Risk Factors Comparison 2024-03-15 to 2023-03-16 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text Moved Text Section

The following is a summary of some of the risks and uncertainties that could materially adversely affect our business, prospects, financial condition, operating results and the trading price of our ~~common~~ **Common** ~~stock~~ **Stock** . You should read this summary together with the more detailed description of each risk factor contained below. Risks Related to Our Business, Operations and Strategy • Our strategy may be unsuccessful and may expose us to additional risks. If our strategy does not achieve its expected benefits, there could be negative impacts to our business, financial condition and results of operations. • Our restructuring plan could be disruptive to our operations and adversely affect our results of operations and financial condition, and we may not realize some or all of the anticipated benefits of this plan in the time frame anticipated or at all. • Our operating results may vary significantly from quarter to quarter. • Our 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 international markets may adversely affect our business. • Our ~~future success depends upon our ability to attract and retain high quality merchants and third- party business partners. • If we fail to retain our existing customers or acquire new customers, our operating results and business will be harmed. • We operate in a highly competitive industry with relatively low barriers to entry and must compete successfully in order to grow our business. • Our~~ success is dependent upon our ability to provide a superior mobile experience for our customers and our customers' continued ability to access our offerings through mobile devices. • An increase in our refund rates or estimated liabilities with respect to unredeemed vouchers could adversely affect our financial results. • The loss of key executives, members of our management team and employees across our organization, or our failure to attract and retain other highly qualified personnel in the future could harm our business. • **Our** ~~Failure to deal effectively with fraudulent transactions and customer disputes would increase our loss rate and harm our business. • We are subject to payments- related risks. • We have identified a~~ material weakness in ~~our~~ internal control over financial reporting ~~, which~~ could ~~, if not remediated or if we identify additional material weaknesses or other adverse findings in the future,~~ impair our ability to report accurate and timely financial information ~~, adversely affect investor confidence~~ and have a material and adverse effect on our financial condition and results of operations. Risks Related to Technology and Cybersecurity ~~• We rely on email, Internet search engines and mobile application marketplaces to drive traffic to our marketplace.~~ • We may be subject to breaches of our information technology systems, which could harm our relationships with our customers, merchants, employees and third- party business partners, subject us to negative publicity and litigation, and cause substantial harm to our business or brand. • Our business depends on our ability to maintain and improve the technology infrastructure necessary to send our emails and operate our websites, mobile applications and transaction processing systems, and any significant disruption in service on our email network infrastructure, websites, mobile applications or transaction processing systems could result in a loss of customers or merchants. • As we increase our reliance on cloud- based applications and platforms to operate and deliver our products and services, any disruption or interference with these platforms could adversely affect our financial condition and results of operations. Risks Related to Transactions and Investments • Acquisitions, dispositions, joint ventures and strategic investments could result in operating difficulties, dilution and other consequences. • We do not have the ability to exert control over our minority investments, and therefore we are dependent on others in order to realize their potential benefits. Risks Related to Our Brand and Intellectual Property • We allow third parties to sell products via our site, which increases our risk of litigation and other losses. • We may be subject to substantial liability claims and damage to our brand and reputation if people or property are harmed by the products or services offered through our marketplace. • We may not be able to adequately protect our intellectual property rights or may be accused of infringing intellectual property rights of third parties. ~~• Our business depends on a strong brand, and if we are not able to maintain and enhance our brand, our ability to expand our base of customers and merchants could be impaired and our business and operating results could be harmed.~~ Risks Related to Legal, Regulatory, Privacy and Tax Matters • We are involved in pending litigation and other claims and an adverse resolution of such matters may adversely affect our business, financial condition, results of operations and cash flows. • The application of certain laws and regulations, including, among other laws, the CARD Act and similar state and foreign laws, may harm our business and results of operations. • If we are required to materially increase the liability recorded in our financial statements with respect to unredeemed vouchers **,** our results of operations could be materially and adversely affected ~~. • Government regulation of the Internet and e- commerce is evolving, and unfavorable changes or failure by us to comply with these regulations could substantially harm our business and results of operations. • Failure to comply with existing, expanding or newly enacted U. S. federal, state and international privacy laws and regulations, could adversely affect our business. • Misclassification or reclassification of our independent contractors, agency workers or employees could increase our costs and adversely impact our business. • We may suffer liability as a result of information or content retrieved from or transmitted over the Internet and claims related to our service offerings. • We may have exposure to greater than anticipated tax liabilities. • The adoption of tax reform policies, including the enactment of legislation or regulations implementing changes in the tax treatment of companies engaged in Internet commerce and U. S. taxation could materially affect our financial position and results of operations. • Our ability to use our tax attributes to reduce future U. S. income taxes could be subject to certain limitations~~ . • Federal laws and regulations, such as the Bank Secrecy Act and the USA PATRIOT Act and similar foreign laws, could be expanded to include Groupon vouchers or other offerings. • State and foreign laws regulating money transmission could be expanded to include Groupon vouchers or other Groupon products or services. **• Failure to comply with existing, expanding or newly enacted U. S. federal, state and international privacy laws and regulations, could adversely affect our business. •**

Misclassification or reclassification of our independent contractors, agency workers or employees could increase our costs and adversely impact our business. • The adoption of tax reform policies, including the enactment of legislation or regulations implementing changes in the tax treatment of companies engaged in Internet commerce and U. S. taxation could materially affect our financial position and results of operations. Risks Related to Our Capital Structure • Our access to capital **may be limited** and **our** ability to successfully manage and raise capital in the future may **fail** ~~be limited~~, which could prevent us from growing ~~,~~ **and** adversely impact our liquidity ~~and our existing credit agreement could restrict our business activities. • Our financial statements contain a statement regarding a substantial doubt about the Company' s ability to continue as a going concern~~. • We may not have the ability to raise the funds necessary to settle conversions of the 2026 Notes in cash, to repurchase the 2026 Notes upon a fundamental change or to repay the 2026 Notes in cash at their maturity (if not earlier converted, redeemed or repurchased), and our current and future debt may contain limitations on our ability to pay cash upon conversions of the 2026 Notes or at their maturity or to repurchase the 2026 Notes. • The terms of the 2026 Notes could delay or prevent an attempt to take over our Company. • The conditional conversion feature of the 2026 Notes, if triggered, may adversely affect our financial condition and operating results. Risks Related to Ownership of Our Common Stock • The trading price of our ~~common~~ **Common** ~~stock~~ **Stock** is highly volatile ~~. • If securities or industry analysts do not publish research or reports about our business, or publish inaccurate or unfavorable research reports about our business, our share price and trading volume could decline. • We do not intend to pay dividends for the foreseeable future. • Provisions in our charter documents and under Delaware law could discourage a takeover that stockholders may consider favorable~~. • The capped call transactions may affect the value of our 2026 Notes ~~common~~ **Common** ~~stock~~ **Stock**. • We are subject to counterparty risk with respect to the capped call transactions. We are implementing a strategy to become the trusted marketplace where customers go to buy local services and experiences and return the Company to growth. We intend to execute our strategy by building long- term relationships with local merchants to improve our inventory selection and improving the customer experience through inventory curation and improved convenience in order to drive customer demand and purchase frequency. ~~.~~ There are no assurances that our actions will be successful in executing our strategy and returning the Company to growth. Our efforts may prove more difficult than we currently anticipate. Further, we may not succeed in realizing the benefits of these efforts on our anticipated timeline or at all. In addition, as we implement our strategy, the macroeconomic environment, including but not limited to ~~, certain adverse consequences of the COVID- 19 pandemic that continue to impact the macroeconomic environment~~, inflationary pressures, higher labor costs, labor shortages, supply chain challenges and resulting changes in consumer and merchant behavior may make it more difficult to effectively execute our strategy, including to quickly test, learn and scale initiatives relating to improving inventory selection or improving customer experience. Even if fully implemented, our strategy may not result in a return to growth or the other anticipated benefits to our business, financial condition and results of operations. If we are unable to effectively execute our strategy and realize its anticipated benefits, it could negatively impact our business, financial condition and results of operations. In August 2022, we initiated a multi- phase cost savings plan designed to reduce our expense structure and align with our go- forward business and financial objectives. The cost savings plan included a restructuring plan ~~, with~~ **and each phase of the restructuring plan was approved by our Board as follows:** the first phase **was** ~~of the plan~~ approved **in** ~~by our Board of Directors on~~ August ~~5,~~ 2022 ~~and~~ **,** the second phase **was** approved **in** ~~by our Board of Directors on~~ January ~~25,~~ **2023 and the third phase was approved in July** 2023. The implementation of the restructuring plan, including the impact of workforce reductions and other non- payroll cost savings measures could be disruptive to our operations, make it difficult to attract or retain employees, result in higher than anticipated charges, and otherwise adversely affect our results of operations and financial condition. In addition, our ability to complete the restructuring plan and achieve the anticipated benefits from the plan within the expected time frame **,** or at all **,** is subject to estimates and assumptions and may vary materially from our expectations, including as a result of factors that are beyond our control. Furthermore, following completion of the restructuring plan, our business may not be more efficient or effective than prior to implementation of the restructuring plan. Our operating results may vary significantly from quarter to quarter due to the rapidly evolving nature of our business and other reasons. We believe that our ability to achieve and maintain revenue growth and profitability will depend, among other factors, on our ability to: • respond to macroeconomic challenges, including but not limited to ~~, certain adverse consequences of the COVID- 19 pandemic that continue to impact the macroeconomic environment~~, inflationary pressures, higher labor costs, labor shortages, supply chain challenges and resulting changes in consumer and merchant behavior and the ability to optimize our supply to take into account consumer preferences at a particular point in time; • acquire new customers, retain existing customers **,** and increase customer purchase frequency; • attract and retain high- quality merchants; • maintain our current relationships with or attract new vendors, suppliers and service providers on agreeable terms; • maintain contracts that are critical to our operations; • attract and retain key employees, including attracting and retaining talent with an appropriate level of skill and experience, including product and technology expertise, cybersecurity expertise, GAAP knowledge and experience to create the proper control environment for effective internal control over financial reporting; • effectively address and respond to challenges in international markets; • increase the variety, quality, density and relevance of supply, including through third party business partners and technology integrations; • deliver a marketplace experience on our website and mobile applications that meets the needs of our customers and merchants; • increase booking capabilities; • increase the awareness of, and evolve, our brand to a local experiences marketplace; • continue to reduce costs and maintain cost discipline to benefit from our reduced cost structure; • **maintain the** performance of our Goods category following transition to a third party marketplace model; • successfully achieve the anticipated benefits of business combinations or acquisitions, strategic investments and divestitures; • complete the multi- phased cost savings plan and achieve the anticipated benefits from the plan; • provide a superior customer service experience for our customers; • avoid interruptions to our services, including as a result of attempted or successful cybersecurity attacks or breaches; • respond to continuous changes in consumer and merchant use of technology; • optimize and diversify our traffic channels; • react to challenges from existing and new competitors; • respond to periodic changes in supply and demand; and • address challenges from existing and new laws and regulations. In addition, our margins and profitability may depend on our inventory mix, geographic revenue mix, discount rates mix and merchant and third- party business partner pricing terms. Accordingly, our operating results and profitability may vary significantly from quarter to quarter. Our international 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 international 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, ~~certain adverse consequences of the COVID- 19 pandemic that continue to impact the macroeconomic environment,~~ inflationary pressures, higher labor costs, labor shortages, supply chain challenges and resulting changes in consumer and merchant behavior and the ability to optimize our supply to take into account consumer preferences at a particular point in time; • 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** ; • 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 product and technology expertise, cybersecurity expertise, GAAP knowledge and experience to create the proper control environment for effective internal control over financial reporting, 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 Foreign Corrupt Practices Act, the UK Anti- Bribery Act and similar local laws prohibiting certain payments to government officials, banking and payment processing regulations and anti- competition regulations, among others. The cost of complying with these various, and sometimes conflicting, laws and regulations is substantial. We have implemented and continue to implement policies and procedures to ensure compliance with these laws and regulations, however, we cannot ensure that our employees, contractors, or agents will not violate our policies. Changing laws, regulations and enforcement actions in the United States and throughout the world could harm our business. If commercial and regulatory constraints in our international markets restrict our ability to conduct our operations or execute our strategic plan, our business may be adversely affected. **Our future success depends upon our ability to attract and retain high quality merchants and third- party business partners.** We must continue to attract and retain high quality merchants in order to increase profitability and grow our marketplace. A key priority of our strategy is to improve inventory selection on our marketplace, which depends on our ability to attract and retain the right merchants. We are also focused on improving the merchant experience on our platform, including improving tools available to merchants to help grow their businesses. Further, ~~COVID- 19~~ **when the macroeconomic environment** negatively ~~impacted~~ **impacts** ~~many of~~ our merchants, including through staffing shortages and supply chain issues, ~~and in some cases~~ we have not been, and may not be able to retain or re- acquire these merchants in the future. In addition, our Goods category utilizes a third- party marketplace model, and we may not be able to maintain vendor relationships on favorable payment terms, margins or at all. If we are not able to effectively attract and retain merchants or third party partners, it could adversely affect our business and results of operations. In addition, in most instances, we do not have long- term arrangements to guarantee the availability of deals that offer attractive quality, value and variety to customers or favorable payment terms to us. If merchants or third party partners decide that utilizing our services no longer provides an effective means of attracting new customers or selling their offerings, they may stop working with us or negotiate to pay us lower margins or fees. In addition, current or future competitors may accept lower margins, or negative margins, to secure offers that attract attention and acquire new customers. We also may experience attrition in our merchants resulting from several factors, including losses to competitors and merchant closures or merchant bankruptcies. If we are unable to attract and retain high quality merchants and third party partners in numbers sufficient to grow our business, or if merchants and third party partners are unwilling to offer products or services with compelling terms through our marketplace, our operating results may be adversely affected. **If we fail to retain our existing customers or acquire new customers, our operating results and business will be harmed.** We must continue to retain and acquire customers who make purchases on our platform in order to increase profitability and grow our marketplace. ~~COVID- 19 negatively impacted our ability to attract and retain customers, and although~~ **Although** we remain focused on re- engaging prior customers and acquiring new customers, our efforts may not be successful. **We also expect** ~~Further, as our customer base evolves, the composition of our customers may change in a manner that makes it more difficult~~ to **continue** ~~generate revenue~~ to **invest significant resources to retain** ~~offset the loss of prior and~~ existing customers and ~~the costs associated~~ **acquire new customers. There can be no assurance that new customers will stay** with **us or that the net revenues from any new customers we acquire will ultimately exceed the cost of** acquiring **those** ~~and retaining~~ customers ~~and to maintain or increase our customers' purchase frequency~~ . If customers do not perceive our offerings to be attractive or if we fail to introduce new and more relevant deals or increase awareness and understanding of the offerings on our marketplace platform, we may not be able to retain or acquire customers at levels necessary to grow our business and profitability. In addition, changes to search engine algorithms or similar actions are not within our control and could adversely affect traffic to our websites and mobile applications. If we are unable to re- engage and acquire new customers in numbers sufficient to grow our business and offset the number of customers that have ceased to make purchases, or if new customers do not make purchases at expected levels, our revenue may decrease and our operating results may be adversely affected. **We operate in a highly competitive industry with relatively low barriers to entry and must compete successfully in order to grow our business.** Competition in our industry may increase in future periods. We compete against e- commerce sites that attempt to replicate our business model **by** ~~, companies that offer~~ **offering** other types of advertising and promotional services to local businesses and companies who address only specific verticals in the local experiences market. In addition to such competitors, we may experience increased competition from other large businesses who offer deals similar to ours as an add- on to their core business. We also compete with other companies that offer digital coupons through their websites or mobile applications. Further, we compete against other e- commerce companies that serve niche markets and interests, including within the local experiences market. In our Travel and Goods categories, we compete against much larger companies who have more resources and significantly greater scale. In addition, we compete with traditional offline coupon and discount services, as well as newspapers, magazines and other traditional media companies who provide coupons and discounts on products and services. We believe that our ability to compete successfully depends upon many factors both within and beyond our control, including the following: • the continued consequences of the macroeconomic environment, including but not limited to ~~, certain adverse consequences of the COVID- 19 pandemic that continue to impact the macroeconomic environment~~ , inflationary pressures, higher labor costs, labor shortages, supply chain challenges and resulting changes in consumer and merchant behavior; • the size, composition and retention of our customer and merchant bases; • density and quality of our inventory; • delivery of a modern user experience for customers and modern experience and tools for merchants; • mobile penetration; • understanding local business trends; • our ability to structure deals to generate positive return on investment for merchants; • the timing and market acceptance of deals we offer, including the developments and enhancements to those deals offered by us or our competitors; • our customer and merchant service and support efforts; • our ability to maintain our current relationships with or attract new vendors, suppliers and service providers on agreeable terms; • our ability to maintain contracts that are critical to our operations; • selling and marketing efforts; • ease of use, performance, price and reliability of services offered either by us or our competitors; • our ability to improve customer purchase frequency and customer lifetime value; • our ability to drive traffic to our marketplace; • the number, quality and reliability of the digital coupons that can be accessed through our platform; • the quality and performance of our merchants; • our ability to cost- effectively manage our operations and to complete the multi- phased cost savings plan and achieve the anticipated benefits from the plan; and • our reputation and brand strength relative to our competitors. Some of our competitors have longer operating histories, greater financial, marketing and other resources and larger customer bases than we do. These factors may allow our competitors to benefit from their existing customer base with lower customer acquisition costs or to respond more quickly than we can to new or emerging technologies and changes in consumer habits. Further, the macroeconomic environment may not have had **,** or in the future have **,** a comparable impact on these competitors' businesses. In addition, our competitors may engage in more extensive research and development efforts, undertake more far- reaching marketing campaigns and adopt more aggressive pricing policies **than we do** , which may allow them to build larger customer and / or merchant bases or generate revenue from their customer bases more effectively than we do. Our competitors may offer deals that are similar to the deals we offer or that achieve greater market acceptance than the deals we offer. This could ~~attract~~ **divert** customers away from our websites and mobile applications, reduce our market share and adversely impact our gross profit. In addition, we are dependent on some of our existing or potential competitors for display advertisements and other marketing initiatives to acquire new customers. Our ability to utilize their platforms to acquire new customers may be adversely affected if they choose to compete more directly with us or prevent us from using their services. In the year ended December 31, ~~2022~~ **2023** , ~~over~~ **approximately** 80 % of our global transactions were completed on mobile devices. In order to continue to grow our mobile transactions and improve mobile conversion rates, it is critical that our applications are compatible with a range of mobile technologies, systems, networks and standards and that we provide a good, modern customer experience. Our business may be adversely affected if our customers choose not to access our offerings on their mobile devices, we are not successful in increasing mobile conversion rates **,** or if we fail to develop applications and product enhancements with adequate functionality and a positive customer experience on a wide range of mobile devices. In addition, the success of our mobile application depends on our continued ability to distribute it through mobile application marketplaces (e. g., an app store). In prior years, COVID- 19 had a significant impact on refunds **,** and any downturns in general economic conditions or extended period of low consumer confidence in the future could also increase our refund rates. An increase in our refund rates could significantly reduce our liquidity, profitability and financial results. We estimate future refunds based on historical refund experience by category. We assess the trends that could affect our estimates on an ongoing basis and make adjustments to the refund reserve calculations if it appears that changes in circumstances, including changes to our refund policies or general economic conditions, may cause future refunds to differ from our initial estimates. Our actual level of refund claims could prove to be greater than the level of refund claims we estimate. If our refund reserves are not adequate to cover future refund claims, this inadequacy could have a material adverse effect on our financial results. In addition, we may not be able to obtain reimbursement from merchants for refunds that we issue, which could have an adverse effect on our financial results. We primarily use redemption payment terms with our merchants globally, and we are required under the applicable revenue recognition standard to estimate variable consideration from unredeemed vouchers. As a result, a significant percentage of our transactions require us to use projections in order to estimate revenue and liabilities associated with unredeemed vouchers. If the estimates that we use in projecting the likelihood of vouchers being redeemed prove to be inaccurate, our liabilities with respect to unredeemed vouchers may be materially different than the amounts shown in our financial statements, and our revenue and net income could be materially affected. In order to be successful, we must attract, retain and motivate executives and other key employees, including those in managerial, technical, accounting and sales positions. Hiring and retaining qualified executives, engineers, sales representatives and other key personnel are critical to our success, and competition can be intense for experienced and well qualified executives and employees, particularly in recent periods. In 2021 and 2022, we experienced significant leadership changes, including the appointment of a new Chief Executive Officer in December 2021, as well as appointing our Interim Chief Financial Officer and Interim Chief Accounting Officer into such roles permanently in November 2022 and May 2022, respectively. Additionally, in February 2023, our Chief Administrative Officer, General Counsel and Corporate Secretary resigned **, in March 2023, we appointed a new Interim Chief Executive Officer, in April 2023 we appointed a new Chief Financial Officer and in May 2023 we appointed a new Interim Chief Accounting Officer who was then appointed as Chief Accounting Officer in November 2023** . Furthermore, we have experienced continued disruption in our business due to the announcement of our cost savings plan and significant turnover in our senior management team. Reductions in our workforce have led to employees filling certain key roles and we may experience additional changes in key roles in the future. Executive leadership and senior management transitions, reductions in workforce and significant employee turnover can be time consuming, difficult to manage, create instability, cause disruption to our business **and the loss of institutional knowledge** , **and any of these issues could** impede **the execution of** our day- to- day operations and our ability to fully implement our business and growth strategy. These impacts also make it more difficult to attract and retain talent ~~. In addition, such transitions, reductions in workforce and turnover cause the loss of institutional knowledge, which can negatively impact the execution of our day- to- day operations and the ability to carry out our business strategy~~ . In order to attract and retain key executives and employees in a competitive marketplace, we must provide a competitive compensation package, including cash and equity- based compensation. If the anticipated value of such equity- based compensation does not materialize, if our equity- based compensation otherwise ceases to be viewed as a valuable benefit or if our total compensation package is not viewed as competitive, our ability to attract, retain and motivate key executives and employees could be weakened. The failure to successfully hire and retain key executives and employees or the further loss of any key executives, senior management and employees could have a significant impact on our operations, including declining product identity and competitive differentiation, eroding employee morale and productivity or an inability to maintain internal controls, regulatory or other compliance related requirements. **Failure to deal effectively with fraudulent transactions and customer disputes would increase our loss rate and harm our business.** We sell a variety of offerings to consumers through our marketplace, including our vouchers and digital coupon offerings with unique identifier codes. It is possible that consumers or other third parties will seek to create counterfeit vouchers or codes, fraudulent accounts or fraudulent banking information in order to improperly purchase or redeem goods and services. While we use advanced anti- fraud technologies, criminals may attempt to circumvent our anti- fraud systems using increasingly sophisticated methods. In addition, our service could be subject to employee fraud or other internal security breaches or merchant fraud, and we may be required to reimburse customers or merchants for any funds stolen or revenue lost as a result of such breaches. If merchants are affected by buyer fraud or other types of fraud, they could also request reimbursement, or stop offering goods or services on our marketplaces. Although we have not incurred material losses from fraud or counterfeit vouchers or digital codes in the past, we could incur material losses from such activities in future periods. Additionally, we may incur losses from claims that the customer did not authorize a purchase, from credit card fraud, from merchant fraud, from erroneous transmissions, and from customers who have closed bank accounts or have insufficient funds in them to satisfy payments. We also may incur losses as a result of purchases made with fraudulent credit card information, even if the associated financial institution approved payment of the transaction. In addition to the direct costs of any such losses, if the losses are related to credit card transactions and become excessive, they could potentially result in our losing the right to accept credit cards for payment. If we were unable to accept credit cards for payment, we would suffer substantial reductions in revenue, which would cause our business to suffer. While we have taken measures to detect and reduce the risk of fraud, these measures need continual improvement and may not be effective against new and continually evolving forms of fraud and may not timely detect fraud. If we are unable to effectively combat fraudulent transactions or if we otherwise experience increased levels of fraud or disputed credit card payments, our business could materially suffer. We **are subject to payments- related risks. We** accept payments using a variety of methods, including credit cards, debit cards and gift certificates. As we offer new payment options to customers, we may be subject to additional regulations, compliance requirements and fraud. For certain payment methods, including credit and debit cards, we pay interchange and other fees, which may increase over time and raise our operating costs and lower profitability. In addition, our credit card and other payment processors generally have broad discretion to impose receivable holdbacks or reserve requirements based on changes to our business model or material changes in our financial condition, and could do so in the future. Any material increase in receivable holdbacks or reserve requirements could have a material impact on our cash flow and available liquidity. In the event our strategy is unsuccessful or our business and financial condition deteriorates significantly, these payment processors could increase holdback amounts or reserve requirements due to concerns with our financial condition, which could adversely affect our liquidity. Additionally, if any of our payment processors, who we rely on for processing of credit cards and debit cards, were to become unwilling or unable to provide these services to us, including by terminating ~~its~~ **a** relationship with us, whether as a result of a failure by us to meet our contractual obligations or for other reasons, or if any of them were to refuse to renew or renegotiate its agreement with us on commercially acceptable terms, it could disrupt our business, which could adversely impact our financial condition and reputation. We are also subject to payment card association operating rules, certification requirements and rules governing electronic funds transfers, which could change or be reinterpreted to make it difficult or impossible for us to comply. Specifically, we are required to meet certain Payment Card Industry (" PCI ") Data Security Standards issued by the Payment Card Industry Security Standards Council. If we fail to maintain PCI compliance or compliance with other related rules or requirements, we may be subject to fines and higher transaction fees and lose our ability to accept credit and debit card payments from customers or facilitate other types of online payments, and our business and operating results could be adversely affected. We are also subject to or voluntarily comply with a number of other laws and regulations relating to money laundering, international money transfers, **and** privacy and information security and electronic fund transfers. If we were found to be in violation of applicable laws or regulations, we could be subject to civil and criminal penalties. In addition, events affecting our third- party payment processors or our ~~integration~~ **integrations** with them, including cyber- attacks, Internet or other infrastructure or communications impairment or other events that could interrupt the normal operation of our payment processors or our ~~integration~~ **integrations** with them, ~~or~~ **could** result in unauthorized access to customer information ~~,~~ **and** could have a material adverse effect on our business. **The** ~~We have identified a~~ material weakness in our internal control over financial reporting ~~which could~~ **identified as of December 31** , ~~if~~ **2022 is** not **yet fully** remediated ~~or if we identify additional material weaknesses or other adverse findings in the future, impair our ability to report accurate and timely financial information, adversely affect investor confidence and have a material and adverse effect on our financial condition and results of operations~~ . **The** ~~Management evaluated an immaterial accounting error related to accrued merchant payables. Although the error did not affect payments to merchants, an incorrect calculation caused the accrued merchant payable balance to be understated by an immaterial amount, and there is a reasonable possibility our existing controls would not have detected the error in a timely manner if it were to be material. As a result of the accounting error, we identified a material weakness in our internal control over financial reporting. A~~ material weakness is ~~a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. A material weakness exists~~ due to inadequate preventative and detective controls over complex manual calculations used to record certain month- end balances. **While** ~~Management~~ **management** ~~is committed~~ **has made improvements** to **the** ~~maintaining a strong internal~~ control environment **throughout 2023, additional** ~~and believes its remediation efforts will represent an improvement to the~~ control **procedures are still being** ~~environment. Management anticipates that the new controls, as~~ implemented ~~and when tested for a sufficient period of time, will remediate the material weakness~~ . **If we fail to maintain effective** ~~We may not be successful in implementing these remediation measures or in developing other~~ internal controls, ~~which may impair~~ our ability to **record, process, summarize and** report ~~accurate and timely~~ financial information ~~. These remediation measures may~~ **accurately and within the time periods specified in the rules and forms of the SEC could** be **adversely affected. This could cause** ~~time consuming and costly and there is no assurance that the measures we have taken to date, or~~ **our** ~~any measures we may take in the future, will remediate the material weakness identified or be sufficient to avoid potential future material weaknesses. Further, we will not be able to fully assess whether the steps we are taking will remediate the material weakness in our internal control over~~ financial reporting ~~until we have completed our implementation efforts and sufficient time passes in order~~ to **be unreliable and potentially result** ~~evaluate their effectiveness. In addition, until we remediate the material weakness, or if we identify additional material weaknesses~~ in ~~our internal control over financial reporting, we may not detect errors on~~ a **restatement of** ~~timely basis and~~ our financial statements ~~may be materially misstated~~ **, which in turn could lead to a loss of investor confidence and a decline in the trading price of our common stock, and could subject us to investigation or sanctions by the SEC** . ~~In~~ **Any** such **consequence** ~~case, we may be unable to maintain compliance with securities law requirements regarding timely filing of periodic reports in addition to applicable stock exchange listing requirements, investors may lose confidence in our~~ - **or other negative effect could have a material adverse effect on our business,** financial ~~reporting~~ **condition,** and ~~our stock price may decline as a result~~ **results** ~~. For further discussion~~ of **operations** ~~the material weakness, see Item 9A~~ . ~~Controls~~ **We rely on email, Internet search engines** and ~~Procedures~~ **mobile application marketplaces to drive traffic to our marketplace** . The traffic to our websites and mobile applications, including from consumers responding to our emails and ~~search engine optimization ("~~ SEO ~~"),~~ has declined in recent years. As such, we must focus on diversifying our sources of traffic, including by developing sources of traffic in addition to email and SEO and optimizing the efficiency of our marketing spending. If we are not able to diversify our sources of traffic and acquire and retain customers efficiently, our business and results of operations could be adversely affected. Email continues to be a significant source of organic traffic for us. If email providers or Internet service providers implement new or more restrictive email or content delivery or accessibility policies, including with respect to net neutrality, it may become more difficult to deliver emails to our customers or for customers to access our site and services. For example, certain email providers, including Google, categorize our emails as" promotional," and these emails are directed to an alternate, and less readily accessible, section of a customer' s inbox. If email providers materially limit or halt the delivery of our emails, or if we fail to deliver emails to customers in a manner compatible with email providers' email handling or authentication technologies, our ability to contact customers through email could be significantly restricted. In addition, if we are placed on" spam" lists or lists of entities that have been involved in sending unwanted, unsolicited emails, our operating results and financial condition could be substantially harmed. In addition, in 2021, Apple released an iOS update, which updated its privacy practices and policies, limiting the ability of email senders to track recipients' email activity. Additionally, in 2022, Google announced plans to adopt new privacy related changes to its Android advertising identifiers. Such actions, and similar actions in the future, could adversely impact our email open rates, our ability to drive traffic to our marketplace and the effectiveness and efficiency of our email marketing, any of which could have a negative impact on our business and results of operations. We also rely heavily on Internet search engines to generate traffic to our websites, principally through ~~search engine~~

~~marketing ("~~ SEM ~~")~~ and SEO. The number of consumers we attract from search engines to our platform is due in large part to how and where information from, and links to, our websites are displayed on search engine results pages. The display, including rankings, of search results can be affected by a number of factors, many of which are not in our control and may change at any time. Search engines frequently update and change the logic that determines the placement and display of the results of a user' s search ~~,~~ such that the purchased or algorithmic placement of links to our websites can be negatively affected. In addition, a search engine could, for competitive or other purposes, alter its search algorithms or results causing our websites to place lower in search query results. If a major Internet search engine changes its algorithms in a manner that negatively affects our search engine ranking it could create additional traffic headwinds for us and negatively affect our results of operations. Furthermore, web browser providers have implemented and may continue to implement changes in their browsers. For example, Google has indicated it intends to further restrict the use of third- party cookies in its Chrome browser, consistent with similar actions taken by the owners of other browsers. Such actions may adversely impact our ability to successfully drive traffic to our marketplace and limit the effectiveness and efficiency of our marketing. We also rely on mobile marketplace operators (i. e., app store operators) to drive downloads of our mobile application. If any mobile marketplace operator determines that our mobile application is non- compliant with its vendor policies, the operator may revoke our rights to distribute through its marketplace or refuse to permit a mobile application update at any time. These operators may also change their mobile application marketplaces or mobile operating systems in a way that negatively affects the prominence of, effectiveness of, or ease with which users can access, our mobile application. For example, Apple made changes to iOS and its App Tracking Transparency policy, which now requires apps to get a user' s opt- in permission before tracking or sharing the user' s data across apps or websites owned by companies other than the app' s owner. Such actions, and similar actions in the future, could adversely impact our ability to drive traffic to our mobile application and marketplace, the ability of customers to access our offerings through mobile devices and the effectiveness and efficiency of our marketing, any of which could have a negative impact on our business and results of operations. Email, Internet service and web browser providers, as well as Internet search engines and mobile marketplace operators continue to remain focused on concerns surrounding user and data privacy and protection. Any of these parties may take additional action in the future to respond to such concerns, which could have a negative impact on our business and results of operations. In operating a global online business, **with operations in thirteen countries,** we and our third- party service providers maintain significant proprietary information and maintain large amounts of personal data and confidential information about our employees, customers and merchants. We and such service providers are at constant risk of cyber- attacks or cyber intrusions via the Internet, computer viruses, break- ins, malware, ransomware, phishing attacks, hacking, denial- of- service attacks or other attacks and similar disruptions from the unauthorized use of or access to computer systems (including from internal and external sources). These types of incidents continue to be prevalent and pervasive across industries, including in our industry, and such attacks on our systems have occurred in the past and are expected to occur in the future. In addition, we expect the amount and sophistication of the perpetrators of these attacks to continue to expand, which could include ~~nation~~ **state** - ~~state~~ **sponsored** actors. Further, we believe that ~~we~~ **our websites and mobile applications** are **attractive** ~~a compelling target~~ **targets** for such attacks as a result of the high profile of our brand and the amount and type of information we maintain relating to our customers and merchants. Any such ~~incident~~ **attack** could lead to interruptions, delays or website outages, causing loss of critical data or the unauthorized disclosure or use of personally identifiable or other confidential information. Further, third party service providers we utilize in our operations could be targeted by such cyber attacks, which could indirectly impact our business, by way of similar adverse consequences to a direct attack depending on the type of service. Any failure to prevent or mitigate cybersecurity breaches or other improper access to, or disclosure of, our data or confidential information, including non- public financial information, could result in **:** the loss or misuse of such data or information **; significant reputational harm** , **including a** ~~negatively~~ -- **negative** ~~impacting~~ --- **impact on** customers', merchants', employees' and third- party business partners' confidence in the security of our services ~~and~~ **which could** potentially ~~resulting~~ --- **result** in significant customer or merchant attrition ~~,~~ **;** a decline in customer purchase frequency ~~,~~ **;** litigation and / or regulatory investigations ~~,~~ **;** and / or damage to our brand and reputation. Our risk and exposure to these matters remains heightened because of, among other things, the evolving nature of these threats, our prominent size and scale, the large number of transactions that we process, our geographic footprint and international presence, the complexity of our systems, our number of employees, the jurisdictions in which we operate and the various and evolving laws and regulatory schemes governing data and data protection applicable to us, the extent to which our current systems, controls, processes and practices permit us to detect, log and monitor security events, our use of cloud based technologies and the outsourcing of some of our business operations. Although cybersecurity and the continued development and enhancement of our controls, processes and practices designed to protect our systems, computers, software, data and networks from attack, damage or unauthorized access are a high priority for us, our activities and investment may not be deployed quickly enough or successfully protect our systems against all vulnerabilities, including technologies developed to bypass our security measures or zero day vulnerabilities. In addition, outside parties may attempt to fraudulently induce employees, merchants or customers to disclose access credentials or other sensitive information in order to gain access to our systems and networks. We also may be subject to additional vulnerabilities as we utilize third parties to provide various services for our operations (e. g., cloud services) and integrate the systems, computers, software and data of acquired businesses and third- party business partners into our networks and separate the systems, computers, software and data of disposed businesses from our networks. ~~We~~ **As described in Item 1. C- Cybersecurity, we** maintain a cybersecurity risk management program that is overseen by our IT and Information Security teams. A member of our IT and Information Security teams regularly reports to the Audit Committee on the state of our cybersecurity program and provides updates on cybersecurity matters. We also conduct an annual cybersecurity review with our Board. As part of our cybersecurity risk management program, we employ security practices to protect and maintain the systems located at our hosting providers, invest in intrusion, anomaly, and vulnerability detection tools and engage third- party security firms to test the security of our websites and systems.

In addition, we regularly evaluate and assess our systems and the controls, processes and practices to protect those systems and also conduct penetration testing against our own systems. The evaluations, assessments and testing identify areas of potential weakness in, and suggested improvements to, the maturity of our systems, processes, and risk management framework as well as vulnerabilities in those systems, processes ~~,~~ and risk management framework that could be attacked and exploited to access and acquire proprietary and confidential information, including information about our customers and merchants. There are no assurances that our cybersecurity risk mitigation program or actions and investments to improve the maturity of our systems, processes and risk management framework or remediate vulnerabilities will be sufficient or completed quickly enough to prevent or limit the impact of any cyber intrusion or related attack. In addition, in the future we may be required to expend significant additional resources to ~~modify~~ **rebuild** ~~or~~ **our** ~~enhance~~ **internal systems; implement additional threat protection measures; provide modifications** ~~our~~ - **or enhancements to our websites, mobile applications,** protective measures, controls ~~and~~ **,** systems ~~or to improve the maturity of our systems~~ , processes **,** and risk management framework ~~,~~ **;** or investigate or remediate any information security vulnerabilities. These improvements, modifications and enhancements may take significant time to implement. Further, the sophistication of potential attacks or the capabilities of our systems and processes may not permit us to detect the occurrence of cyber incidents until significant data loss has occurred. Moreover, because the techniques used to gain access to or sabotage systems often are not recognized until launched against a target, we may be unable to anticipate the methods necessary to defend against these types of attacks and we cannot predict the extent, frequency or impact these problems may have on us. Any actual breach, the perceived threat of a breach **,** or a perceived breach ~~,~~ could cause our customers, merchants, employees and payment card processors to cease doing business with us or do business with us less frequently, subject us to lawsuits (including claims for damages), investigations, regulatory fines or other action or liability or damage to our brand and reputation, which would harm our business, financial condition and results of operations. Customers access our marketplaces through our websites and mobile applications, as well as via emails that are often targeted by location, purchase history and personal preferences. Customers can also access our deal offerings indirectly through third- party search engines. Our reputation and ability to acquire, retain and serve our current and potential customers are dependent upon the reliable performance of our websites, mobile applications, email delivery and transaction processing systems and the underlying network infrastructure. Our systems may not be adequately designed with the necessary reliability and redundancy to avoid performance delays or outages that could be prolonged and harmful to our business. If our websites or mobile applications are unavailable when users attempt to access them, or if they do not load as quickly as expected, users may not return as often in the future, or at all. We have spent and expect to continue to spend substantial amounts on cloud- based technology and related network infrastructure and services to handle the traffic on our websites and mobile applications and to help shorten the time of or prevent system interruptions. The operation of these systems is expensive, complex and not immune to operational failures. While resiliency and redundancy are considerations in the design and operation of Groupon' s systems, interruptions, delays or failures in these systems, whether due to earthquakes, adverse weather conditions, other natural disasters, power loss, computer viruses, cybersecurity attacks, physical break- ins, terrorism, errors in our software or otherwise, could be prolonged and could affect the security or availability of our websites and applications, and prevent our customers from accessing our services. If we do not maintain or expand our infrastructure successfully or if we experience operational failures or prolonged disruptions or delays in the availability of our systems, we could lose current and potential customers and merchants, which could harm our operating results and financial condition. In addition, a portion of our infrastructure is hosted by third- party providers. We also rely on a variety of tools and third- party commercial partners to provide certain services and offerings (e. g., booking and ticketing tools). Any disruption or failure of these providers, tools and / or other third parties to handle existing or increased traffic and transactions could significantly harm our business. Any financial or other difficulties these providers face may adversely affect our business, and we exercise little control over these providers, which increases our vulnerability to problems with the services they provide. We rely on cloud- based applications and platforms for critical business functions. In early 2023, we completed the migration of our public- facing websites, internal applications and services, as well as our back- end business intelligence systems from being hosted at our data centers to a multi- cloud infrastructure. If we are not able to realize the anticipated benefits of our migration to this multi- cloud infrastructure, our business could be harmed. Further, there may be unforeseen issues as a result of these migrations that may cause disruptions to the availability of our products due to service outages, downtime or other similar issues that could harm our business. We also may be subject to additional risk of cybersecurity breaches or other improper access to our data or confidential information following our migration to cloud- based computing platforms. In addition, cloud computing services may operate differently than anticipated when introduced or when new versions or enhancements are released. As we increase our reliance on cloud- based computing services, our exposure to damage from service interruptions may increase. In the event any such issues arise, it may be difficult for us to switch our operations from our primary cloud- based providers to alternative providers. Further, any such transition could involve significant time and expense and could negatively impact our ability to deliver our products and services, which could harm our financial condition and results of operations. We routinely evaluate and consider a wide array of potential strategic transactions, including acquisitions and dispositions of businesses, joint ventures, technologies, services, products and other assets and minority investments. The pursuit and consummation of such transactions can result in operating difficulties, dilution, management distraction and other potentially adverse consequences. In the past, we have acquired and divested a number of companies and may complete additional transactions in the future. Acquisitions involve significant risks and uncertainties, including uncertainties as to the future financial performance of the acquired business and the performance of acquired customers, valuation of the acquired business and integration risks such as difficulties integrating acquired personnel into our business, the potential loss of key employees, customers or suppliers, difficulties in integrating different computer, payment and accounting systems and exposure to unknown or unforeseen liabilities of acquired companies. In addition, the integration of an acquisition could divert management' s time and our resources. If we pay for an acquisition or a minority investment in cash, it would reduce our cash available for operations or cause us to incur debt, and if we pay with our stock, it could be dilutive to our stockholders. ~~Additionally~~ **In addition** , ~~we do not have the ability to exert control over our minority investments, and therefore we are dependent on others in order to realize their potential benefits. Our current investments include non- controlling equity interests in SumUp Holdings S. a. r. l., Monster Holdings LP and Nearby Pte Ltd, as well as other less significant investments. Currently there is no public market for the securities of any such entity, and we may not have rights with respect to transactions involving any such entity. Dispositions~~ **dispositions** and attempted dispositions also involve significant risks and uncertainties, such as the risk of destabilizing the applicable operations, the loss of key personnel, the terms and timing of any dispositions, the ability to obtain necessary governmental or regulatory approvals, post- disposal disputes and indemnification obligations and risks and uncertainties with respect to the separation of disposed operations, including, for example, transition services, access by purchasers to certain of our systems and tools during transition periods, the migration of data and separation of systems, data privacy matters and misuse of trademarks and intellectual property. We may be unable to successfully complete potential strategic transactions or dispositions on a timely basis or at all, or we may not realize the anticipated benefits of any of our strategic transactions or dispositions (including any transactions involving minority investments) in the time frame expected or at all. We currently hold non- controlling minority investments in entities, including SumUp Holdings S. a. r. l. **(" SumUp")** , Monster Holdings LP and Nearby Pte Ltd, and we may make additional strategic minority investments in the future. Such minority investments inherently involve a lesser degree of control over business operations, thereby potentially increasing the financial, legal, operational and / or compliance risks associated with the investments. **We are dependent on such entities in order to realize the potential benefits of these investments. Further, currently there is no public market for the securities of any such entity, and we may not have rights with respect to transactions involving any of these entities.** Other investors in these entities may have business goals and interests that are not aligned with ours, or may exercise their rights in a manner in which we do not approve. These circumstances could lead to delayed decisions or disputes and litigation with those other investors, all of which could have a material adverse impact on our reputation, business, financial condition and results of operations. If these entities seek additional financing, such financing or other transactions may result in further dilution of our ownership stakes **,** and such transactions have **,** and in the future may **,** occur at lower valuations than the investment transactions through which we acquired such interests, which could significantly decrease the fair values of our investments in those entities. Alternatively, if any such financing or other transactions occur at higher valuations in the future, we may not be able to realize the potential benefits of such higher valuation. In addition, the lack of availability of financing on commercially reasonable terms or a decline in the business performance, financial condition and competitive environment of any of our minority investments could result in lower financial results or forecasted results, which also could significantly decrease the fair values of our investments in those entities. Further, we have made an irrevocable election to account for our investments in Monster Holdings LP and Nearby Pte Ltd at fair value with changes in fair value reported in earnings. Our other equity method investments, including SumUp ~~Holdings S. a. r. l~~ , are accounted for at cost adjusted for observable price changes and impairments. The accounting for our investments has and may continue to cause fluctuations in our earnings from period to period, which could be significant. Our Goods category is operated on a third- party marketplace model in which we allow third party merchants to sell products to our customers via our marketplace platforms. By allowing third parties to sell products on our platform, we are subject to intellectual property and other risks, including that the merchandise may be of disputed authenticity, obtained or sourced outside of the rights holder' s established distribution channels or damaged, which could result in potential liability under applicable laws, regulations, agreements and orders and increase the amount of returned merchandise or customer refunds. Further, we may be found to be directly liable for actions by third party merchants who sell goods on our site. In addition, brand owners or regulators may take legal action against us. Even if we prevail, any such legal action could result in costly litigation, generate adverse publicity for us, and have a material adverse impact on our business, financial condition, results of operations, brand and reputation. Further, in any such matter, we may not be entitled to indemnification from the third- party merchant, or able to effectively enforce the merchant' s contractual indemnification obligations. Some of the products and services offered through our marketplace may expose us to liability claims relating to personal injury, death, negligence, intentional misconduct, assault, abuse or environmental or property damage. Certain merchants and third parties sell products and offer services using our marketplace that based on the type of product or service, may increase our exposure to substantial claims and litigation, especially if these merchants or third- party sellers do not have sufficient protection from such claims or ability to pay for any judgments, liens, or fines that may be assessed. Although we believe we are not liable for the goods or services that merchants or third- parties offer through our marketplace, there is no assurance that a court would rule in our favor on such issues. Further, while we maintain liability insurance, we cannot be certain our coverage will apply to the claims at issue, be adequate for liabilities actually incurred or that insurance will continue to be available to us on economically reasonable terms, or at all. In addition, some of our agreements with vendors, merchants and third- party sellers do not indemnify us from certain liability and costs or we may not be able to effectively enforce our contractual indemnification rights. Claims relating to products or services offered through our marketplace also could result in significant damage to our brand and reputation regardless of whether we are ultimately liable for any such claims. Our processes and procedures for onboarding merchants and third- party sellers also may expose us to liability claims or damage to our brand and reputation **,** if the processes or procedures are deemed inadequate. Additionally, while we maintain multiple channels through which our customers can submit feedback or complaints about their experiences with merchants and other third- party sellers on our platform, because our customers often deal directly with the sellers, pertinent feedback may not be provided to us. Moreover, our evaluation of any customer feedback or complaints we receive is subjective based on the information, which is sometimes very limited, that our customers provide, and we may not take, or be able to take, action in response to feedback or complaints. If our systems and procedures with respect to any such feedback or complaints are determined to be inadequate or any action or inaction is found to be inadequate, including, by way of example, not discontinuing on a timely basis offers of deals with merchants or sellers that have been the subject of material complaints, we could face substantial additional liability and damage to our brand and reputation for the misconduct of such merchants or third- party sellers. We regard our trademarks, service marks, copyrights, patents, trade dress, trade secrets, proprietary technology, merchant lists, subscriber lists, sales methodology and similar intellectual property as critical to our success, and we rely on trademark, copyright and patent law, trade secret protection and confidentiality and / or license agreements with our employees and others to protect our proprietary rights. Effective intellectual property protection may not be available in every country in which our deals are made available. We also may not be able to acquire or maintain appropriate domain names or trademarks in all countries in which we do business. Furthermore, regulations governing domain names may not protect our trademarks and similar proprietary rights. We may be unable to prevent third parties from acquiring and using domain names or trade names that are similar to, infringe upon or diminish the value of our trademarks and other proprietary rights. We may be unable to prevent third parties from using and registering our trademarks, or trademarks that are similar to, or diminish the value of, our trademarks in some countries. We may not be able to discover or determine the extent of any unauthorized use of our proprietary rights. Third parties that license our intellectual property rights also may take actions that diminish the value of our proprietary rights or reputation. The protection of our intellectual property may require the expenditure of significant financial and managerial resources. Moreover, the steps we take to protect our intellectual property may not adequately protect our rights or prevent third parties from infringing or misappropriating our proprietary rights. We are currently subject to multiple lawsuits and disputes related to our intellectual property and service offerings. We may in the future be subject to additional litigation and disputes. The costs of engaging in such litigation and disputes are considerable, and there can be no assurances that favorable outcomes will be obtained. We are currently subject to third- party claims that we infringed upon proprietary rights or trademarks and expect to be subject to additional claims in the future. Such claims, whether or not meritorious, may result in the expenditure of significant financial and managerial resources, injunctions against us or the payment of damages by us. We may need to obtain licenses from third parties who allege that we have infringed their rights, but such licenses may not be available on terms acceptable to us or at all. These risks have been amplified by the increase in third parties whose sole or primary business is to assert such claims. **Our business depends on a strong brand, and if we are not able to maintain and enhance our brand, our ability to expand our base of customers and merchants could be impaired and our business and operating results could be harmed.** We believe that the brand identity that we have developed has significantly contributed to the success of our business. We also believe that maintaining and enhancing the" Groupon" brand is critical to expanding our base of customers and merchants. In addition, maintaining and enhancing our brand may require us to make substantial additional investments over time and these investments may not be successful. If we fail to promote, maintain and protect the" Groupon" brand, our business, operating results and financial condition may be adversely affected. We anticipate that, as the local experiences market becomes increasingly competitive, maintaining and enhancing our brand may become more difficult and expensive. Maintaining and enhancing our brand will depend largely on our ability to continue to provide reliable, trustworthy and high quality inventory on our marketplace, which we may not do successfully. We receive a high degree of media coverage around the world. Unfavorable publicity or consumer perception of our websites, mobile applications, practices or service offerings, or the offerings of our merchants or their products, could adversely affect our reputation, resulting in difficulties in recruiting, decreased revenue and a negative impact on the number of merchants we feature and the size of our customer base, the loyalty of our customers and the number and variety of our offerings. As a result, our business, financial condition and results of operations could be materially and adversely affected. We are involved from time to time in litigation regarding, among other matters, patent and other intellectual property claims, consumer claims, contract disputes with merchants and vendors, employment claims, and securities law claims. Litigation, dispute resolution proceedings and investigations can be expensive, time- consuming and disruptive to normal business operations. The results of complex legal proceedings are often uncertain and difficult to predict. An unfavorable outcome with respect to any of these lawsuits or claims could have a material adverse effect on our business, financial condition, results of operations and cash flows. For additional information, see Item 8, Note 9, Commitments and Contingencies, to the Consolidated Financial Statements ~~. The COVID- 19 pandemic may also result in additional litigation including disputes with merchants, customers, vendors, and others over refunds, payments, and contract terms~~ . We may also be the target of tort or negligence claims relating to incidents, injuries or illnesses incurred by customers visiting merchants. Although we disclaim legal liability for such claims and advise all of our customers that the merchants are solely responsible to purchasers for the care and quality of the advertised goods and services, there is no assurance that a court would rule in our favor on such issues. We also hold indemnity rights with respect to merchants in relation to any such claims, but there is no assurance that merchants will be sufficiently capitalized to cover all incurred losses. Although we maintain insurance, we cannot be certain our coverage will apply to the claims at issue, be adequate for any liability incurred **,** or continue to be available to us on economically reasonable terms, or at all. The cost of insurance, including directors and officer insurance, errors and omission insurance, product liability, general liability insurance and other types of policies, has increased and could increase further at any time or become more limited based on market conditions or other circumstances outside of our control. Furthermore, certain insurance coverages may not be available for specific risks faced by us. Insurance premium increases and increased risk due to lack of availability, reduced coverage or increased deductibles could have a material adverse effect on our business, financial condition, results of operations and cash flows. The application of certain laws and regulations to vouchers is uncertain. Vouchers may be considered gift cards, gift certificates, stored value cards or prepaid cards and therefore governed by, among other laws, the CARD Act, ~~and~~ state laws governing gift cards, stored value cards and coupons, and, in certain instances, potentially subject to unclaimed and abandoned property laws. Other foreign jurisdictions have similar laws in place, in particular European jurisdictions where the European E- Money Directive regulates the business of electronic money institutions. Many of these laws contain provisions governing the use of gift cards, gift certificates, stored value cards or prepaid cards, including specific disclosure requirements and prohibitions or limitations on the use of expiration dates and the imposition of certain fees. For example, if vouchers are subject to the CARD Act and are not included in the exemption for promotional programs, it is possible that the purchase value, which is the amount equal to the price paid for the voucher, or the promotional value, which is the add- on value of the voucher in excess of the price paid, or both, may not expire before the later of (i) five years after the date on which the voucher was issued; (ii) the voucher' s stated expiration date (if any); or (iii) a later date provided by applicable state law. In the event that it is determined that vouchers sold through our platform are subject to the CARD Act or any similar state or foreign law or regulation, and are not within various exemptions that may be available under the CARD Act or under some of the various state or foreign jurisdictions, our liabilities with respect to unredeemed vouchers may be materially higher than the amounts shown in our financial statements and we may be subject to additional fines and penalties. In addition, from time to time, we may be notified of additional laws, or developments in existing laws and regulations that governmental organizations or others may claim should be applicable to our business, or that otherwise affect our operations. If we are required to alter our business practices, or there are other market changes, as a result of any laws and regulations, our revenue could decrease, our costs could increase and our business could otherwise be harmed. In addition, the costs and expenses associated with defending any actions related to, or otherwise reacting to, such legal or regulatory developments, and any related payments (including penalties, judgments, settlements or fees) could adversely impact our profitability. To the extent that we expand into new lines of business and new geographies, we will become subject to additional laws and regulations. In certain states and foreign jurisdictions, vouchers may be considered a gift card. Some of these states and foreign jurisdictions include gift cards under their unclaimed and abandoned property laws ~~which~~ **that** require companies to remit to the government the full value or a portion of the value of the unredeemed balance on the gift cards after a specified period of time (generally between one and five years) and impose certain reporting and record- keeping obligations. We do not remit any amounts relating to unredeemed vouchers based on our assessment of applicable laws. The analysis of the potential application of the unclaimed and abandoned property laws to vouchers is complex, involving an analysis of constitutional and statutory provisions and factual issues, including our contractual relationship with customers and merchants. In recent periods, we increased our use of redemption payment terms with our North America merchants. The determinations we make with respect to variable consideration that we earn on those transactions may be subject to the laws described above. In the event that one or more states or foreign jurisdictions successfully challenges our position on the application of its unclaimed and abandoned property laws to vouchers, our liabilities with respect to unredeemed vouchers, including any resulting penalties and interest, may be materially higher than the amounts shown in our financial statements which could have a material adverse impact on our results of operations. **Government regulation of the Internet and e- commerce is evolving, and unfavorable changes or failure by us to comply with these regulations could substantially harm our business and results of operations.** We are subject to general business regulations and laws as well as regulations and laws specifically governing the Internet and e- commerce, which could impede our growth or limit our ability to offer certain online services in the future. These regulations and laws may involve taxation, tariffs, subscriber privacy, anti-spam, data protection, content, reference pricing, copyrights, distribution, communications, consumer protection, the provision of online payment services and the characteristics and quality of services. The application of existing laws governing issues such as property ownership, sales and other taxes, libel and personal privacy to the Internet is not clear as the vast majority of these laws were adopted prior to the advent of, and do not contemplate or address the unique issues raised by, the Internet or e-commerce. In addition, it is possible that governments of one or more countries may seek to censor, or entirely block access to the content available on our websites, mobile applications, or marketing emails. Adverse legal or regulatory developments also could substantially harm our business. In particular, in the event that we are restricted, in whole or in part, from operating in one or more countries, our ability to retain or increase our customer base may be adversely affected and we may not be able to maintain or grow our gross profit as anticipated ~~our~~ operating results.Many states and certain foreign jurisdictions impose license and registration obligations on those companies engaged in the business of money transmission,with varying definitions of what constitutes money transmission.We currently believe that we are not a money transmitter given our role and the product terms of Groupon vouchers or other Groupon products or services.However,a successful challenge to our position or expansion of state or foreign laws could subject us to increased compliance costs and delay our ability to offer Groupon vouchers or other products or services in certain jurisdictions pending receipt of any necessary licenses or **registrations** . Failure to comply with existing, expanding or newly enacted U. S. federal, state and international privacy laws and regulations could adversely affect our business. A variety of U. S. federal, state and international laws and regulations govern the collection, use, retention, sharing and security of consumer data. The existing privacy- related laws and regulations are evolving and subject to potentially differing interpretations. In addition, various U. S. federal, state and foreign legislative and regulatory bodies continue to enact new laws regarding privacy, as well as expand the scope of existing laws. For example, GDPR requires companies to satisfy requirements regarding the handling of personal and sensitive data, including its collection, use, security and the ability of persons whose data is stored to correct or delete such data about themselves. European countries continue to expand the scope of its application of GDPR within their local legislation. The California Privacy Rights Act (the" CPRA"), which expands on and effectively replaces the California Consumer Privacy Act (the" CCPA") that became effective January 1, 2023, similarly regulates the collection and use of consumers' data, and includes additional protection for sensitive personal data. The Virginia Consumer Data Protection Act (the" CDPA") **, effective as of January 1, 2023,** and the Colorado Privacy Act (the" CPA"), ~~which will both go into effect~~ **effective** ~~in~~ **as of July 1,** 2023 **,** provide new data privacy rights to their respective residents. Complying with the GDPR, CCPA, CPRA, CDPA, CPA and similar laws and regulations may cause us to incur substantial operational costs or require us to change our business practices. Further, despite our diligent efforts to comply with these laws and regulations, we may not be successful either due to internal or external factors such as resource allocation limitations or a lack of vendor cooperation. Noncompliance could result in proceedings against us by governmental entities or others and fines. For example, fines under GDPR could be up to the greater of € 20 million or 4 % of annual global revenue and damage our reputation and brand and non- compliance with CPRA could result in fines of up to $ 7, 500 per violation in addition to providing consumers with a private right of action. As a result of GDPR, CCPA, CPRA and similar laws and regulations, we may experience difficulty retaining or obtaining new customers due to the compliance cost, potential risk exposure and portability of customer data. We also may find it necessary to establish and maintain systems and procedures to comply with these evolving laws and regulations that involve substantial expense and distraction from other aspects of our business. Additionally, there could be uncertainty around how to comply with privacy laws, in various jurisdictions such as country or state- specific laws that may conflict with or deviate from established privacy directives, or future laws and regulations in other jurisdictions. We have posted privacy policies concerning the collection, use and disclosure of subscriber data as well as detailed cookie policies on our websites and applications. Several Internet companies have incurred substantial penalties for failing to abide by the representations made in their privacy policies and practices. In addition, several states in the U. S. have adopted legislation that requires businesses to implement and maintain reasonable security procedures and practices to protect sensitive personal information and to provide notice to consumers in the event of a security breach resulting in a loss or likely loss of personal information. Any failure, or perceived failure, by us to comply with our posted privacy policies or with any data- related consent orders, Federal Trade Commission requirements or orders or other U. S. federal, state or international privacy or consumer protection- related laws, regulations or industry self- regulatory principles could result in claims, proceedings or actions against us by governmental entities or other third- parties or other liabilities, which could adversely affect our business. In addition, a failure or perceived failure to comply with industry standards or with our own privacy policies and practices could result in a loss of subscribers or merchants and adversely affect our business. U. S. federal, state and international governmental authorities also continue to evaluate the privacy implications inherent in the use of web trackers, including the use of" cookies" for tracking and behavioral advertising. For example, member states in the European Union are working to align on a draft of the " ePrivacy Regulation, " ~~which could be implemented in 2023,~~ that would govern data privacy and the protection of personal data in electronic communications, in particular for direct marketing purposes. The regulation of web trackers and other current online advertising practices could adversely affect our business. Our workers are classified as either employees or non- employees (including as independent contractors or agency workers), and if employees in the U. S., as either exempt from overtime or non- exempt (and therefore overtime eligible). ~~United States~~ **The U. S.** , certain foreign regulatory authorities **,** and private parties have recently asserted within several industries that some non- employee classified individuals should be classified as employees and that some exempt employees, including those in sales- related positions, should be classified as non- exempt based upon the applicable facts and circumstances and their interpretations of existing rules and regulations. If we are found to have misclassified employees **,** including as independent contractors, agency workers or non-exempt employees as exempt, we could face penalties and have additional exposure under U. S. federal and state tax, workers' compensation, unemployment benefits, labor, employment and tort laws, as well as similar international laws, including for prior periods, as well as potential liability for employee overtime and benefits and tax withholdings. U. S. or foreign legislative, judicial, or regulatory (including tax) authorities could also introduce proposals or assert interpretations of existing rules and regulations that would change the classification of a significant number of independent contractors doing business with us from independent contractor to employee and a significant number of exempt employees to non- exempt. A reclassification in either case could result in a significant increase in employment- related costs such as wages, benefits and taxes as well as punitive damages in any related litigation. The costs associated with employee classification, including any related regulatory action or litigation could have a significant impact on our flexibility in managing costs and responding to market changes, and, could have a material adverse effect on our results of operations and our financial position. We may **suffer liability as a result of information or content retrieved from or transmitted over the Internet and claims related to our service offerings. We may** be, and in certain cases have been, sued for defamation, civil rights infringement, negligence, patent, copyright or trademark infringement, invasion of privacy, personal injury, product liability, breach of contract, unfair competition, discrimination, antitrust reference pricing or other legal claims relating to information or content that is published or made available on our websites or service offerings we make available (including provision of an application programming interface platform for third parties to access our website, mobile device services and geolocation applications). This risk is enhanced in certain jurisdictions outside the ~~United States~~ **U. S.** , where our liability for such third- party actions may be less clear. In addition, we could incur significant costs in investigating and defending such claims, even if we ultimately are not found liable. If any of these events occur, our business could be materially and adversely affected. We are subject to risks associated with information disseminated through our websites and mobile applications, including consumer data, content that is produced by our editorial staff and errors or omissions related to the offerings on our marketplaces. Such information, whether accurate or inaccurate, may result in ~~our~~ **us** being sued by our merchants, subscribers or third parties and as a result our results of operations and our financial position could be materially and adversely affected. We **may have exposure to greater than anticipated tax liabilities. We** are subject to income taxes in the ~~United States~~ **U. S.** (federal, state, and local) and numerous foreign jurisdictions. Tax laws, regulations, and administrative practices in various jurisdictions may be subject to significant change due to economic, political, and other conditions, and significant judgment is required in evaluating and estimating our provision and accruals for these taxes. Our income tax obligations are based on our corporate operating structure, including the manner in which we develop, value and use our intellectual property and the scope of our international operations. The tax laws applicable to our domestic and international business activities, including the laws of the ~~United States~~ **U. S.** and other jurisdictions, are subject to interpretation. The taxing authorities of the jurisdictions in which we operate may challenge our methodologies for valuing developed technology or **our** intercompany arrangements, which could potentially increase our worldwide effective tax rate and harm our financial position and results of operations. In addition, there are many transactions that occur during the ordinary course of business for which the ultimate tax determination is uncertain. Our effective tax rates could be adversely affected by **the following:** earnings being lower than anticipated in jurisdictions where we have lower statutory rates ~~and~~ **;** **earnings being** higher than anticipated in jurisdictions where we have higher statutory rates ~~,~~ **;** losses incurred in jurisdictions for which we are not able to realize the related tax benefits ~~,~~ **;** changes in foreign currency exchange rates ~~,~~ **;** entry into new businesses and geographies ~~and~~ **;** changes to our existing businesses ~~,~~ **;** acquisitions and investments ~~,~~ **;** changes in our deferred tax assets and liabilities and their valuation **;** and changes in the relevant tax, accounting **,** and other laws, regulations ~~,~~ **and** administrative practices, principles **,** and interpretations, including fundamental changes to the tax laws applicable to corporate multinationals. In addition, we consider various factors that involve significant judgment by management, including projected future earnings, in determining whether we believe deferred tax assets will be realized and whether a valuation allowance should be recorded against such deferred tax assets. Our conclusions in these matters could prove to be incorrect, resulting in a reduction to deferred tax assets and lower income. Further, developments in an audit, litigation or the relevant laws, regulations, administrative practices, principles and interpretations could have a material effect on our financial position, operating results and cash flows in the period or periods for which that development occurs, as well as for prior and subsequent periods. We also are subject to regular review and audit by both U. S. (federal, state. local) and foreign tax authorities. In particular, we currently are, and expect to continue to be, subject to numerous federal, state and international tax audits relating to income, transfer pricing, sales, VAT and other tax liabilities. Some of these pending and future audits could involve significant liabilities and / or penalties. We are subject to claims for tax assessments by foreign jurisdictions, including a proposed assessment for $ ~~113~~ **120** . ~~5~~ **7** million (inclusive of estimated incremental interest from the original assessment). We believe that the assessment, which primarily relates to transfer pricing on transactions occurring in 2011, is without merit and we intend to vigorously defend ourselves in that matter. See Item 8, Note 14, Income Taxes, for additional information. Any adverse outcome of such a review or audit could have a significant negative effect on our financial position and results of operations. In addition, the determination of our worldwide provision for income taxes and other tax liabilities requires significant judgment by management, and there are many transactions where the ultimate tax determination is uncertain. Although we believe that our estimates are reasonable, the ultimate tax outcome may differ from the amounts recorded in our financial statements and may materially affect our financial results in the period or periods for which such determination is made. It is possible that various states or foreign countries may regulate our transmissions or levy additional sales, income or other taxes relating to our activities. Tax authorities at the international, federal, state and local levels are currently reviewing the appropriate treatment of companies engaged in Internet commerce and marketplace operators, and new or revised international, federal, state or local tax regulations may subject us or our customers to additional sales, income and other taxes. We cannot predict the effect of current attempts to impose sales, income or other taxes on commerce over the Internet. New or revised taxes and, in particular, obligations on online marketplaces and remote sellers to collect sales taxes, VAT and similar taxes, including digital service taxes, may result in liability for third party obligations and would likely increase the cost of doing business online and decrease the attractiveness of advertising and selling goods and services over the Internet. For example, digital service taxes adopted by certain countries **,** or similar regulations **,** could adversely affect our financial results. New taxes or the enactment of new tax laws could also create significant increases in internal costs necessary to capture data ~~,~~ and collect and remit taxes. Any of these events could have an adverse effect on our business and results of operations **. Our ability to use our tax attributes to reduce future U. S. income taxes could be subject to certain limitations** . Under Sections 382 and 383 of the United States Internal Revenue Code of 1986, as amended (the " Code "), a corporation that undergoes an " ownership change " (as defined by the Code) may be subject to limitations on its ability to utilize its pre- change net operating loss (" NOLs") and other tax attributes such as research tax credits to offset future income taxes. If we undergo one or more ownership changes as a result of transactions in our stock, then our ability to utilize NOLs and other pre- change tax attributes could be limited by Sections 382 and 383 of the Code, and similar U. S. state provisions. Future changes in our stock ownership, many of which are outside of our control, could result in an ownership change under Section 382 or 383 of the Code. For these reasons, we might not be able to utilize our NOLs and other tax attributes, even if we maintain profitability. **Our** Various federal laws, such as the...... parties involved in stored value or prepaid access ~~cards, including a proposed expansion of financial institutions~~ to **capital may** ~~include sellers or issuers of prepaid access cards. While we believe Groupon vouchers are not subject to these regulations, it is possible that FinCEN or a court of law could consider Groupon vouchers (or other Groupon products) a financial product and thus deem Groupon to~~ be **limited** ~~subject to such laws~~ and ~~obligations as a financial institution. In the event that we become subject to the requirements of the Bank Secrecy Act or~~ **our** ~~any~~ **ability to successfully manage and raise capital in** ~~other~~ -- **the future may fail** ~~anti- money laundering law or regulation imposing obligations on us as a money services business~~ , ~~our regulatory compliance costs to meet these obligations would likely increase~~ which could **prevent us from growing and** adversely impact our **liquidity** operating results. Many states and certain...... receipt of any necessary licenses or registrations . We may need additional capital in the future and to seek additional financing or covenant relief. Any such financing may not be available on acceptable terms, or at all, and our failure to raise capital when needed could harm our business. We have outstanding $ 230. 0 million in aggregate principal amount of **our** ~~1. 125 % convertible senior notes (the"~~ 2026 Notes ~~")~~ due March 2026. ~~In addition, we are party to a $ 75. 0 million amended and restated credit agreement with JPMorgan Chase Bank, N. A., as administrative agent, dated as of May 14, 2019, as amended by the First Amendment to the Second Amended and Restated Credit Agreement, dated as of July 17, 2020 (the" First Amendment"), as further amended by the Second Amendment to the Second Amended and Restated Credit Agreement, dated as of March 22, 2021 (the" Second Amendment"), as further amended by the Third Amendment to the Second Amended and Restated Credit Agreement, dated as of September 28, 2022 (the" Third Amendment" and the revolving credit agreement, as amended the" Third Amendment Credit Agreement") and as further amended by the Fourth Amendment to the Second Amended and Restated Credit Agreement, dated as of March 13, 2023 (the" Fourth Amendment" and the revolving credit agreement, as amended the" Amended Credit Agreement"), which matures in May 2024. The Amended Credit Agreement contains financial and other~~ **Other** ~~covenants that may restrict our business activities or our ability to execute our strategic objectives. Due to the impact of COVID- 19 on our business, we entered into the First Amendment and Second Amendment to provide, among other things, covenant relief through the fourth quarter of 2021. We voluntarily elected to early terminate this~~

~~covenant relief period as of the third quarter of 2021 and became subject to the ordinary course covenants under the Amended Credit Agreement (beginning in the third quarter of 2021). On September 28, 2022, we entered into the Third Amendment and subsequently on March 13, 2023, we entered into the Fourth Amendment, in each case to modify certain financial covenants, amongst other changes and provide for additional flexibility in our operations. In the future, these covenants could restrict our ability to access the full capacity of our credit facility or require us to repay amounts borrowed. In addition, if we are not able to comply with these covenants, we may need to seek additional covenant relief or modifications in the future. Failure to comply with the covenants contained in our Amended Credit Agreement (if not waived or further amended) could give rise to an event of default and, if not cured, entitle the lenders to accelerate the indebtedness outstanding thereunder and terminate our ability to borrow in the future under the Amended Credit Agreement. Further, acceleration of indebtedness under the Amended Credit Agreement could result in an event of default under the indenture (the" Indenture") governing our 2026 Notes. Any termination of our ability to borrow or event of default under our Amended Credit Agreement would have a material adverse impact on our liquidity. Additionally, other~~ general economic conditions and our future operating performance ~~,~~ could ultimately limit our access to funding ~~under our Amended Credit Agreement~~ and adversely affect our liquidity. Although we plan to continue to actively manage and optimize our cash balances and liquidity, working capital and operating expenses, there can be no assurances that we will be able to do so successfully. If we encounter unforeseen circumstances that place further constraints on our capital resources, including our access to funding ~~under our Amended Credit Agreement~~ , management will be required to take various additional measures to conserve liquidity, which could include, but not necessarily be limited to, reducing capital expenditures, controlling overhead expenses and raising additional sources of capital, such as monetizing certain existing assets. Furthermore, additional equity financing may dilute the interests of our ~~common~~ **Common** ~~stockholders~~ **Stockholders** , and debt financing, if available, may involve restrictive covenants that could further restrict our business activities or our ability to execute our strategic objectives and could reduce our profitability. If we cannot access the full capacity of ~~our~~ **any existing** credit facility or raise or borrow funds on acceptable terms or at all, it could adversely affect our liquidity, and we may not be able to grow our business or respond to competitive pressures ~~. Our Consolidated Financial Statements as of and for the year ended December 31, 2022 are prepared in accordance with generally accepted accounting principles applicable to a going concern, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business. We have evaluated whether there are conditions and events, considered in the aggregate, that raise substantial doubt about our ability to continue as a going concern within one year after the date that the Consolidated Financial Statements are issued and based on an evaluation of the conditions described in Item 7, Liquidity and Capital Resources, such conditions raise substantial doubt about our ability to continue as a going concern. In January 2023, our Board approved the second phase of the 2022 Restructuring Plan, which includes an overall reduction of approximately 500 positions globally. A substantial portion of these reductions occurred in January 2023 and the remaining are expected to occur by the end of the second quarter 2023. We estimate that the second phase of our 2022 Restructuring plan and related costs savings initiatives will result in approximately $ 100. 0 million in annualized cost savings. Further, following the completion of our cloud migration project in February 2023, we have begun to accelerate our efforts to optimize our technology stack and cloud workloads resulting in additional cost savings and we plan to improve the efficiency of our marketing investment resulting in reductions to marketing expense for the remainder of 2023. Management will also take steps to minimize the risk certain payment processors will require reserves or holdback receivables. Based on the actions we have taken and those we plan to take, we believe we have alleviated the substantial doubt previously described and have sufficient liquidity to meet our obligations as they become due over the next twelve months, however, there can be no assurance, that we will be successful in completing such actions and realizing the anticipated cost savings. We are also currently evaluating several different strategies to enhance our liquidity position. These strategies may include, but are not limited to, pursuing additional actions under our multi- phase cost- savings plan, seeking additional financing from both the public and private markets through the issuance of equity or debt securities, and monetizing certain assets. The substantial doubt about our ability to continue as a going concern may affect the price of our common stock, may impact our relationship with third parties with whom we do business, including our customers, vendors, lenders and employees, may impact our ability to raise additional capital and may impact our ability to comply going forward with covenants in our debt agreements. The actions we have taken and plan to take in the future to reduce operating costs, including as part of our 2022 Restructuring Plan, may negatively affect our brand reputation, ability to attract and retain employees, and our reputation and performance may suffer as a result~~ . Holders of the 2026 Notes will have the right to require us to repurchase all or a portion of their 2026 Notes upon the occurrence of a fundamental change before the maturity date at a repurchase price equal to 100 % of the principal amount of the 2026 Notes to be repurchased, plus accrued and unpaid interest, if any. In addition, upon conversion of the 2026 Notes, unless we elect to deliver solely shares of our ~~common~~ **Common** ~~stock~~ **Stock** to settle such conversion (other than paying cash in lieu of delivering any fractional share), we will be required to make cash payments in respect of the 2026 Notes being converted. Moreover, we will be required to repay the 2026 Notes in cash at their maturity unless earlier converted, redeemed or repurchased. However, we may not have enough available cash or be able to obtain financing at the time we are required to make repurchases of the 2026 Notes surrendered therefor or pay cash with respect to the 2026 Notes being converted or at their maturity. In addition, our ability to repurchase the 2026 Notes or to pay cash upon conversions of the 2026 Notes or at their maturity may be limited by law, regulatory authority or agreements governing our future indebtedness. Our failure to repurchase the 2026 Notes at a time when the repurchase is required by the Indenture governing the 2026 Notes or to pay cash upon conversions of the 2026 Notes or at their maturity as required by the Indenture would constitute a default under the Indenture. A default under the Indenture governing the 2026 Notes could also lead to a default under agreements governing our existing and future indebtedness ~~, including our Amended Credit Agreement~~ . Moreover, the occurrence of a fundamental change under the Indenture governing the 2026 Notes could constitute an event of default under ~~our Amended Credit Agreement or~~ any ~~other~~ such future agreement. If the payment of the related indebtedness were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay such indebtedness and repurchase the 2026 Notes or pay cash with respect to the 2026 Notes being converted or at maturity of the 2026 Notes. The terms of the 2026 Notes require us to repurchase the 2026 Notes in the event of a fundamental change. A takeover of our Company would constitute a fundamental change. This could have the effect of delaying or preventing a takeover of our Company that may otherwise be beneficial to our stockholders. In the event the conditional conversion feature of the 2026 Notes is triggered, holders of the 2026 Notes will be entitled to convert their 2026 Notes at any time during specified periods at their option. If one or more holders elect to convert their 2026 Notes, **then we would be required to pay cash, deliver shares or deliver a combination of shares and cash, at our election.** ~~unless~~ **Unless** we elect to satisfy our conversion obligation by delivering solely shares of our ~~common~~ **Common** ~~stock~~ **Stock** (other than paying cash in lieu of delivering any fractional share), we would be required to settle a portion or all of our conversion obligation in cash, which could adversely affect our liquidity. In addition, **upon the occurrence of a fundamental change (as defined in the Indenture) prior to the maturity date, holders may require us to repurchase all or a portion of the 2026 Notes for cash at a price equal to 100 % of the principal amount of the 2026 Notes to be repurchased, plus any accrued and unpaid interest to, but excluding, the fundamental change repurchase date.** ~~even~~ **Even** if holders of the 2026 Notes do not elect to convert their 2026 Notes, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the 2026 Notes, as a current rather than long- term liability, which would result in a material reduction of our net working capital. The trading price of our ~~common~~ **Common** ~~stock~~ **Stock** has fluctuated significantly since our initial listing on NASDAQ. We expect that the trading price of our stock will continue to be volatile due to variations in our operating results and also may change in response to other factors, including factors specific to technology and Internet commerce companies, many of which are beyond our control. Among the factors that could affect our stock price are: • our financial results; • any financial projections that we provide to the public, any changes in these projections or our failure for any reason to meet these projections or projections made by research analysts; • the number of shares of our ~~common~~ **Common** ~~stock~~ **Stock** that are available for sale; • the relative success of competitive products or services; • the public' s response to press releases or other public announcements by us or others, including our filings with the SEC and announcements relating to litigation; • the impact of macroeconomic conditions on our business; • speculation about our business or investments in the press or the investment community; • future sales of our ~~common~~ **Common** ~~stock~~ **Stock** by our significant stockholders, officers and directors; • announcements about any share repurchase program and purchases under the program; • changes in our capital structure, such as any refinancing or future issuances of debt or equity securities; • our entry into new markets or exits from existing markets; • regulatory developments; • strategic acquisitions, dispositions, partnerships, joint ventures, restructuring, financing or other transactions announced or consummated by us or our competitors; • financing or other transactions announced or consummated by our minority investments; • our ability to execute our strategy; • our ability to complete the multi- phased cost savings plan and achieve the anticipated benefits from the plan; • our executive leadership transitions; and • changes in accounting principles. We expect the stock price volatility to continue for the foreseeable future as a result of these and other factors. **If securities or industry analysts do not publish research or reports about our business, or publish inaccurate or unfavorable research reports about our business, our share price and trading volume could decline.** The trading market for our ~~common~~ **Common** ~~stock~~ **Stock** depends, in part, on the research and reports that securities or industry analysts publish about us or our business. We do not have any control over these analysts, and in the past, we have had changes in analyst ratings that have affected our stock price. If one or more of the analysts who cover us should downgrade our shares or change their opinion of our shares, industry sector or products, our share price would likely decline. If one or more of these analysts ceases coverage of our company or fails to regularly publish reports on us, we could lose visibility in the financial markets, which could cause our share price or trading volume to decline. We **do not intend to pay dividends for the foreseeable future. We** intend to retain all of our earnings for the foreseeable future to finance the operation and expansion of our business and do not anticipate paying cash dividends. As a result, stockholders can expect to receive a return on their investment in our ~~common~~ **Common** ~~stock~~ **Stock** only if the market price of the stock increases **. Provisions in our charter documents and under Delaware law could discourage a takeover that stockholders may consider favorable** . Provisions in our certificate of incorporation and bylaws may have the effect of delaying or preventing a change of control or changes in our management. These provisions include the following: • Our Board ~~of Directors~~ has the right to elect directors to fill a vacancy created by the expansion of the Board ~~of Directors~~ or the resignation, death or removal of a director, which prevents stockholders from being able to fill vacancies on our Board ~~of Directors~~ . • Special meetings of our stockholders may be called only by our Chairman of the Board ~~of Directors~~ , our Chief Executive Officer, our Board ~~of Directors~~ or holders of not less than the majority of our issued and outstanding ~~common~~ **Common** ~~stock~~ **Stock** . This limits the ability of minority stockholders to take certain actions without an annual meeting of stockholders. • Our stockholders may not act by written consent unless the action to be effected and the taking of such action by written consent is approved in advance by our Board ~~of Directors~~ . As a result, a holder, or holders, controlling a majority of our ~~common~~ **Common** ~~stock~~ **Stock** would generally not be able to take certain actions without holding a stockholders' meeting. • Our certificate of incorporation prohibits cumulative voting in the election of directors. This limits the ability of minority stockholders to elect director candidates. • Stockholders must provide timely notice to nominate individuals for election to the Board ~~of Directors~~ or to propose matters that can be acted upon at an annual meeting of stockholders. These provisions may discourage or deter a potential acquiror from conducting a solicitation of proxies to elect the acquiror' s own slate of directors or otherwise attempting to obtain control of our company. • Our Board ~~of Directors~~ may issue, without stockholder approval, shares of undesignated preferred stock. The ability to authorize undesignated preferred stock makes it possible for our Board ~~of Directors~~ to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to acquire us. The capped call transactions may affect the value of our 2026 Notes and our ~~common~~ **Common** ~~stock~~ **Stock** . In connection with the issuance of the 2026 Notes, we entered into capped call transactions. The capped call transactions cover, subject to customary adjustments, the number of shares of our ~~common~~ **Common** ~~stock~~ **Stock** that initially underlie the 2026 Notes. The capped call transactions are expected to offset the potential dilution to our ~~common~~ **Common** ~~stock~~ **Stock** as a result of conversion of the 2026 Notes and / or offset any cash payments we are required to make in excess of the principal amount of the converted 2026 Notes, as the case may be, with such reduction and / or offset subject to a cap. In connection with establishing their initial hedges of the capped call transactions, the option counterparties or their respective affiliates may have purchased shares of ~~common~~ **Common** ~~stock~~ **Stock** and / or entered into various derivative transactions with respect to our ~~common~~ **Common** ~~stock~~ **Stock** , including with certain investors in the 2026 Notes. In addition, the counterparties or their respective affiliates may modify their hedge positions in the future by entering into or unwinding various derivatives with respect to our ~~common~~ **Common** ~~stock~~ **Stock** and / or purchasing or selling our ~~common~~ **Common** ~~stock~~ **Stock** or other securities of ours in secondary market transactions prior to the maturity of the 2026 Notes. They are likely to do so on each exercise date for the capped call transactions, which are expected to occur during each 20 trading day period beginning on the 21st scheduled trading day prior to the maturity date of the 2026 Notes, or following any termination of any portion of the capped call transactions in connection with any repurchase, redemption or early conversion of the 2026 Notes. This activity could also cause or prevent an increase or decrease in the price of our ~~common~~ **Common** ~~stock~~ **Stock** or the 2026 Notes, which could affect holders' ability to convert the 2026 Notes, and, to the extent the activity occurs during any observation period related to a conversion of the 2026 Notes, it could affect the amount and value of the consideration that holders will receive upon conversion of the 2026 Notes. The potential effect, if any, of these transactions on the price of our ~~common~~ **Common** ~~stock~~ **Stock** or the 2026 Notes will depend in part on market conditions and cannot be ascertained at this time. Any of these activities could adversely affect the value of our ~~common~~ **Common** ~~stock~~ **Stock** . The counterparties to the capped call transactions are financial institutions, and we will be subject to the risk that one or more of the option counterparties may default, fail to perform or may exercise certain termination rights under the capped call transactions. Our exposure to the credit risk of the option counterparties ~~will~~ **is** not ~~be~~ secured by any collateral. Global economic conditions have in the past resulted in the actual or perceived failure of financial difficulties of many financial institutions. If a counterparty to the capped call transactions becomes subject to insolvency proceedings, we will become an unsecured creditor in those proceedings with a claim equal to our exposure at the time under such transactions. Our exposure will depend on many factors but, generally, our exposure will increase if the market price or the volatility of our ~~common~~ **Common** ~~stock~~ **Stock** increases. In addition, upon a default or other failure to perform, or a termination of obligations by a counterparty, the counterparty may fail to deliver the shares of ~~common~~ **Common** ~~stock~~ **Stock** required to be delivered to us under the capped call transactions and we may suffer adverse tax consequences or experience more dilution than we currently anticipate with respect to our ~~common~~ **Common** ~~stock~~ **Stock** . We can provide no assurances as to the financial stability or viability of the counterparties.