

GRPN Investor Presentation

3Q22

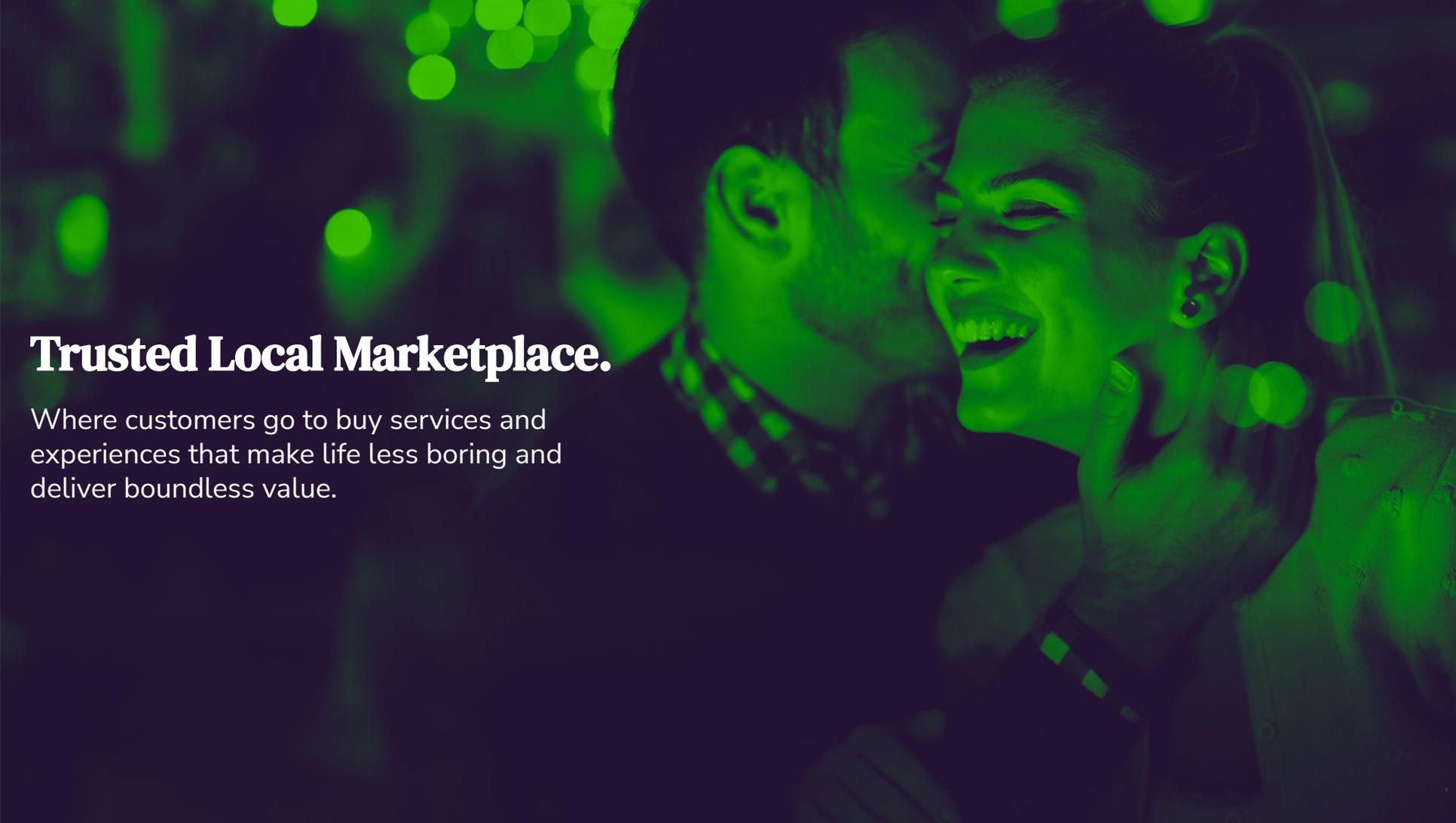
November 7, 2022

Forward-looking statements and other information

The statements contained in this presentation 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, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements regarding our future results of operations and financial position, business strategy and plans and our objectives for future operations. 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, effects of the ongoing COVID-19 pandemic or other pandemics or disease outbreaks on our business; 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, legal and regulatory developments in the jurisdictions in which we operate and geopolitical instability resulting from the conflict in Ukraine; global economic uncertainty, including as a result of the inflationary environment; 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 team and other qualified 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 and regulation of the Internet and e-commerce; classification of our independent contractors 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 legislation; 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 convertible senior notes; our common stock, including volatility in our stock price; our ability to realize the anticipated benefits from the capped call transactions relating to our convertible senior notes; difficulties, delays or our inability to successfully complete all or part of the announced restructuring actions or to realize the operating efficiencies and other benefits of such restructuring actions; higher than anticipated restructuring charges or changes in the timing of such restructuring charges; 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, 2021, Part II, Item 1A. Risk Factors of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2022 and Part II, Item 1A. Risk Factors of our Quarterly Report on Form 10-Q for the quarter ended June 30, 2022 and our other filings with the Securities and Exchange Commission (the "SEC"), copies of which may be obtained by visiting the company's Investor Relations web site at investor.groupon.com or the SEC's web site at www.sec.gov. Groupon's actual results could differ materially from those predicted or implied and reported results should not be considered an indication of future performance.

You should not rely upon forward-looking statements as predictions of future events. Although Groupon believes that the expectations reflected in the forward-looking statements are reasonable, it cannot guarantee that the future results, levels of activity, performance or events and circumstances reflected in the forward-looking statements will be achieved or occur. Moreover, neither Groupon nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. The forward-looking statements reflect our expectations as of November 7, 2022. We undertake no obligation to update publicly any forward-looking statements for any reason after the date of this presentation to conform these statements to actual results or to changes in our expectations.

This presentation contains non-GAAP financial measures. See the appendix for reconciliations of non-GAAP financial measures to the most comparable U.S. GAAP measures and our Q3 2022 earnings release press release posted on our Investor Relations website for additional information regarding non-GAAP financial measures.

A romantic couple is shown in profile, kissing. The man is on the left, and the woman is on the right, smiling broadly. The scene is illuminated with a strong green light, creating a bokeh effect with out-of-focus lights in the background. The overall mood is intimate and joyful.

Trusted Local Marketplace.

Where customers go to buy services and experiences that make life less boring and deliver boundless value.

**Global, scaled,
two-sided
marketplace with
undervalued assets
and big potential**



Scaled local marketplace with room to grow

- Leading player in the large and growing addressable market for local services and experiences
- Two-sided marketplace with massive global scale
- Delivered \$1.6B+ in Local Billings in 2021
- Beloved brand: ~1.5B Groupons sold to date¹

Valuable, underutilized assets

- **Data** : Untapped data assets and feedback network in our current experience
- **Scale**: Nearly 15MM Active Local customers and nearly 100MM visitor sessions per month
- **Reach**: Scaled horizontal marketplace

Executing turnaround strategy to unlock growth and profitability

- **Reducing our Cost Structure**: Taking \$150MM in costs out by end of 2023
- Goal to deliver \$100MM of free cash flow* and 15-20% Adjusted EBITDA margin* in full year 2023
- **Improving our Core Marketplace Experience**: Building inventory density, enhancing our customer experience and leveraging marketing to drive purchase frequency and customer retention

Balance sheet & financial model to support growth

- \$308 million in cash exiting 3Q22
- 2.29% ownership stake in SumUp

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1. As of December 31, 2021

A scaled local marketplace with room to grow

Connecting millions of local customers to our global marketplace



1 Million+

Merchant partners worked with to date



1.5 Billion+

Groupons sold to date



\$35 Billion+

Saved to date by NA consumers



\$25 Billion+

Pumped into local businesses to date

- Large and growing addressable market in local
- Groupon's two-sided marketplace has massive global scale
- Beloved brand



Our Turnaround Strategy to Unlock Growth and Profitability

Executing Turnaround Strategy

Transforming Groupon into the go-to destination for local experiences and services

Reducing Cost Structure



Executing a **multi-phased cost savings plan** to align our fixed cost structure with where the business is today



Expect to **reduce our current cost structure** by **\$150 million** in phase 1



Plan to identify **\$50 million of additional savings** and related cost actions by the **end of 2023**



Gaining major efficiencies from automation allowing us to significantly reduce spend on technology, sales and other areas of the organization



Fundamentally Improving our Marketplace Experience

Ensure that we meet our customers needs **every single time** they come to our marketplace



Launched several experiments to improve **inventory density** and create a **better customer experience**



Began testing into marketing to drive growth in Q3

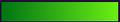


Launching initiatives to differentiate our inventory - curated collections and Beauty platform

Believe our turnaround strategy will allow us to fundamentally reposition our business to grow profitably in a variety of economic cycles and position us for long-term growth and value creation

Potential to unlock marketplace flywheel and significant shareholder value





Reducing our Cost Structure

Executing a multi-phase cost savings plan to better align with where our business is today...

Redesign expected to reduce cost structure by **\$150 million** by end of 2023

Streamlining our Cost Base & Improving Productivity

- Aggressively **right-sizing our tech org** to align with our current and future business needs, on both the payroll and non-payroll side
- Additional cost savings from combination of **process improvements and the right-sizing of our facilities footprint**
- **Reducing the size of our North America sales force** as we leverage self-service more broadly for existing and new merchants
- Goal to identify **additional \$50 million in cash savings** by end of 2023
- As we execute on our turnaround expect to create **significant operating leverage and support sustained positive free cash flow**

...creating expense leverage for profitable growth in the future

Unlocking a Sustainable Financial Model

Expect improved financial results in Full Year 2023

2023 AND BEYOND

Assumes Local Billings Are 60% of 2019 Billings for FY 2023

15-20%

Sustainable Annual Adjusted EBITDA margins*

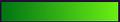


\$100M

Annual Free Cash Flow*

Creating a business model that can consistently generate free cash flow

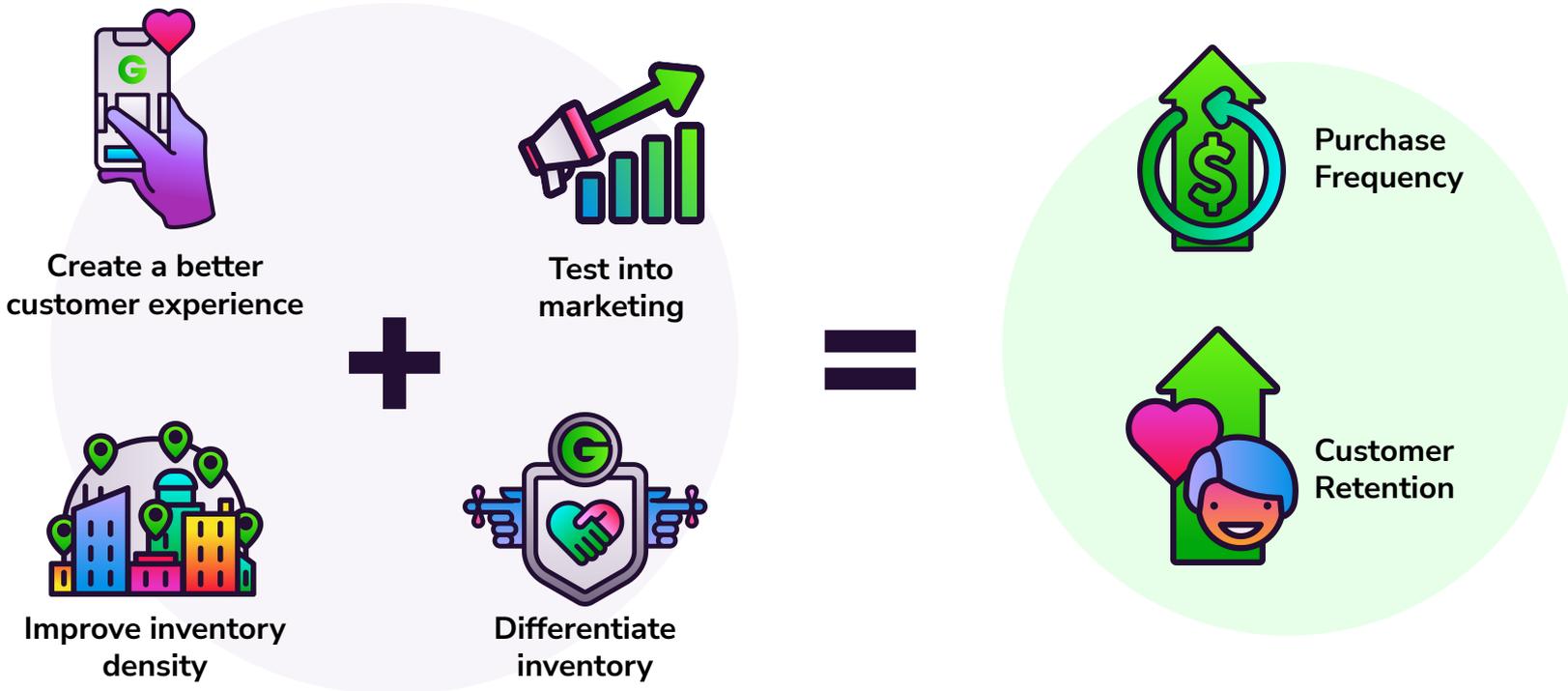
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Fundamentally Improving our Marketplace Experience

Fundamentally Improving Our Marketplace Experience

Meet our customers needs every single time they come to our marketplace to drive purchase frequency and improve customer retention





Creating a Better Customer Experience: Pricing & Trust

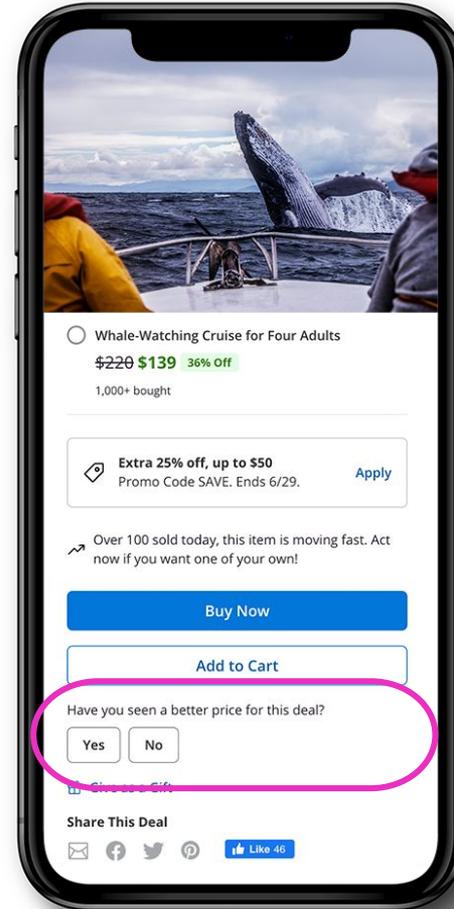
Made meaningful progress towards improving customer trust this year

Pricing:

- When customers come to our marketplace in search of a deal on something, they have to be able to **trust that we offer the best deal**
- Reviewed pricing in North America and put a **new process in place** to improve our ability to **monitor pricing**

Refunds:

- **Removed high-refunding merchants** from our platform
- Piloting a **program to proactively identify and help** those **merchants** with degrading refund trends





Create a Better Customer Experience: Cross-Promotion & Personalized Promotion

Scaling experiment to unlock power of our horizontal marketplace and increase cross-vertical purchases

- Launched experiment in North America to figure out how to better **leverage power of our horizontal marketplace**
- Used personalized promotions to **entice customers who had made purchases within the Dining vertical to make a purchase of various Beauty & Wellness experiences** and vice versa
- In a test with 5,000 customers, **grew cross-vertical purchasers 150%+** versus a control group
- **Began scaling in Q3:** launched in 11 countries and expect to scale to North America in Q4

**\$15
For You!**

Get out & try something new!
Here's **\$15** to spend on sports
& outdoor activities.

Code EDF22QT

Now Thru 6/21 Valid on 1 order per user. Exclusions apply. Details on eligible deal pages and [groupon.com/promofaq](#)

**18 € pour
vous !**

Faites-vous plaisir ! **18 €**
à dépenser pour des soins
beauté.

Code EDF22QT

Expire bientôt! Valable sur 1 commande par utilisateur. Des exclusions possibles. Détails sur les pages d'offres éligibles et [groupon.fr/faq](#)

**15 € nur
für Dich!**

Weil Du es Dir verdient
hast! Hier sind **15 €** für eine
Entspannungsmassage

Code: EDF22QT

Endet bald! Gültig für 1 Bestellung pro Person. Einige Deals sind ausgeschlossen. Weitere Details auf der Deal-Seite und [groupon.de/faq](#)

**£10
For You!**

Treat yourself! Here's **£10**
to spend on your next
afternoon tea.

Code: EDF22QT

Ends soon! Valid on 1 order per user. Some deals excluded. Details on eligible deal pages and [groupon.co.uk/legal/promo](#)

**Solo
sull'App**

Fino al 25%
sul prezzo di vendita su Vicino a te

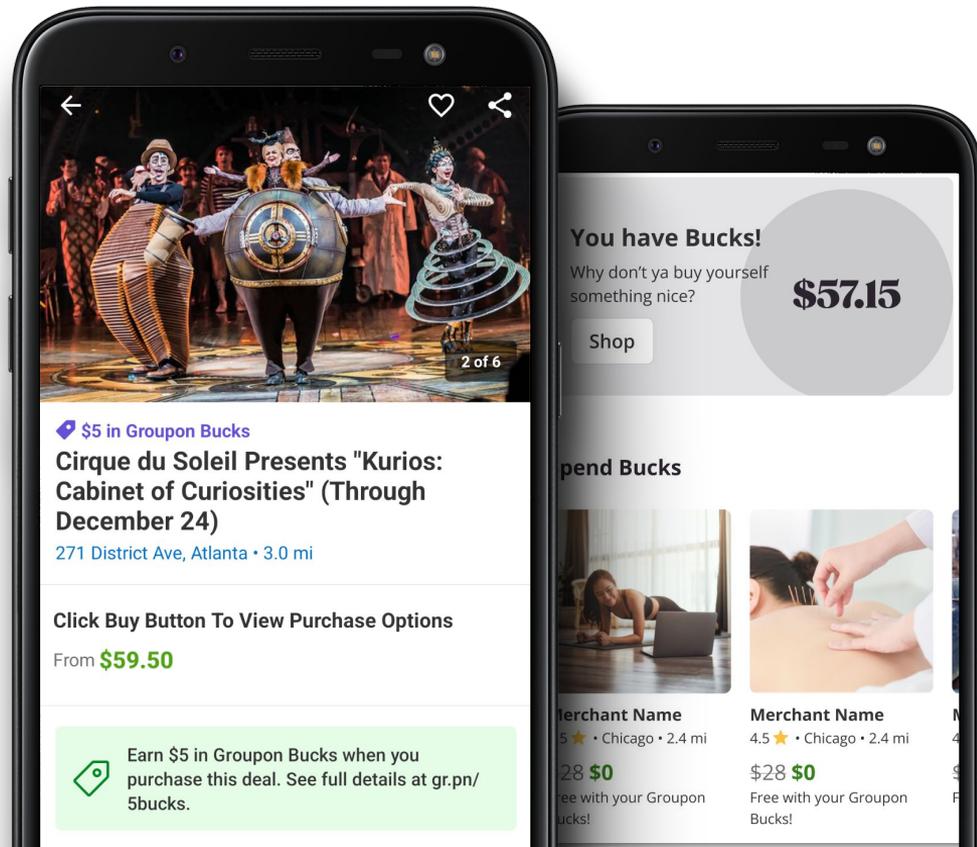
Codice APP25

Scade a mezzanotte Fino al 25% sull'App. 5% su altre piattaforme. Alcuni deal esclusi. Maggiori dettagli su [groupon.it/FAQ](#)

Create a Better Customer Experience: Groupon Incentives

Testing Groupon incentives to get new customers to browse and engage with our full catalog of inventory

- Giving additional value via Groupon Bucks to customers when they purchase our full price, market rate inventory
- Testing if it will incentivize customers to **purchase our full-price inventory AND** get them to **come back to Groupon** and make another purchase
- Promising initial test results:
 - Seen anywhere from a **6% to 22% lift in conversion**, depending on the test
 - Seeing **repeat purchases**.
- Continue to test, learn and track our existing test cohorts before scaling in NA and International



Create a Better Customer Experience: Search & Relevance

Testing new search & relevance initiatives in International

- Began testing a new ranking algorithm in four international markets; early results are promising
 - Added autocomplete function that features actual deal offerings in the search drop down menu
 - Allows customers to click directly onto a deal page, with the goal of driving higher conversion
 - Testing ways to optimize our search algorithms and better showcase personalized deal recommendations throughout the customer journey
- While we just started testing in October, in the four countries where we are testing these initiatives, we are seeing 10% higher revenue per customer
- Plan to expand these tests to North America in Q4

The screenshot shows the Groupon website interface. At the top, the Groupon logo is on the left, a 'Categories' dropdown menu is in the center, and a search bar on the right contains the text 'restaurant'. Below the search bar, there is a promotional banner that says 'Explore the Near You'. Underneath the banner, a heading reads 'Hi there, here's what's trending'. A large image of a yellow tram in a city street is featured. Below the image, the text reads 'Lisbon with flights', 'Av. Alm. Reis 49,, Lisboa • 1638.9 km', and 'From €89/nt'. A link below that says 'Lisbon: 2-4 Nights at a Hotels with Flights*'. To the right of the main content, there is a vertical list of restaurant deals. Each deal includes an image of the food, the restaurant name, a rating (stars and number of ratings), and the price with a discount percentage. The deals are: 1. 'For one: two-course dinner' at Restaurant Six, 4.7 stars, 37 ratings, price €41 from €19.95 (51% OFF). 2. 'For two: afternoon tea' at Old Music Shop Restaurant, 5 stars, 6 ratings, price €50 from €25 (50% OFF). 3. 'For two: Lamb cutlets with sides' at O'Shea's Irish Restaurant, 4.4 stars, 118 ratings, price €40 from €19 (53% OFF). 4. 'For one: two-course meal with a...' at Hanoi Hanoi Restaurant, 4.3 stars, 24 ratings, price €27.50 from €22.95 (17% OFF). 5. 'For two: sirloin steak dinner wit...' at O'Shea's Irish Restaurant, 4.4 stars, 118 ratings.



Improve Inventory Density

Building the optimal inventory density that satisfies and inspires our customers based on their intent



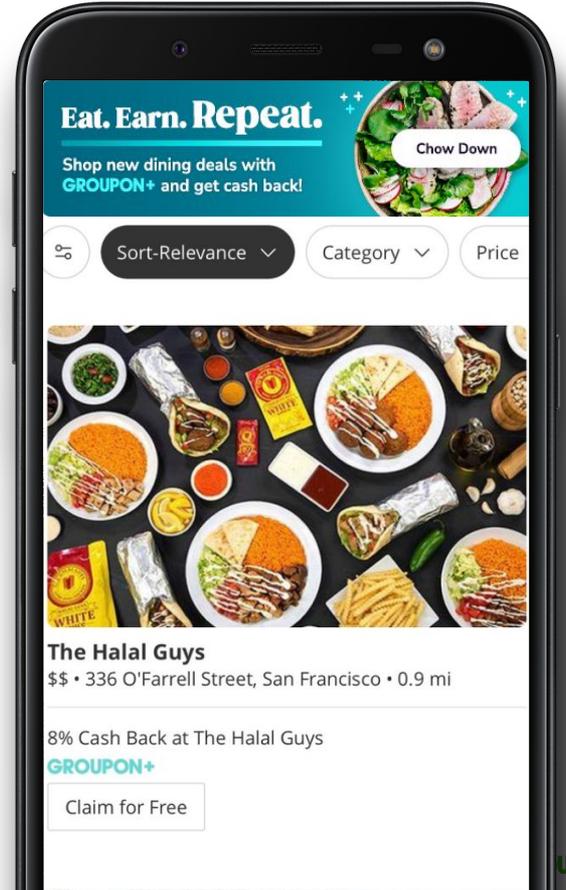
- Focused only on **acquiring and retaining inventory** in geographies and verticals that we believe will **drive incremental consumer demand**
- **Restructured our North America sales force** to better align with our inventory density goals to acquire and retain inventory in geographies and verticals where we do not have adequate coverage
- **Leverage scalable resources** to help scale supply acquisition, manage existing inventory and supplement the reach of our sales team:
 - **Merchant Marketing:** Step up efforts to help acquire and deepen relationships with merchant partners
 - **Self-Service:** Improved platform helping existing merchants launch new deals and bringing in new merchants; over 75% of new inventory onboarded through self-service in September
 - **External Partnerships:** Bring more relevant and high-frequency inventory onto marketplace



Improve Inventory Density: Relunched Card Linked Offers

Relunched card-linked offers in the high-frequency Dining vertical

- Partnering with **leading CLO provider** in the food and dining space
- Completed integration in Q3, approximately **tripled our Dining inventory** in North America
- By making it easier for consumers to find inventory they want in this high-frequency vertical, we believe it will **drive traffic, engagement and purchase frequency**
- Promising early results since launch:
 - Dining inventory search conversion increasing by 15%+
 - Hit target redemption rate
- Going forward, focused on making this inventory easier for customers to find and engage with by improving our search and relevance and the user experience





Atlanta Case Study

Testing ability to 'supercharge' unit velocity in the Atlanta market

Case Study Overview:

- Simultaneously running a number of our experiments to improve Inventory density and the customer experience
- Chose the Atlanta market because our current footprint is less mature

Key KPIs:

- Increase **unit velocity** in the city
- Increase **customer** retention
- Improve **customer purchase frequency** by >20%
- Positive **signal to scale** to other large markets globally

Early Results:

In last 45 days, Atlanta customers, on average, had higher 30-day repurchase rate vs. customers in other U.S. cities

Seeing Groupon Bucks customer incentive initiatives drive lift in repeat purchase rates

Still early, more work to do to optimize initiatives

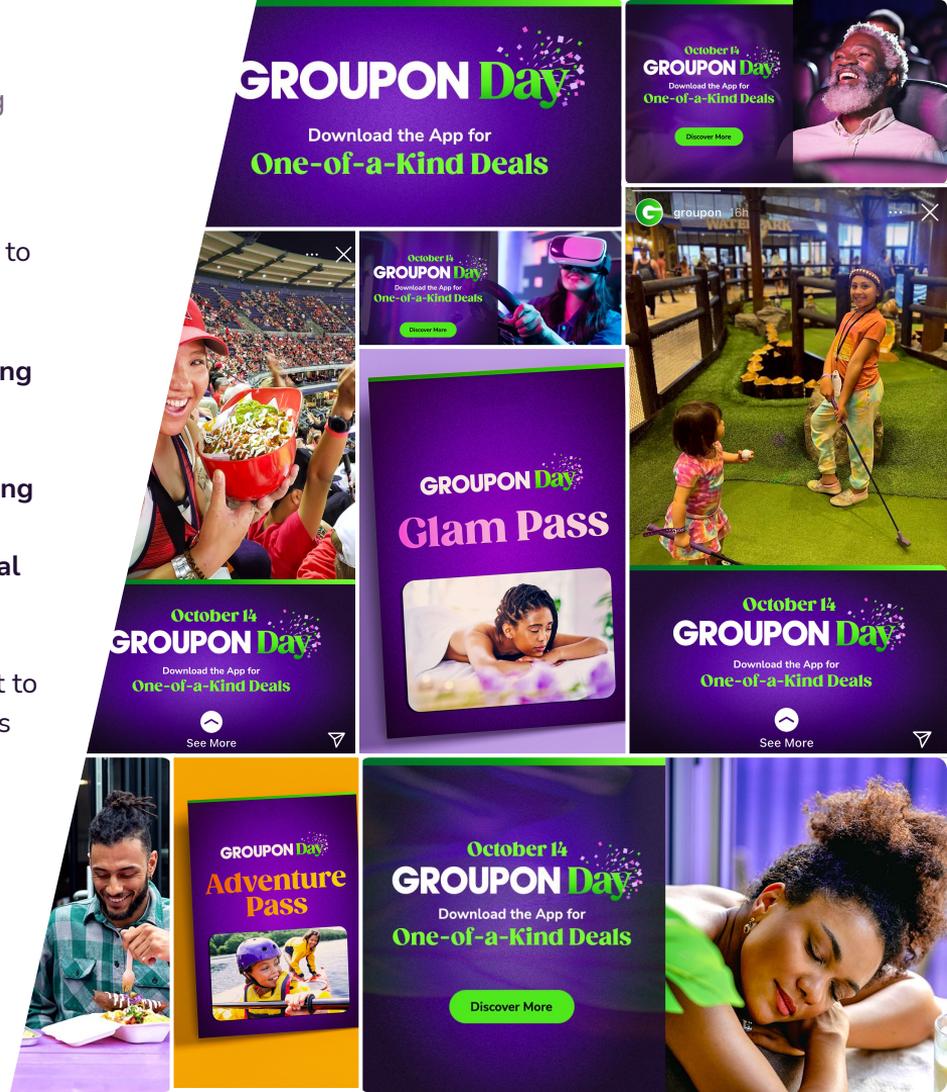




Testing into Marketing to Drive Growth

Strategic marketing will play a key role in retaining and bringing new customers to our platform

- Given the operational progress we've made, we are now in a position to **increase our marketing investment to drive growth**
- Significantly **increased our investments in SEM and Display marketing** in Q3; confident that these will deliver incremental ROI over time
- **Reallocating performance marketing dollars to mid-funnel marketing campaigns** in Q4 to **optimize our marketing spend**
 - Started testing in October with the launch of our **second annual Groupon Day**
- Will continue to **test, learn and recalibrate** our marketing investment to make our investments in performance marketing deliver better returns





Differentiate Inventory to Drive Growth

Testing **curated inventory collections** that combine Local inventory in new, unique ways to drive consumer demand

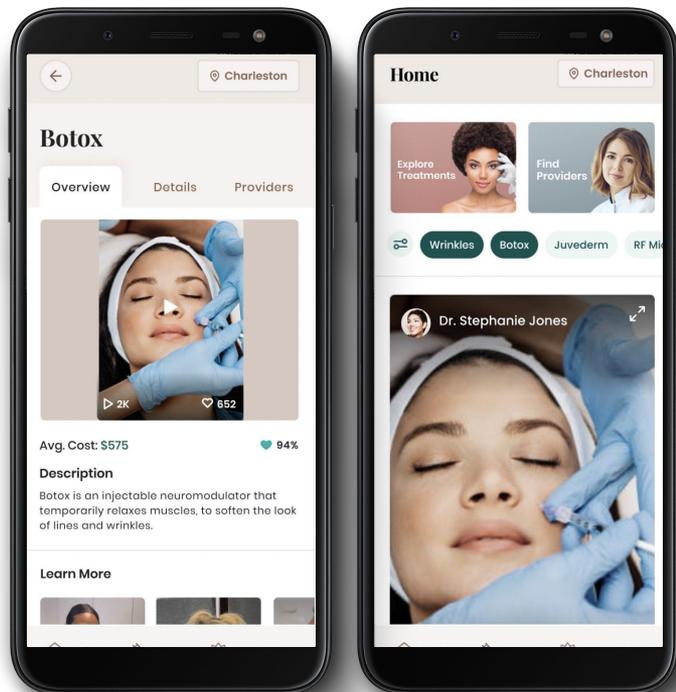
- We have a broad spectrum of Deal inventory, but our offering is not always differentiated enough to be compelling to consumers
- These will be **unique to Groupon** - only we have the breadth of transactable inventory to offer these packages
- Allow us to **satisfy customer intent** and **deliver the 'wow' factor** customers want
- **Launched a test of this concept** in late July in Chicago and UK markets





Differentiate Inventory to Drive Growth

Launching Beauty platform to better serve high-intent customers



- Taking an **innovative approach to attract top-tier inventory** and better serve high-intent customers
- Plan to launch a new standalone **Beauty platform** for high-intent customers looking to explore and find trusted providers for **minimally invasive beauty treatments**
 - **Highly curated** that is **not on deep discount**
 - **Trust** will be a cornerstone of new marketplace
- **Plan to launch a test of this concept by end of 2022 in Charleston**



Third Quarter Results

Key third quarter results

20M

Active
Customers¹

12M

Units
Sold

\$434M

Billings

\$144M

Revenue

\$126M

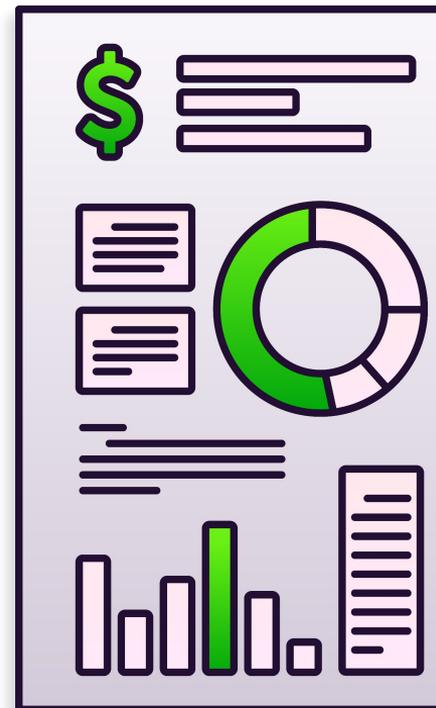
Gross Profit

\$(9)M

Adjusted
EBITDA²

\$308M

Cash
(as of 9/30)³



1. Active Customers are defined as unique user accounts that have made a purchase during the trailing twelve months ("TTM") either through one of our online marketplaces or directly with a merchant for which we earned a commission
2. Adjusted EBITDA (AEBITDA) is a non-GAAP financial measure. See the appendix for a reconciliation to the most comparable U.S. GAAP financial measure, "Net income (loss)"
3. Includes \$110M of outstanding borrowings under our revolving credit facility

Additional insights on third quarter results



Q3 Global Local Billings - NA and International Local Billings at 49% and 51% of 2019 levels, respectively, as Local performance remains stable



Grew our high value, active Local customer base year-over-year in International by 22%, improving the composition of our International customer base



Well on our way to **control fixed costs** and ensure we have the financial flexibility we need to navigate the recovery and invest in future growth opportunities

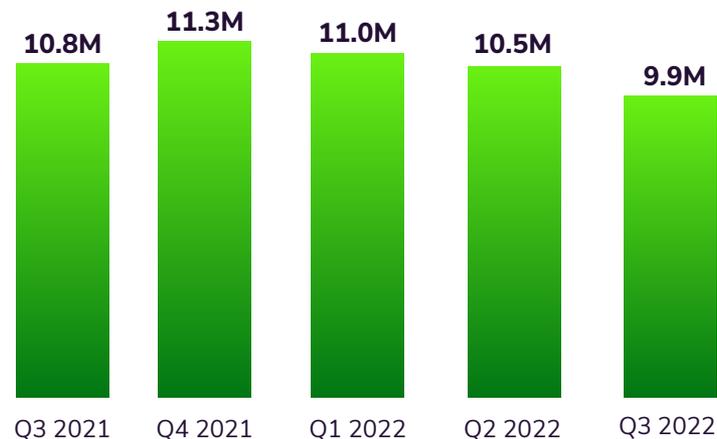


Ended second quarter with a **cash balance of \$308 million**, which includes \$110 million drawn on the revolver

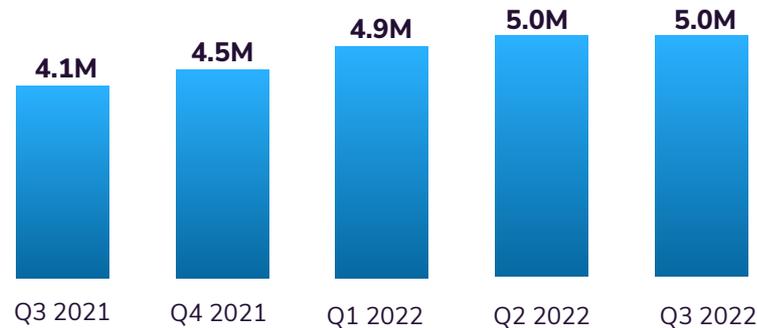
Initiatives Aimed at Customer Retention and Purchase Frequency

Focused on meeting the needs of our high-value Local customer base to unlock purchase frequency and drive more demand to Groupon merchant partners

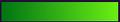
NA Active Local Customers ¹



Intl Active Local Customers ¹



1. Active Local Customers are defined as unique user accounts that have made a Local purchase during the TTM either through one of our online marketplaces or directly with a merchant partner for which we earned a commission. Excludes cross shoppers and CLO.



4Q22 Perspective

4Q22 perspective

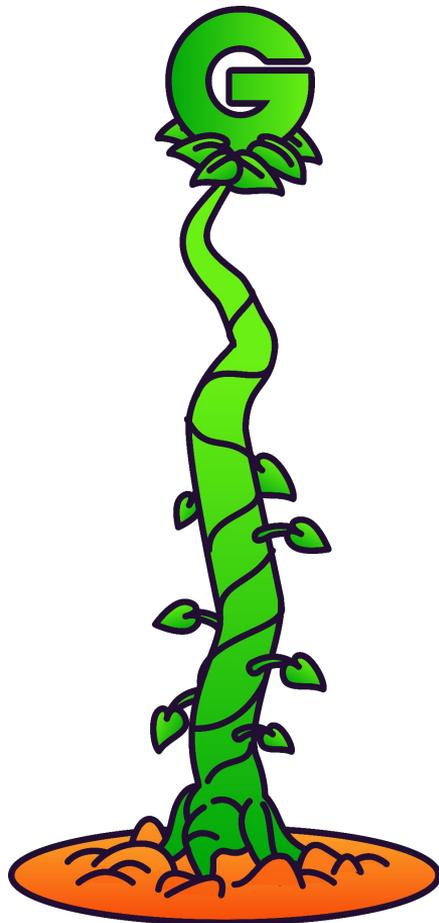
Factors to Consider

- **Estimated October Local Billings (FXN) ⁽¹⁾:**
 - **North America:** ~52% of 2019 levels, or roughly 300 bps above 3Q levels
 - **International:** In-line with Q3 levels, or ~50% of 2019 levels on an FX neutral basis
 - **Consolidated:** ~51% of 2019 levels on an FX neutral basis
- **Marketing:** Expect to continue to invest in marketing overall if we see opportunities to drive attractive returns
- **SG&A:** Expect Q4 SG&A to be relatively in line with Q3
- **Consolidated Local Margins:** Expect to be relatively in-line with Q3
- **Cash Flow:** Expect to generate free cash flow in Q4



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1. As of December 31, 2021



Appendix

Implications for Expense Reductions

Multi-Phase Cost Savings Plan

- Phase 1 will reduce current cost structure by \$150M
- Majority of actions will occur in 2022 and relate to the following areas:
 - Right-sizing our tech org to align with our current and future business needs; Intend to reduce tech costs by ~\$60M, or nearly 30% of annual spend
 - Reducing the size of our North America sales force as we leverage self-service more broadly for existing and new merchants
 - Additional cost savings from combination of process improvements and the right-sizing of our facilities footprint

Expected P&L Impacts

- Plan to achieve ~\$150M run-rate savings by the end of 2023
 - Moving fast to unlock nearly \$100M in annual run-rate savings by the end of 2022
 - Savings will start showing up in the fourth quarter but will be partially offset by cloud and other transition expenses
 - Expect to incur \$10 to \$20 million of pretax charges in connection with our savings plan; will be adjusted out from EBITDA
 - 2H22 SG&A expected to be ~\$10M lower than 1H22
- The balance of the cost savings will come in 2023 P&L and cash flow
- Goal to identify an additional \$50 million of savings and related cost actions by the end of 2023 (beyond phase 1)

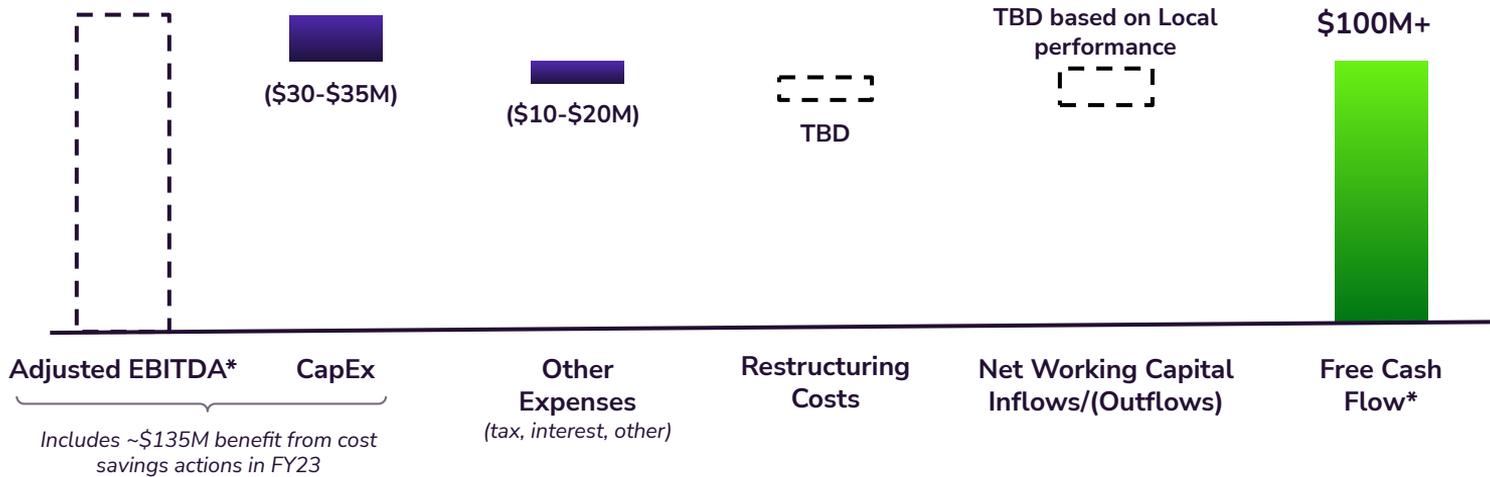
Expected SG&A and Cash Implications for Expense Reductions

		<u>SG&A</u> ⁽¹⁾	<u>Cash Savings</u>
2021 SG&A ⁽¹⁾		\$440M	
2022 Cloud migration costs	+	\$35M	
2022 Wage & other inflation	+	\$15M	
SG&A - adjusted baseline		\$490M	
SG&A Cost Savings	-	\$(100)M	\$(100)M
CapEx Reduction	-	--	\$(15)M
Other Savings (non-SG&A)	-	--	\$(20)M
2023E for SG&A ⁽²⁾		\$390M	
Other Savings post-2023		--	\$(15)M
Total Expected Cost Savings		\$100M	\$(150)M

(1) Excludes depreciation and amortization and stock-based compensation. See the appendix for a reconciliation of this non-U.S. GAAP measure to the most comparable U.S. GAAP financial measure, SG&A.

(2) Excludes depreciation and amortization and stock-based compensation. 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.

FY 2023 Adjusted EBITDA to Free Cash Flow Conversion



- Positioned to achieve \$100M free cash flow* starting in FY 2023
- Expect CapEx and Other Expenses cash outflows to total \$40 to \$55 million in 2023
- Changes to Net Working Capital on Free Cash Flow will be dependent primarily on the performance of our Local business
 - Typically, when Local Billings grow sequentially this creates a Net Working Capital inflow

* 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.

Goods revenue presentation

1P vs. 3P example¹: \$100 customer purchase

	First Party Goods	Third Party Goods	
Billings	\$100	\$100	Billings don't change; this is what our customer pays to Groupon
Revenue	\$100	\$17	In 3P model, Groupon revenue is the commission from the sale (net of merchant payment)
Gross Profit	\$15	\$15	Gross Profit dollars are not impacted



- NA transition completed in 4Q 2020, INTL transition completed in 4Q 2021
- 3P revenue take rate is lower because it is presented on a net basis

¹. Example is for illustrative purposes only and does not reflect any forward looking perspective on Goods margins or volume

Minority Investments Overview

- SumUp Holdings S.a.r.l. (“SumUp”)
 - Groupon has been a passive investor in SumUp, a privately-held, global payments service provider, since 2013 and currently holds a 2.29% non-controlling ownership interest
 - There is no public market for SumUp securities at this time.
- Other Minority Investments:
 - Groupon holds non-controlling minority investments in Monster Holdings LP and Nearbuy Pte Ltd. Both of these investments had a fair value of zero as of December 31, 2021.
 - Groupon also has non-controlling investments in various other entities.

Non-GAAP Reconciliations*

Adjusted EBITDA - Quarterly (in thousands)

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

	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
Net income (loss)	\$ 78,701	\$ 30,328	\$ (34,352)	\$ (90,250)	\$ (55,543)
Adjustments:					
Stock-based compensation	8,204	8,048	7,506	8,572	8,116
Depreciation and amortization	17,617	19,212	17,369	16,494	14,706
Goodwill impairment	—	—	—	35,424	—
Long-lived asset impairment	—	—	—	8,811	—
Restructuring and related charges ⁽¹⁾	12,483	7,745	312	2,939	4,912
Other (income) expense, net ⁽²⁾	(82,533)	5,049	4,880	21,340	23,541
Provision (benefit) for income taxes	135	(33,096)	(2,675)	2,398	(4,328)
Total adjustments	(44,094)	6,958	27,392	95,978	46,947
Adjusted EBITDA	\$ 34,607	\$ 37,286	\$ (6,960)	\$ 5,728	\$ (8,596)

- (1) Restructuring and related charges includes \$7.7 million of long-lived asset impairments for the three months ended September 30, 2021, \$1.2 million for the three months ended June 30, 2022, and \$1.8 million for the three months ended September 30, 2022.
- (2) Other income (expense), net includes an \$89.1 million unrealized gain due to an upward adjustment for an observable price change of an other equity investment for the three months ended September 30, 2021.

*See Q3 2022 earnings press release posted on our Investor Relations website for additional information regarding non-GAAP financial measures

Non-GAAP Reconciliations*

Free Cash Flow (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.

	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022
Net cash provided by (used in) operating activities	\$ (74,176)	\$ 30,988	\$ (78,164)	\$ (30,192)	\$ (43,494)
Purchases of property and equipment and capitalized software	(13,405)	(11,765)	(13,001)	(9,148)	(8,346)
Free cash flow	\$ (87,581)	\$ 19,223	\$ (91,165)	\$ (39,340)	\$ (51,840)
Net cash provided by (used in) investing activities	\$ (11,530)	\$ (12,314)	\$ (13,916)	\$ (9,779)	\$ (8,877)
Net cash provided by (used in) financing activities	\$ (2,047)	\$ (3,382)	\$ (2,964)	\$ (43,340)	\$ 48,811

*See Q3 2022 earnings press release posted on our Investor Relations website for additional information regarding non-GAAP financial measures

Non-GAAP Reconciliations*

Local gross billings as a percentage of 2019

	Three Months Ended September 30, 2022		
	At Avg. Q3 2019 Rates ⁽¹⁾	Exchange Rate Effect ⁽²⁾	As Reported
Local Gross Billings as a % of 2019			
North America	49 %	— %	49 %
International	51 %	(4)%	47 %
Consolidated	49 %	(1)%	48 %

(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 Q3 2019.

(2) Represents the increase or decrease in the reported amount resulting from changes in exchange rates from those in effect in Q3 2019.

Non-GAAP Reconciliations*

Selling, general and administrative reconciliation

	<u>Year Ended December 31, 2021</u>	
Selling, general and administrative		
As Reported	\$	511,096
Less: Stock-based compensation		31,836
Less: Depreciation and amortization		40,081
Adjusted selling, general and administrative	\$	<u>439,179</u>

*See Q3 2022 earnings press release posted on our Investor Relations website for additional information regarding non-GAAP financial measures