operating experience from some of the most successful local marketplaces. Adi and Mark will help us build a unified, scaled global marketplace that executes consistently and predictably at the level where local commerce is won, the individual city and category. Together, these leadership investments strengthen our ability to execute on Project Foundry and our strategic bets. Our North America Local supply engine has been running behind our expectations, and we are excited to see the impact Adi and Mark will drive there.

Taking a step back, we are building a platform on three compounding capabilities: AI-native experience marketplace builders, a technology stack built for AI speed, and data that makes local commerce legible. As these capabilities compound, so does our ability to deliver on our mission to get people offline through quality local experiences at great value. This is a company-wide effort, and I want to thank every Groupon employee for the ambition and energy they are bringing to it. Thank you all for your continued partnership.



Groupon Personalization

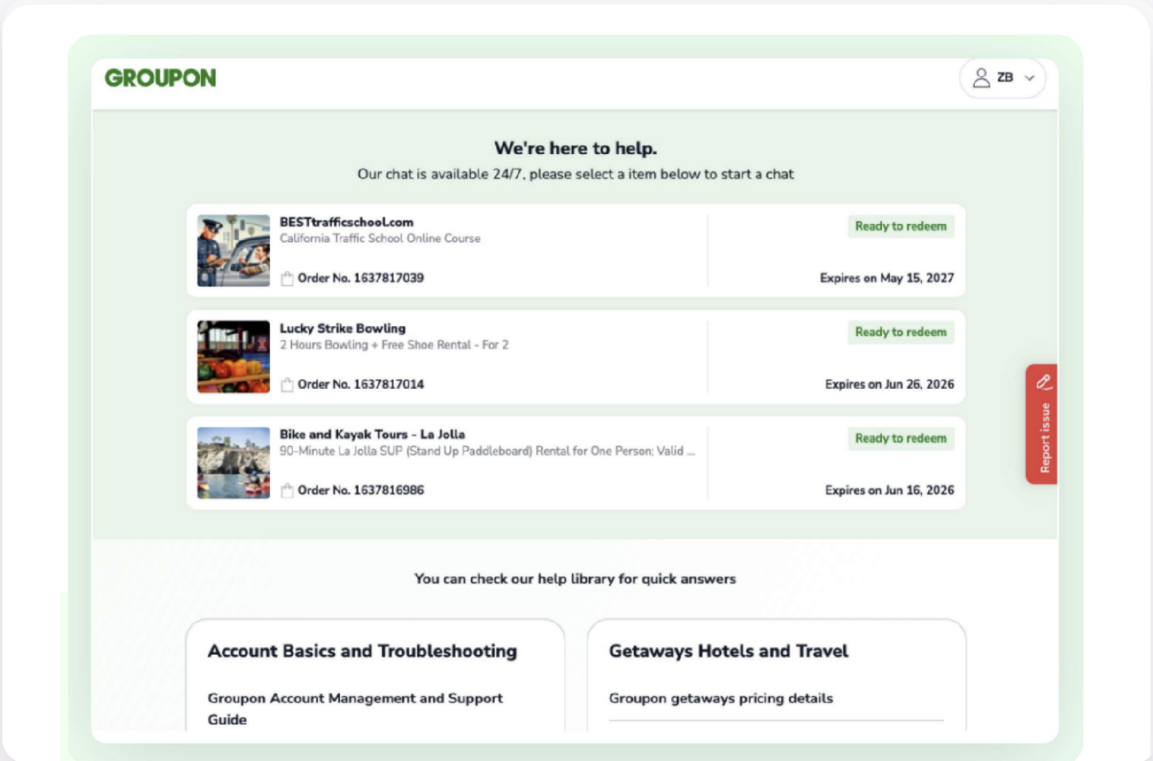
Rather than one experience for everyone, we are building a customized Groupon, where different customers see different deals and, increasingly, a different experience, informed by AI reading patterns across our data at a depth we could not reach before. Select visuals highlighting AI-led customizations for in-app content:



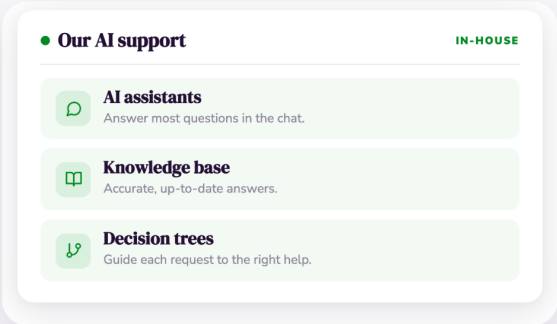
Groupon Trust & Quality

We are building a curated experience marketplace where every deal earns its place and no one has to second-guess a purchase, because delivering quality experiences at great prices, consistently, is how a marketplace earns trust. Select visuals highlighting AI-verified support, trust and quality checks through Groupon's Support Hub:

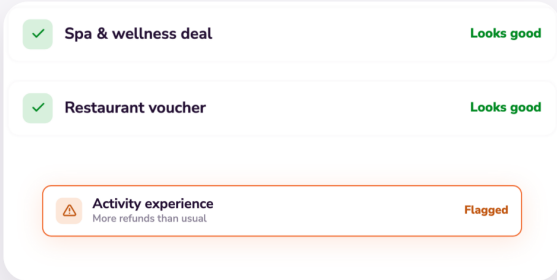
One Support Hub



Built In-House



Issues Flagged Early



Business and Operational Highlights

Billings of \$414 million and Revenue of \$125 million were both down 1% year-over-year. Revenue as a percentage of Billings (take rate) was 30% and consistent with the prior year period. Adjusted EBITDA of \$14.8 million came in at the high end of guidance.

\$414M Gross Billings (1)% year-over-year	\$125M Revenue (1)% year-over-year
8.5M Total Units (7)% year-over-year	16.1M TTM Active Customers +2% year-over-year

Our Q2 results reflected a decline in North America alongside continued growth in International Local, excluding Giftcloud, supported by supply expansion in major International cities. Things to Do continued to deliver growth across both North America and International, while Health, Beauty & Wellness remained soft in North America.

Active customers grew 2% year-over-year to 16.1 million on a trailing twelve-month basis. Total units declined 7% year-over-year, while average order value increased year-over-year as customers transacted on higher-value local inventory. Purchase frequency declined year-over-year. Our most loyal customers, approximately 25% of our active base, generate approximately 45% of our revenue. Deepening our relationship with this loyal core and re-engaging those at risk of lapsing, using the customer data platform we built, is a central focus of our strategic bets and how we intend to increase purchase frequency.

At a traffic channel level, organic returned to growth and direct remained healthy, paid channels grew modestly, and managed channels improved from the first quarter.

Entering Q3, our commercial focus is to re-accelerate Small Business (SMB) growth in North America through new-merchant acquisition, return Health, Beauty & Wellness in North America to growth, sustain the International supply expansion in major International cities, and convert the organic and managed channel recovery into durable growth.

GROUPON

Our Local category includes experiences and services from local and national merchants, and other revenue sources that are primarily generated through our relationships with those merchants. Our local inventory includes Things to Do, Health, Beauty and Wellness, Food and Drink, Home and Automotive Services, Online Services, as well as other types of experiences and services.

North America Local

	2Q25	3Q25	4Q25	1Q26	2Q26
Billings	\$292M	\$294M	\$300M	\$261M	\$291M
<i>Year-over-year</i>	+20%	+18%	+9%	+2%	(1)%
Revenue	\$94M	\$92M	\$95M	\$86M	\$93M
<i>Year-over-year</i>	+3%	+12%	+4%	(1)%	(2)%
Units	6.0M	5.9M	6.2M	5.1M	5.7M
<i>Year-over-year</i>	+13%	+11%	+3%	(4)%	(6)%
Take rate	32.3%	31.2%	31.5%	32.8%	32.0%

North America Local is our largest category, representing approximately 70% of Global Billings and 75% of Global Revenue.

Billings declined 1% year-over-year to \$291 million and Revenue of \$93 million declined 2% year-over-year, both below our expectations. The decline was driven by a 6% decline in units partially offset by an increase in average order value. Local active customers grew 3% year-over-year. Take rate of 32% was consistent with the prior year period.

The Q2 North America Local decline came alongside an improving channel mix. On demand, the recovery we described last quarter held: organic returned to growth with June its strongest month, managed channels improved from the first quarter and turned positive in June as we transitioned to our new customer data platform, paid channels grew modestly and direct remained healthy.

On supply, our SMB merchant base, which is the core of our marketplace, was slightly lower year-over-year, with growth in our existing merchant base partially offset by softness within new-merchant acquisition. Our target remains to roughly double new-merchant productivity to approximately 10% of North America Local total supply. Our Enterprise channel declined modestly year-over-year as we prioritized margin quality over volume, though the pace of decline improved from the first quarter.

At the vertical level, Health, Beauty & Wellness, our largest North America Local vertical, declined modestly for a second consecutive quarter. Spa & Massage and Maintenance continued to grow but were offset by a decline within our High End sub-vertical. The vertical is stabilizing but not yet resolved with our focus shifting to optimizing our existing supply.

Things to Do delivered double-digit growth, led by another quarter of strong double-digit growth within Tours and Attractions through integration-led supply and deepening enterprise partnerships.

Q3 priorities in North America Local are to re-accelerate SMB growth with new-merchant acquisition, return Health, Beauty & Wellness to growth through optimizing our existing supply, and execute our Things to Do pipeline.

International Local

	2Q25	3Q25	4Q25	1Q26	2Q26
Billings	\$73M	\$77M	\$98M	\$78M	\$74M
<i>Year-over-year</i>	0%	1%	0%	(3)%	+2%
<i>Year-over-year Ex. Giftcloud</i>	+15%	+15%	+16%	+14%	+5%
Revenue	\$22M	\$23M	\$30M	\$25M	\$24M
<i>Year-over-year</i>	(1)%	(1)%	+3%	+10%	+8%
<i>Year-over-year Ex. Giftcloud</i>	+7%	+8%	+9%	+19%	+9%
Units	2.5M	2.6M	3.1M	2.5M	2.4M
<i>Year-over-year</i>	+8%	+5%	(2)%	+4%	(3)%
Take rate	30.4%	30.0%	30.2%	31.5%	32.2%

International Local is our second-largest vertical, representing approximately 18% of Global Billings and 19% of Global Revenue.

Excluding Giftcloud, Billings grew 5% year-over-year to \$74 million and Revenue grew 9% year-over-year to \$24 million. Billings were slightly below our expectations and Revenue was above. The moderation from the mid-teens Billings growth in recent quarters primarily reflects tougher comparisons, as this was the first quarter lapping double-digit prior-year growth, a dynamic that continues through the second half of the year. International Local active customers grew 9% year-over-year, units declined 3%, and average order value increased.

Revenue growth was led by double-digit growth in France. Germany and Spain also grew, while the United Kingdom was flat, reflecting a step-down from previous quarters driven by pressures from our Enterprise channel. Growth continued to be supported by an expansion of seasonally relevant inventory and improved organic performance following the deployment of our new consumer platform across the segment, which is expected to be fully deployed in Q3. We are also seeing strong double-digit growth within several major International cities as a result of concentrating supply and marketing investment at the city level. Our remaining International countries, in aggregate, are roughly the size of one of our four major markets.

At the vertical level, Health, Beauty & Wellness led with double-digit growth, driven by Spa & Massage and Maintenance, while Things to Do continued to grow on Tours & Attractions inventory.

Q3 priorities in International Local are to sustain supply expansion in major International cities and continue to grow our relaunched Italian marketplace.

Travel

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

In Travel, Billings were up 11%, Revenue down 2% and units up 9%. North America was the bright spot, returning Travel to Billings growth on the strength of our new Tours formats, which scaled our mystery-getaway packages from a single deal into a dedicated category in the quarter. The gap between Billings and Revenue reflects this mix, as Tours carries a lower take rate. In the third quarter we are moving Tours to an integrated booking experience with live availability and pricing to lift conversion across the category.

Goods

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

Goods declined as expected in Q2, with Billings down 28%, Revenue down 33% and units down 36%, reflecting our de-emphasis of the category. Our Goods category represents approximately 2% of Global Revenue.



Second Quarter 2026 Summary Financial Results¹

	Q2 2026	% Change YoY
Billings	\$414M	(1)%
Revenue	\$125M	(1)%
Take rate	30 %	
Gross Profit	\$113M	(1)%
Gross Profit as a % of revenue	91 %	
Marketing	\$43M	+5%
Contribution Profit	\$70M	(4)%
Selling, general, and administrative	\$68M	(4)%
Adjusted EBITDA ¹	\$15M	(5)%
Adjusted EBITDA ¹ margin	12 %	
Free Cash Flow ¹	\$15M	(40)%

In the second quarter, Global Billings were \$414 million and Revenue was \$125 million, both declining 1% year-over-year and below our guidance. Take rate was 30%, consistent with the prior year period.

Gross profit as a percentage of Revenue was 91%, consistent with prior periods and within the range of our expectations.

Marketing expense was \$43 million, or 35% of Revenue, an increase in marketing expense of approximately 5% year-over-year. The increase reflects higher investment in paid channels, brand marketing spend and marketing technology costs to support the execution of our strategic bets.

Contribution profit was \$70 million, a decrease of approximately 4% year-over-year.

SG&A was \$68 million in the quarter, a decrease of 4% year-over-year, and includes \$8 million in stock-based compensation and \$2 million in depreciation and amortization. Excluding stock-based compensation and depreciation and amortization, SG&A was down 4%. SG&A excludes restructuring costs incurred in the current quarter of \$3 million.

The restructuring plan we announced in May is underway and on track, with the majority of the actions expected to be complete by the end of the third quarter. The plan reduces up to 400 positions globally and supports our strategy to rebuild Groupon as an AI-native company. We continue to expect total pre-tax charges of \$7.0 million to \$13.0 million. Substantially all of the pre-tax charges are expected to be paid in cash and relate to employee severance and compensation benefits, with an immaterial amount of charges related to other exit costs.

The payroll actions are estimated to result in \$20.0 million to \$25.0 million in annualized cost savings. The Company expects to realize \$10.0 million to \$12.0 million of gross savings in 2026 and intends to reinvest up to 50% of these savings in 2026 in marketing, AI infrastructure, and

¹ Adjusted EBITDA and Free Cash Flow are non-GAAP financial measures. See the appendix for a reconciliation to the most comparable U.S. GAAP financial measure, "Income (loss) from continuing operations and "Net cash provided by (used in) operating activities from continuing operations".



talent density. Accordingly, the Company expects the restructuring plan will generate approximately \$5.0 million in net savings in fiscal year 2026.

Selling, general and administrative expense, excluding stock-based compensation and depreciation and amortization, is expected to decline year-over-year, reflecting lower payroll related costs from our restructuring actions.

Adjusted EBITDA was positive \$14.8 million, coming in at the high end of our guidance range.

Second quarter operating cash flow from continuing operations was positive \$18 million and Free Cash Flow was positive \$15 million. Free Cash Flow declined \$10 million year-over-year primarily due to timing of merchant payments.



Capital Allocation and Balance Sheet Updates

We ended Q2 with \$226 million in cash and cash equivalents. Please note that our cash position excludes \$30 million of restricted cash, which primarily relates to collateral posted against our outstanding letters of credit and is reported in Prepaid expenses and other current assets on our Condensed Consolidated Balance Sheets.

Second quarter Free Cash Flow was positive \$15 million. We continue to finance the organic growth opportunities at Groupon through our P&L and maintain a healthy level of Free Cash Flow generation.

In 2018, our Board authorized us to repurchase up to \$300 million of our Common Stock. During the second quarter, we repurchased 859,860 shares for \$10.1 million at a weighted-average price of \$11.80. As of June 30, 2026, approximately \$214 million remained available under this authorization. Our first priority remains investing in organic growth, and we expect our capital allocation approach to be flexible and disciplined to create the most long-term value for shareholders, based on our cash generation, investment priorities, balance sheet flexibility and market conditions.

Additionally, we continue to hold a minority stake in SumUp, a privately held European fintech company, which represents a valuable non-core asset. Should we have the opportunity to generate liquidity from this investment, we would have additional capital to be deployed in our capital allocation program.



Guidance² and Closing Thoughts

As of August 6, 2026, management is issuing the following Guidance:

As of August 6, 2026	Q3 2026 Guidance		2026 Guidance	
	Low-End	High-End	Low-End	High-End
Billings	+4%	+6%	+3%	+5%
Revenue	\$128M +4%	\$130M +6%	\$513M +3%	\$523M +5%
Adjusted EBITDA	\$19M	\$21M	\$75M	\$80M
Free Cash Flow	Negative		At least \$60M	

We are maintaining our full-year outlook. Revenue was roughly flat in the first half, and our outlook implies second-half growth of approximately 6% at the low end of the range and approximately 10% at the high end. The third quarter has started on an encouraging note, with growth improving in July to mid-single digits, a strong acceleration from the second quarter. We expect the pace of growth to accelerate through the balance of the year, supported by easier year-over-year comparisons, additional marketing investment, and increasing contribution from our strategic bets, in order of relative importance. The acceleration our outlook required runs ahead of our current pace, and a slower ramp across these drivers would affect our ability to reach it. Taking a step back, we are confident in achieving our fourth consecutive year of improving revenue growth.

We finished the second quarter with Adjusted EBITDA at the high end of our guidance and a top line accelerating as we start Q3. Our focus in the second half is converting operating progress into reported growth: completing the platform rollout worldwide, strengthening our reach through our organic and paid channels, making the Groupon experience more personal and more relevant, and building a curated marketplace with trust at its core. Project Foundry is the engine underneath all of it, and we expect our entire organization to be working AI-native by default by the end of 2026. We are grateful for the continued support of our shareholders and the dedication of our team as we execute against the opportunity in front of us.

² We do not provide a reconciliation for non-GAAP estimates on a forward-looking basis where we are unable to provide a meaningful calculation or estimation of reconciling items and the information is not available without unreasonable effort. This is due to the inherent difficulty of forecasting the timing or amount of various items that would impact the most directly comparable forward-looking U.S. GAAP financial measure that have not yet occurred, are out of the Company's control and/or cannot be reasonably predicted. Forward-looking non-GAAP financial measures provided without the most directly comparable U.S. GAAP financial measures may vary materially from the corresponding U.S. GAAP financial measures. Reconciling items to the amounts above include foreign currency gains and losses, restructuring and other cost savings-related charges, investment-related activity such as observable price changes, gains and losses on discrete transactions, certain income tax items, and impairment or other charges.

Appendix

01 Conference Call & Investor Information

03 Financial Statements & Reconciliations



INVESTOR RELATIONS

CONFERENCE CALL

Groupon will host a live webcast and question-and-answer session to discuss its Q2 2026 financial results.

DATE Friday, August 7, 2026
TIME 7:00 a.m. CT / 8:00 a.m. ET
WEBCAST investor.groupon.com

A replay of the webcast will be available on Groupon's investor relations website following the call and will remain accessible for one year.

Groupon uses its investor relations website at investor.groupon.com as a means of disclosing material non-public information and for complying with its disclosure obligations under Regulation FD.

COMPANY

ABOUT Groupon

Groupon (NASDAQ: GRPN) is a trusted local marketplace where consumers go to buy services and experiences that make life more interesting and deliver boundless value.

To find out more about Groupon, please visit press.groupon.com.

CONTACTS

Investor Relations Contact
ir@groupon.com

Public Relations Contact
Emma Coleman
press@groupon.com



Note on Forward-Looking Statements

The statements contained in this release that refer to plans and expectations for the next quarter, the full year or the future are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended ("Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended ("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, including our broader AI-native transformation; the risk that the anticipated benefits of our AI strategy may not be realized in the time frame we expect or at all and may have adverse effects on our operations, merchants and customers; the risk that our public statements regarding our AI strategy and deployment of AI agents are not adequately substantiated or are later viewed as inconsistent with our actual capabilities or results; 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; 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 and other trade policies; 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; the risks associated with our use and integration of AI and machine learning technologies; 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; 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 2027 Notes and 2030 Notes; our Common Stock, including volatility in our stock price and financial markets; a potential economic slowdown; 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, 2025 and Part II, Item 1A. Risk Factors in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2026, and our other filings with the SEC. Moreover, we operate in a very competitive and rapidly changing environment, including with respect to emerging technologies such as AI, machine learning, and data analytics. 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 release 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.

Appendix - Non-GAAP Reconciliations and Financial Statements

Adjusted EBITDA³ - Quarterly (in thousands)

The following is a quarterly reconciliation of Adjusted EBITDA to the most comparable U.S. GAAP performance measure, Income (loss) from continuing operations:

	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026
Income (loss) from continuing operations	\$ 20,593	\$ (117,782)	\$ 8,081	\$ (12,589)	\$ (1,456)
Adjustments:					
Stock-based compensation	8,782	11,109	10,189	11,911	8,330
Depreciation and amortization	4,423	4,301	4,267	4,191	4,060
Restructuring and related charges (credits)	(46)	(64)	(61)	7	3,161
(Gain) on sale of business	(10,650)	—	—	—	—
Loss on extinguishment of debt	—	99,925	—	—	—
Other (income) expense, net	(18,466)	(1,197)	(3,595)	4,371	3,275
Provision (benefit) for income taxes	10,927	21,248	2,022	4,899	(2,536)
Total adjustments	(5,030)	135,322	12,822	25,379	16,290
Adjusted EBITDA	\$ 15,563	\$ 17,540	\$ 20,903	\$ 12,790	\$ 14,834

³ See Q2 2026 earnings press release posted on our Investor Relations website for additional information regarding non-GAAP financial measures

Free Cash Flow⁴ - Quarterly (in thousands)

Free cash flow is a non-GAAP liquidity measure. The following is a reconciliation of free cash flow to the most comparable U.S. GAAP liquidity measure, Net cash provided by (used in) operating activities from continuing operations.

	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026
Net cash provided by (used in) operating activities from continuing operations	\$ 28,419	\$ (20,506)	\$ 56,607	\$ (9,958)	\$ 18,127
Purchases of property and equipment and capitalized software from continuing operations	(3,230)	(4,082)	(3,575)	(3,559)	(3,105)
Free cash flow	\$ 25,189	\$ (24,588)	\$ 53,032	\$ (13,517)	\$ 15,022

Net cash provided by (used in) investing activities from continuing operations	\$ 10,761	\$ (3,024)	\$ 2,423	\$ (3,559)	\$ (3,105)
Net cash provided by (used in) financing activities	\$ (2,684)	\$ (3,275)	\$ (1,097)	\$ (55,669)	\$ (13,827)

Supplemental Information - Quarterly (in thousands)

	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026
Selling, general and administrative	\$ 70,669	\$ 68,264	\$ 64,955	\$ 73,028	\$ 67,683
Stock-based compensation in SG&A	8,700	10,900	10,087	11,700	8,200
Depreciation and amortization in SG&A	2,400	2,400	2,334	2,300	2,300

⁴ See Q2 2026 earnings press release posted on our Investor Relations website for additional information regarding non-GAAP financial measures



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

	June 30, 2026	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	\$ 226,250	\$ 296,080
Accounts receivable, net	23,733	25,792
Prepaid expenses and other current assets	57,889	52,548
Total current assets	307,872	374,420
Property, equipment and software, net	15,394	16,120
Right-of-use assets - operating leases, net	4,807	6,316
Goodwill	178,685	178,685
Intangible assets, net	2,563	3,224
Investments	74,823	74,823
Deferred income taxes	8,870	9,648
Other non-current assets	6,662	7,170
Total assets	\$ 599,676	\$ 670,406
Liabilities and equity (deficit)		
Current liabilities:		
Current portion of convertible senior notes, net	\$ 45,932	\$ 33,691
Accounts payable	21,193	8,688
Accrued merchant and supplier payables	200,734	235,473
Accrued expenses and other current liabilities	122,251	106,057
Total current liabilities	390,110	383,909
Convertible senior notes, net	261,388	309,155
Operating lease obligations	1,873	3,206
Other non-current liabilities	18,374	16,526
Total liabilities	671,745	712,796
Commitments and contingencies		
Stockholders' equity (deficit)		
Common Stock, par value \$0.0001 per share, 100,500,000 shares authorized; 53,651,908 shares issued and 40,553,312 shares outstanding at June 30, 2026; 51,026,430 shares issued and 40,732,313 shares outstanding at December 31, 2025	5	5
Additional paid-in capital	2,491,059	2,478,038
Treasury stock, at cost, 13,098,596 shares at June 30, 2026 and 10,294,117 shares at December 31, 2025	(954,099)	(922,666)
Accumulated deficit	(1,607,056)	(1,592,434)
Accumulated other comprehensive income (loss)	(2,092)	(5,505)
Total Groupon, Inc. stockholders' equity (deficit)	(72,183)	(42,562)
Noncontrolling interests	114	172
Total equity (deficit)	(72,069)	(42,390)
Total liabilities and equity (deficit)	\$ 599,676	\$ 670,406

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenue	\$ 124,675	\$ 125,702	\$ 241,875	\$ 242,889
Cost of revenue	11,283	11,276	22,434	22,165
Gross profit	113,392	114,426	219,441	220,724
Operating expenses:				
Marketing	43,265	41,399	79,598	75,836
Selling, general and administrative	67,683	70,669	140,711	140,509
Restructuring and related charges (credits)	3,161	(46)	3,168	91
Gain on sale of business	—	(10,650)	—	(10,650)
Total operating expenses	114,109	101,372	223,477	205,786
Income (loss) from operations	(717)	13,054	(4,036)	14,938
Other income (expense), net	(3,275)	18,466	(7,646)	26,037
Income (loss) from continuing operations before provision (benefit) for income taxes	(3,992)	31,520	(11,682)	40,975
Provision (benefit) for income taxes	(2,536)	10,927	2,363	12,355
Income (loss) from continuing operations	(1,456)	20,593	(14,045)	28,620
Income (loss) from discontinued operations, net of tax	(16)	—	(46)	(471)
Net income (loss)	(1,472)	20,593	(14,091)	28,149
Net (income) loss attributable to noncontrolling interests	(291)	(256)	(531)	(637)
Net income (loss) attributable to Groupon, Inc.	<u>\$ (1,763)</u>	<u>\$ 20,337</u>	<u>\$ (14,622)</u>	<u>\$ 27,512</u>
Basic net income (loss) per share:				
Continuing operations	\$ (0.04)	\$ 0.51	\$ (0.37)	\$ 0.70
Discontinued operations	—	—	—	(0.01)
Basic net income (loss) per share	<u>\$ (0.04)</u>	<u>\$ 0.51</u>	<u>\$ (0.37)</u>	<u>\$ 0.69</u>
Diluted net income (loss) per share:				
Continuing operations	\$ (0.04)	\$ 0.46	\$ (0.37)	\$ 0.65
Discontinued operations	—	—	—	(0.01)
Diluted net income (loss) per share	<u>\$ (0.04)</u>	<u>\$ 0.46</u>	<u>\$ (0.37)</u>	<u>\$ 0.64</u>
Weighted average number of shares outstanding:				
Basic	38,961,948	40,034,041	39,742,972	39,922,318
Diluted	38,961,948	50,780,325	39,742,972	43,357,429

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Operating activities				
Net income (loss)	\$ (1,472)	\$ 20,593	\$ (14,091)	\$ 28,149
Less: Income (loss) from discontinued operations, net of tax	(16)	—	(46)	(471)
Income (loss) from continuing operations	(1,456)	20,593	(14,045)	28,620
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization of property, equipment and software	3,759	4,063	7,589	9,273
Amortization of acquired intangible assets	301	360	662	761
Stock-based compensation	8,330	8,782	20,241	16,476
Amortization of debt discount (premium) on convertible senior notes	(921)	—	(1,786)	890
Deferred income taxes	675	—	3,459	562
Foreign currency (gains) losses, net	673	(12,899)	3,022	(19,973)
Gain on sale of business	—	(10,650)	—	(10,650)
Change in assets and liabilities:				
Accounts receivable	(3,775)	1,744	1,888	4,369
Prepaid expenses and other current assets	(1,268)	(3,829)	(5,400)	(2,969)
Right-of-use assets - operating leases	951	764	1,914	1,508
Accounts payable	12,924	1	12,749	(872)
Accrued merchant and supplier payables	(11,293)	9,087	(33,312)	1,108
Accrued expenses and other current liabilities	10,750	14,151	13,737	11,306
Operating lease obligations	(984)	(1,037)	(2,167)	(1,856)
Other, net	(539)	(2,711)	(382)	(10,156)
Net cash provided by (used in) operating activities from continuing operations	18,127	28,419	8,169	28,397
Net cash provided by (used in) operating activities from discontinued operations	—	—	—	—
Net cash provided by (used in) operating activities	18,127	28,419	8,169	28,397
Investing activities				
Purchases of property and equipment and capitalized software	(3,105)	(3,230)	(6,664)	(6,967)
Proceeds from sale of business, net	—	13,991	—	13,991
Net cash provided by (used in) investing activities from continuing operations	(3,105)	10,761	(6,664)	7,024
Net cash provided by (used in) investing activities from discontinued operations	—	—	—	—
Net cash provided by (used in) investing activities	(3,105)	10,761	(6,664)	7,024
Financing activities				
Repayment of Notes	—	—	(33,740)	—
Payments for purchases of treasury stock	(10,143)	—	(31,433)	—
Taxes paid related to net share settlements of stock-based compensation awards	(3,821)	(2,375)	(3,821)	(2,457)
Other financing activities	137	(309)	(502)	(681)
Net cash provided by (used in) financing activities	(13,827)	(2,684)	(69,496)	(3,138)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(269)	(489)	(1,598)	1,842
Net increase (decrease) in cash, cash equivalents and restricted cash	926	36,007	(69,589)	34,125
Less: Net increase (decrease) in cash classified within current assets of discontinued operations	—	—	—	—
Net increase (decrease) in cash, cash equivalents and restricted cash	926	36,007	(69,589)	34,125
Cash, cash equivalents and restricted cash, beginning of period ⁽¹⁾	255,097	260,687	325,612	262,569
Cash, cash equivalents and restricted cash, end of period ⁽¹⁾	\$ 256,023	\$ 296,694	\$ 256,023	\$ 296,694



- (1) The following table provides a reconciliation of Cash, cash equivalents and restricted cash shown above to amounts reported within the Condensed Consolidated Balance Sheets as of June 30, 2026, December 31, 2025, June 30, 2025 and December 31, 2024 (in thousands):

	June 30, 2026	December 31, 2025	June 30, 2025	December 31, 2024
Cash and cash equivalents	\$ 226,250	\$ 296,080	\$ 262,575	\$ 228,843
Restricted cash included in prepaid expenses and other current assets	29,773	29,532	34,119	33,726
Cash, cash equivalents and restricted cash	<u>\$ 256,023</u>	<u>\$ 325,612</u>	<u>\$ 296,694</u>	<u>\$ 262,569</u>



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

	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026	Q2 2026		
North America Segment:						Y/Y Growth		
Gross billings ⁽¹⁾ :								
Local	\$ 292,381	\$ 293,761	\$ 300,487	\$ 260,643	\$ 290,649	(0.6)	%	
Travel	23,997	17,701	13,877	20,394	27,738	15.6		
Goods	8,380	7,645	9,431	4,991	5,147	(38.6)		
Total gross billings	<u>\$ 324,758</u>	<u>\$ 319,107</u>	<u>\$ 323,795</u>	<u>\$ 286,028</u>	<u>\$ 323,534</u>	(0.4)	%	
Revenue:								
Local	\$ 94,486	\$ 91,562	\$ 94,797	\$ 85,537	\$ 92,888	(1.7)	%	
Travel	4,342	3,221	2,338	3,482	4,463	2.8		
Goods	1,168	1,224	1,580	894	863	(26.1)		
Total revenue	<u>\$ 99,996</u>	<u>\$ 96,007</u>	<u>\$ 98,715</u>	<u>\$ 89,913</u>	<u>\$ 98,214</u>	(1.8)	%	
Gross profit:								
Local	\$ 86,567	\$ 83,766	\$ 86,295	\$ 78,090	\$ 84,171	(2.8)	%	
Travel	3,856	2,868	2,030	3,037	3,840	(0.4)		
Goods	1,009	1,074	1,382	796	756	(25.1)		
Total gross profit	<u>\$ 91,432</u>	<u>\$ 87,708</u>	<u>\$ 89,707</u>	<u>\$ 81,923</u>	<u>\$ 88,767</u>	(2.9)	%	
Contribution profit ⁽²⁾	\$ 58,272	\$ 55,962	\$ 53,479	\$ 55,002	\$ 54,939	(5.7)	%	
International Segment:								
						Q2 2026		
Gross billings:						Y/Y Growth	FX Effect	Y/Y Growth excluding FX ⁽³⁾
Local	\$ 72,997	\$ 77,270	\$ 98,219	\$ 78,128	\$ 74,398	1.9	(2.5)	(0.6) %
Travel	6,225	7,856	8,279	7,088	5,661	(9.1)	(2.6)	(11.7)
Goods	12,717	11,879	16,177	11,302	10,156	(20.1)	(2.0)	(22.1)
Total gross billings	<u>\$ 91,939</u>	<u>\$ 97,005</u>	<u>\$ 122,675</u>	<u>\$ 96,518</u>	<u>\$ 90,215</u>	(1.9)	(2.4)	(4.3) %
Revenue:								
Local	\$ 22,195	\$ 23,182	\$ 29,710	\$ 24,597	\$ 23,980	8.0	(2.5)	5.5 %
Travel	1,249	1,461	1,422	1,106	1,044	(16.4)	(2.0)	(18.4)
Goods	2,262	2,175	2,861	1,584	1,437	(36.5)	(1.4)	(37.9)
Total revenue	<u>\$ 25,706</u>	<u>\$ 26,818</u>	<u>\$ 33,993</u>	<u>\$ 27,287</u>	<u>\$ 26,461</u>	2.9	(2.4)	0.5 %
Gross profit:								
Local	\$ 20,046	\$ 21,037	\$ 26,593	\$ 21,963	\$ 22,530	12.4	(2.4)	10.0 %
Travel	1,086	1,260	1,237	883	914	(15.8)	(0.5)	(16.3)
Goods	1,862	1,831	2,442	1,280	1,181	(36.6)	0.2	(36.4)
Total gross profit	<u>\$ 22,994</u>	<u>\$ 24,128</u>	<u>\$ 30,272</u>	<u>\$ 24,126</u>	<u>\$ 24,625</u>	7.1	(2.1)	5.0 %
Contribution profit	\$ 14,755	\$ 14,432	\$ 17,922	\$ 14,714	\$ 15,188	2.9	%	
Consolidated Results of Operations:								
Gross billings:								
Local	\$ 365,378	\$ 371,031	\$ 398,706	\$ 338,771	\$ 365,047	(0.1)	(0.5)	(0.6) %
Travel	30,222	25,557	22,156	27,482	33,399	10.5	(0.5)	10.0
Goods	21,097	19,524	25,608	16,293	15,303	(27.5)	(1.2)	(28.7)
Total gross billings	<u>\$ 416,697</u>	<u>\$ 416,112</u>	<u>\$ 446,470</u>	<u>\$ 382,546</u>	<u>\$ 413,749</u>	(0.7)	(0.6)	(1.3) %
Revenue:								
Local	\$ 116,681	\$ 114,744	\$ 124,507	\$ 110,134	\$ 116,868	0.2	(0.5)	(0.3) %
Travel	5,591	4,682	3,760	4,588	5,507	(1.5)	(0.4)	(1.9)
Goods	3,430	3,399	4,441	2,478	2,300	(32.9)	(1.0)	(33.9)
Total revenue	<u>\$ 125,702</u>	<u>\$ 122,825</u>	<u>\$ 132,708</u>	<u>\$ 117,200</u>	<u>\$ 124,675</u>	(0.8)	(0.5)	(1.3) %
Gross profit:								
Local	\$ 106,613	\$ 104,803	\$ 112,888	\$ 100,053	\$ 106,701	0.1	(0.3)	(0.2) %
Travel	4,942	4,128	3,267	3,920	4,754	(3.8)	0.3	(3.5)
Goods	2,871	2,905	3,824	2,076	1,937	(32.5)	0.2	(32.3)
Total gross profit	<u>\$ 114,426</u>	<u>\$ 111,836</u>	<u>\$ 119,979</u>	<u>\$ 106,049</u>	<u>\$ 113,392</u>	(0.9)	(0.2)	(1.1) %
Contribution profit	\$ 73,027	\$ 70,394	\$ 71,402	\$ 69,716	\$ 70,127	(4.0)	%	
Net cash provided by (used in) operating activities from continuing operations	\$ 28,419	\$ (20,506)	\$ 56,607	\$ (9,958)	\$ 18,127	(36.2)	%	
Free cash flow	\$ 25,189	\$ (24,588)	\$ 53,032	\$ (13,517)	\$ 15,022	(40.4)	%	

	Q2 2025	Q3 2025	Q4 2025	Q1 2026	Q2 2026
Active customers ⁽⁴⁾ :					
North America	10.8	11.0	11.1	11.0	10.9
International	5.0	5.1	5.2	5.2	5.2
Total active customers	15.8	16.1	16.2	16.2	16.1
North America Units:					
Local	6,018	5,942	6,189	5,132	5,656
Goods	238	199	246	137	128
Travel	89	69	55	76	105
Total North America units	6,345	6,210	6,490	5,345	5,889
International Units:					
Local	2,450	2,605	3,100	2,539	2,380
Goods	287	272	395	227	210
Travel	33	49	48	37	29
Total International units	2,770	2,926	3,543	2,803	2,619
Consolidated Units:					
Local	8,468	8,546	9,289	7,671	8,036
Goods	526	471	641	364	338
Travel	123	119	103	113	134
Total consolidated units	9,117	9,136	10,033	8,148	8,508
Headcount:					
Sales ⁽⁵⁾	556	560	634	643	553
Other	1,258	1,179	1,100	1,002	889
Total headcount	1,814	1,739	1,734	1,645	1,442

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

(2) Represents gross profit less marketing expense.

(3) Represents the change in financial measures that would have resulted had average exchange rates in the reporting periods been the same as those in effect in the prior year periods.

(4) Reflects the total number of unique user accounts that have made a purchase during the TTM either through one of our online marketplaces or directly with a merchant for which we earned a commission.

(5) Includes merchant sales representatives, as well as sales support personnel.