

Statements of Operations

(In Millions, except percentages)

	2022				2023				2024	2022	2023
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	FY	FY
	(Unaudited)				(Unaudited)				(Unaudited)		
Direct-to-consumer revenue											
Redemption revenue	\$ 28.3	\$ 29.7	\$ 34.0	\$ 36.9	\$ 33.3	\$ 46.5	\$ 43.6	\$ 40.3	\$ 33.0	\$ 128.8	\$ 163.7
Ad & other revenue	15.5	17.0	17.2	22.5	16.0	19.1	19.3	21.8	14.3	72.0	76.2
Total direct-to-consumer revenue	43.7	46.6	51.1	59.3	49.3	65.6	62.9	62.0	47.3	200.8	239.8
Third-party publishers revenue											
Redemption revenue	0.4	0.2	2.4	6.9	8.4	11.7	22.4	37.6	35.0	9.9	80.2
Ad & other revenue	—	—	—	—	—	—	—	—	—	—	—
Total third-party publishers revenue	0.4	0.2	2.4	6.9	8.4	11.7	22.4	37.6	35.0	9.9	80.2
Total											
Redemption revenue ⁽¹⁾	28.6	29.9	36.3	43.8	41.7	58.3	66.0	77.9	68.0	138.7	243.9
Ad & other revenue	15.5	17.0	17.2	22.5	16.0	19.1	19.3	21.8	14.3	72.0	76.2
Total revenue ⁽¹⁾	\$ 44.1	\$ 46.8	\$ 53.5	\$ 66.3	\$ 57.7	\$ 77.4	\$ 85.3	\$ 99.7	\$ 82.3	\$ 210.7	\$ 320.0
Cost of revenue	10.1	11.6	12.5	12.0	11.3	9.6	10.8	12.3	10.5	46.2	44.0
Gross profit	34.0	35.2	41.0	54.3	46.4	67.7	74.5	87.4	71.8	164.5	276.0
Gross profit %	77 %	75 %	77 %	82 %	80 %	88 %	87 %	88 %	87 %	78 %	86 %
Sales & marketing	32.3	25.2	25.4	27.2	21.6	22.2	37.6	33.3	28.1	110.1	114.8
Research and development	10.9	10.3	10.2	11.1	11.7	12.2	12.4	13.7	13.6	42.6	50.0
General and administrative	12.7	11.8	12.0	12.6	13.3	12.7	12.1	13.5	13.2	49.2	51.6
Depreciation and amortization	0.7	0.8	0.8	0.8	0.8	0.8	1.5	0.6	1.0	3.0	3.7
Income (loss) from operations	(22.7)	(12.8)	(7.4)	2.6	(0.9)	19.8	10.9	26.3	15.9	(40.3)	56.0
Operating margin %	(51)%	(27)%	(14)%	4 %	(2)%	26 %	13 %	26 %	19 %	(19)%	17 %
Interest income (expense), net	(0.2)	(1.8)	(1.6)	(1.7)	(1.7)	(1.5)	(1.6)	(2.1)	(1.8)	(5.3)	(6.9)
Loss on debt extinguishment	—	—	—	—	—	—	—	—	—	—	—

Note: Figures may not recalculate due to rounding.

Statements of Operations, cont.
(In Millions, except percentages)

	2022				2023				2024	2022	2023
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	FY	FY
	(Unaudited)				(Unaudited)				(Unaudited)		
Other expense, net	—	(0.9)	(2.2)	(5.8)	(1.5)	(0.2)	(1.5)	(1.8)	(1.7)	(9.0)	(5.1)
Income (loss) before provision for income taxes	(22.9)	(15.5)	(11.2)	(4.9)	(4.1)	18.0	7.8	22.3	12.4	(54.6)	44.1
Provision for income taxes	—	—	—	(0.2)	(0.2)	(2.7)	0.6	(3.7)	(3.1)	(0.3)	(5.9)
Tax rate	— %	— %	— %	4 %	4 %	(15)%	8 %	(17)%	(25)%	— %	(13)%
Net income (loss)	<u><u>\$(22.9)</u></u>	<u><u>\$(15.6)</u></u>	<u><u>\$(11.2)</u></u>	<u><u>\$ (5.1)</u></u>	<u><u>\$ (4.3)</u></u>	<u><u>\$ 15.3</u></u>	<u><u>\$ 8.4</u></u>	<u><u>\$ 18.6</u></u>	<u><u>\$ 9.3</u></u>	<u><u>\$ (54.9)</u></u>	<u><u>\$ 38.1</u></u>
Stock-Based Compensation											
Cost of revenue	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.1	\$ 0.2	\$ 0.2	\$ 0.2	\$ 0.9	\$ 0.7
Sales and marketing	0.4	0.4	0.5	0.5	0.6	0.6	9.6	\$ 4.7	3.6	1.8	15.4
Research and development	0.5	0.4	0.4	0.6	0.5	0.5	0.5	\$ 0.5	0.6	1.8	2.1
General and administrative	0.5	0.5	0.5	0.5	0.5	0.6	0.5	\$ 0.5	0.5	2.0	2.0
Total stock-based compensation expense	\$ 1.6	\$ 1.5	\$ 1.6	\$ 1.8	\$ 1.8	\$ 1.8	\$ 10.8	\$ 5.8	\$ 4.8	\$ 6.5	\$ 20.2

Note: Figures may not recalculate due to rounding.

Performance Metrics
(In Millions, except per redeemer and per redemption figures)

	2022				2023				2024	2022	2023
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	FY	FY
Redemptions											
Direct-to-consumer redemptions	26.7	28.9	33.4	38.6	31.7	35.5	37.9	39.5	27.7	127.6	144.6
Third-party publisher redemptions	0.5	0.2	3.3	9.7	11.6	15.7	30.0	54.3	43.8	13.8	111.6
Total redemptions	27.2	29.1	36.7	48.3	43.3	51.2	67.9	93.9	71.5	141.4	256.2
Redeemers											
Direct-to-consumer redeemers	1.9	1.9	2.0	2.1	1.9	1.9	2.1	2.2	1.9	2.0	2.0
Third-party publisher redeemers	0.2	0.1	1.2	2.3	2.7	3.4	7.2	11.4	10.6	0.9	6.2
Total redeemers	2.1	2.0	3.2	4.4	4.7	5.3	9.4	13.6	12.5	2.9	8.2
Redemptions per redeemer											
Direct-to-consumer redemptions per redeemer	13.8	15.5	16.7	18.7	16.3	18.3	17.9	18.3	14.4	64.9	70.9
Third-party publisher redemptions per redeemer	2.9	2.8	2.8	4.2	4.2	4.7	4.1	4.8	4.1	14.7	18.0
Total redemptions per redeemer	12.9	14.9	11.5	11.1	9.2	9.6	7.3	6.9	5.7	48.7	31.1
Redemption revenue per redemption											
Direct-to-consumer redemption revenue per redemption	\$ 1.06	\$ 1.03	\$ 1.02	\$ 0.96	\$ 1.05	\$ 1.31	\$ 1.15	\$ 1.02	\$ 1.19	\$ 1.01	\$ 1.13
Third-party publisher redemption revenue per redemption	\$ 0.78	\$ 0.96	\$ 0.71	\$ 0.71	\$ 0.73	\$ 0.75	\$ 0.75	\$ 0.69	\$ 0.80	\$ 0.72	\$ 0.72
Total redemption revenue per redemption	\$ 1.05	\$ 1.03	\$ 0.99	\$ 0.91	\$ 0.96	\$ 1.14	\$ 0.97	\$ 0.83	\$ 0.95	\$ 0.98	\$ 0.95

Note: Figures may not recalculate due to rounding.

Reconciliations of Non-GAAP Measures (In Millions)

	2022				2023				2024	2022	2023
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	FY	FY
Adjusted EBITDA⁽²⁾											
Net income (loss)	\$ (22.9)	\$ (15.6)	\$ (11.2)	\$ (5.1)	\$ (4.3)	\$ 15.3	\$ 8.4	\$ 18.6	\$ 9.3	\$ (54.9)	\$ 38.1
Interest expense (income), net	0.2	1.8	1.6	1.7	1.7	1.5	1.6	2.1	1.8	5.3	6.9
Depreciation and amortization	1.4	1.6	1.7	1.7	1.6	1.6	2.5	0.9	1.9	6.3	6.7
Stock-based compensation	1.6	1.5	1.6	1.7	1.8	1.8	10.8	5.8	4.8	6.5	20.2
Change in fair value of derivative	—	0.9	2.2	1.2	1.5	0.2	1.5	1.8	1.7	4.3	5.0
Loss on debt extinguishment	—	—	—	—	—	—	—	—	—	—	—
Loss on equity investment	—	—	—	4.5	—	—	—	—	—	4.5	—
Provision for (benefit from) income taxes	—	—	—	0.2	0.2	2.7	(0.6)	3.7	3.1	0.3	5.9
Other expense, net	—	—	—	0.1	—	—	—	—	—	0.1	0.1
Adjusted EBITDA	\$ (19.7)	\$ (9.7)	\$ (4.1)	\$ 6.0	\$ 2.5	\$ 23.2	\$ 24.1	\$ 33.0	\$ 22.7	\$ (27.5)	\$ 82.8
Adjusted Net Income (Loss)⁽³⁾											
Net (loss) income	\$ (22.9)	\$ (15.6)	\$ (11.2)	(5.1)	\$ (4.3)	\$ 15.3	\$ 8.4	\$ 18.6	\$ 9.3	\$ (54.9)	\$ 38.1
Stock-based compensation	1.6	1.5	1.6	1.7	1.8	1.8	10.8	5.8	4.8	6.5	20.2
Change in fair value of derivative	—	0.9	2.2	1.2	1.5	0.2	1.5	1.8	1.7	4.3	5.0
Loss on debt extinguishment	—	—	—	—	—	—	—	—	—	—	—
Loss on equity investment	—	—	—	4.5	—	—	—	—	—	4.5	—
Adjustment for income taxes	—	—	—	—	0.1	1.0	(1.5)	0.4	(0.4)	—	(0.1)
Adjusted net (loss) income	\$ (21.3)	\$ (13.1)	\$ (7.4)	\$ 2.3	\$ (0.8)	\$ 18.3	\$ 19.2	\$ 26.6	\$ 15.4	\$ (39.5)	\$ 63.2

Note: Figures may not recalculate due to rounding.

Reconciliations of Non-GAAP Measures, cont.
(In Millions)

	2022				2023				2024	2022	2023
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	FY	FY
Free Cash Flow ⁽⁴⁾											
Net cash provided by operating activities	\$ (13.2)	\$ (8.3)	\$ (18.1)	\$ (17.0)	\$ 2.7	\$ (1.6)	\$ (2.0)	\$ 23.7	\$ 19.4	\$ (56.5)	\$ 22.7
Additions to property and equipment	(0.1)	(0.5)	(0.1)	(0.2)	—	(0.2)	(0.2)	(0.2)	(0.2)	(0.8)	(0.5)
Additions to capitalized software development costs	(1.7)	(1.8)	(1.6)	(1.2)	(1.0)	(2.6)	(2.3)	(1.8)	(2.3)	(6.2)	(7.7)
Free cash flow	\$ (14.9)	\$ (10.5)	\$ (19.7)	\$ (18.3)	\$ 1.7	\$ (4.4)	\$ (4.5)	\$ 21.7	\$ 16.9	\$ (63.5)	\$ 14.5

Note: Figures may not recalculate due to rounding.

Notes

- 1) Amounts presented include a one-time breakage benefits of \$1.2 million in the first quarter of 2023, \$9.4 million in the second quarter of 2023, \$2.1 million in the third quarter of 2023, and \$0.8 million in the fourth quarter of 2023. Excluding the breakage benefit, non-GAAP redemption revenue was \$40.5 million in the first quarter of 2023, \$48.9 million in the second quarter of 2023, \$63.9 million in the third quarter of 2023, and \$77.1 million in the fourth quarter of 2023. Excluding the breakage benefit, non-GAAP revenue was \$56.5 million in the first quarter of 2023, \$68.0 million in the second quarter of 2023, \$83.2 million in the third quarter of 2023, and \$98.8 million in the fourth quarter of 2023.
- 2) Adjusted EBITDA is earnings before interest (income) expense, net, provision for (benefit from) income tax, and depreciation and amortization, and excludes stock-based compensation, change in fair value of derivative, loss on debt extinguishment, and other expense, net.
- 3) Adjusted net income excludes charges and the related income tax effects for stock-based compensation, change in fair value of derivative, loss on debt extinguishment, and loss on equity investment. The income tax effect of non-GAAP adjustments is the difference between GAAP and non-GAAP income tax expense. Non-GAAP income tax expense is computed on non-GAAP pre-tax income (GAAP pre-tax income adjusted for non-GAAP adjustments).
- 4) Free cash flow is defined as cash provided by operating activities, less additions to property and equipment and capitalization of software development costs.