As filed with the Securities and Exchange Commission on August 9, 2022

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For the Quarterly Period Ended June 30, 2022
Or

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from__________to__________

Commission File No. 001-38220

Angi Inc.
(Exact name of Registrant as specified in its charter)

Delaware	**82-1204801**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

3601 Walnut Street, Denver, CO 80205
(Address of Registrant's principal executive offices)
(303) 963-7200
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of exchange on which registered
Class A Common Stock, par value $0.001	ANGI	The Nasdaq Stock Market LLC

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the Registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐ Emerging growth company ☐

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act ☐

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of August 5, 2022, the following shares of the Registrant's common stock were outstanding:

Class A Common Stock	81,270,011
Class B Common Stock	422,019,247
Class C Common Stock	—
Total outstanding Common Stock	503,289,258

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PART I
FINANCIAL INFORMATION

Item 1. ***Consolidated Financial Statements***

ANGI INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
(Unaudited)

	June 30, 2022	December 31, 2021
	(In thousands, except par value amounts)	
ASSETS		
Cash and cash equivalents	$ 360,950	$ 428,136
Accounts receivable, net of reserves of $46,317 and $36,360, respectively	119,768	84,387
Other current assets	81,864	70,548
Total current assets	562,582	583,071
Capitalized software, leasehold improvements and equipment, net	156,230	118,267
Goodwill	909,964	916,039
Intangible assets, net	185,174	193,826
Deferred income taxes	135,315	122,693
Other non-current assets, net	68,250	76,245
TOTAL ASSETS	$ 2,017,515	$ 2,010,141
LIABILITIES AND SHAREHOLDERS’ EQUITY		
LIABILITIES:		
Accounts payable	$ 41,700	$ 38,860
Deferred revenue	56,940	53,834
Accrued expenses and other current liabilities	238,962	183,815
Total current liabilities	337,602	276,509
Long-term debt, net	494,913	494,552
Deferred income taxes	2,223	1,883
Other long-term liabilities	82,905	91,670
Commitments and contingencies		
SHAREHOLDERS’ EQUITY:		
Class A common stock, $0.001 par value; authorized 2,000,000 shares; issued 100,897 and 99,745 shares, respectively, and outstanding 80,686 and 80,578, respectively	101	100
Class B convertible common stock, $0.001 par value; authorized 1,500,000 shares; 422,019 and 422,019 shares issued and outstanding	422	422
Class C common stock, $0.001 par value; authorized 1,500,000 shares; no shares issued and outstanding	—	—
Additional paid-in capital	1,374,200	1,350,457
Accumulated deficit	(119,251)	(61,629)
Accumulated other comprehensive (loss) income	(393)	3,309
Treasury stock, 20,211 and 19,167 shares, respectively	(166,184)	(158,040)
Total Angi Inc. shareholders’ equity	1,088,895	1,134,619
Noncontrolling interests	10,977	10,908
Total shareholders’ equity	1,099,872	1,145,527
TOTAL LIABILITIES AND SHAREHOLDERS’ EQUITY	$ 2,017,515	$ 2,010,141

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

ANGI INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF OPERATIONS
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	(In thousands, except per share data)			
Revenue	$ 515,782	$ 420,988	$ 951,941	$ 808,017
Cost of revenue (exclusive of depreciation shown separately below)	127,771	69,704	226,769	123,532
Gross profit	388,011	351,284	725,172	684,485
Operating costs and expenses:				
Selling and marketing expense	251,159	239,031	476,960	444,871
General and administrative expense	119,626	107,486	229,281	195,648
Product development expense	20,954	18,752	38,813	36,799
Depreciation	13,354	15,058	27,353	31,027
Amortization of intangibles	3,804	3,688	7,608	8,762
Total operating costs and expenses	408,897	384,015	780,015	717,107
Operating loss	(20,886)	(32,731)	(54,843)	(32,622)
Interest expense	(5,026)	(5,814)	(10,048)	(12,431)
Other expense, net	(1,750)	(636)	(2,141)	(1,403)
Loss before income taxes	(27,662)	(39,181)	(67,032)	(46,456)
Income tax benefit	3,665	9,129	9,748	18,418
Net loss	(23,997)	(30,052)	(57,284)	(28,038)
Net earnings attributable to noncontrolling interests	(235)	(241)	(338)	(324)
Net loss attributable to Angi Inc. shareholders	$ (24,232)	$ (30,293)	$ (57,622)	$ (28,362)
Per share information attributable to Angi Inc. shareholders:				
Basic loss per share	$ (0.05)	$ (0.06)	$ (0.11)	$ (0.06)
Diluted loss per share	$ (0.05)	$ (0.06)	$ (0.11)	$ (0.06)
Stock-based compensation expense by function:				
Selling and marketing expense	$ 1,891	$ 865	$ 3,130	$ 1,882
General and administrative expense	8,662	7,410	18,297	7,494
Product development expense	2,864	1,268	4,975	2,201
Total stock-based compensation expense	$ 13,417	$ 9,543	$ 26,402	$ 11,577

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

ANGI INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF COMPREHENSIVE OPERATIONS
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	(in thousands)			
Net loss	$ (23,997)	$ (30,052)	$ (57,284)	$ (28,038)
Other comprehensive (loss) income:				
Change in foreign currency translation adjustment	(3,225)	1,395	(3,971)	2,075
Comprehensive loss	(27,222)	(28,657)	(61,255)	(25,963)
Components of comprehensive loss (income) attributable to noncontrolling interests:				
Net earnings attributable to noncontrolling interests	(235)	(241)	(338)	(324)
Change in foreign currency translation adjustment attributable to noncontrolling interests	326	(45)	269	(739)
Comprehensive loss (income) attributable to noncontrolling interests	91	(286)	(69)	(1,063)
Comprehensive loss attributable to Angi Inc. shareholders	$ (27,131)	$ (28,943)	$ (61,324)	$ (27,026)

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

ANGI INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
Three and Six Months Ended June 30, 2022
(Unaudited)

	Redeemable Noncontrolling Interests	Class A Common Stock $0.001 Par Value		Class B Convertible Common Stock $0.001 Par Value		Class C Common Stock $0.001 Par Value		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive (Loss) Income	Treasury Stock	Total Angi Inc. Shareholders' Equity	Noncontrolling Interests	Total Shareholders' Equity
		$	Shares	$	Shares	$	Shares							
	(In thousands)													
Balance as of March 31, 2022	$ —	$ 100	100,426	$ 422	422,019	$ —	—	$ 1,361,540	$ (95,019)	$ 2,506	$ (166,184)	$ 1,103,365	$ 11,068	$ 1,114,433
Net (loss) earnings	—	—	—	—	—	—	—	—	(24,232)	—	—	(24,232)	236	(23,996)
Other comprehensive loss	—	—	—	—	—	—	—	—	—	(2,899)	—	(2,899)	(326)	(3,225)
Stock-based compensation expense	—	—	—	—	—	—	—	14,111	—	—	—	14,111	—	14,111
Issuance of common stock pursuant to stock-based awards, net of withholding taxes	—	1	471	—	—	—	—	(1,451)	—	—	—	(1,450)	—	(1,450)
Other	—	—	—	—	—	—	—	—	—	—	—	—	(1)	(1)
Balance as of June 30, 2022	$ —	$ 101	100,897	$ 422	422,019	$ —	—	$ 1,374,200	$ (119,251)	$ (393)	$ (166,184)	$ 1,088,895	$ 10,977	$ 1,099,872

	Redeemable Noncontrolling Interests	Class A $	Class A Shares	Class B $	Class B Shares	Class C $	Class C Shares	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive (Loss) Income	Treasury Stock	Total Angi Inc. Shareholders' Equity	Noncontrolling Interests	Total Shareholders' Equity
Balance as of December 31, 2021	$ —	$ 100	99,745	$ 422	422,019	$ —	—	$ 1,350,457	$ (61,629)	$ 3,309	$ (158,040)	$ 1,134,619	$ 10,908	$ 1,145,527
Net (loss) earnings	—	—	—	—	—	—	—	—	(57,622)	—	—	(57,622)	339	(57,283)
Other comprehensive loss	—	—	—	—	—	—	—	—	—	(3,702)	—	(3,702)	(269)	(3,971)
Stock-based compensation expense	—	—	—	—	—	—	—	27,667	—	—	—	27,667	—	27,667
Issuance of common stock pursuant to stock-based awards, net of withholding taxes	—	1	1,152	—	—	—	—	(3,924)	—	—	—	(3,923)	—	(3,923)
Purchase of treasury stock	—	—	—	—	—	—	—	—	—	—	(8,144)	(8,144)	—	(8,144)
Other	—	—	—	—	—	—	—	—	—	—	—	—	(1)	(1)
Balance as of June 30, 2022	$ —	$ 101	100,897	$ 422	422,019	$ —	—	$ 1,374,200	$ (119,251)	$ (393)	$ (166,184)	$ 1,088,895	$ 10,977	$ 1,099,872

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

ANGI INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
Three and Six Months Ended June 30, 2021
(Unaudited)

	Redeemable Noncontrolling Interests	Class A Common Stock $0.001 Par Value		Class B Convertible Common Stock $0.001 Par Value		Class C Common Stock $0.001 Par Value		Additional Paid-in Capital	(Accumulated Deficit) Retained Earnings	Accumulated Other Comprehensive Income	Treasury Stock	Total Angi Inc. Shareholders' Equity	Noncontrolling Interests	Total Shareholders' Equity
		$	Shares	$	Shares	$	Shares							
								(In thousands)						
Balance as of March 31, 2021	$ 4,608	$ 98	98,408	$ 422	421,958	$ —	—	$ 1,333,294	$ 11,680	$ 4,623	$ (126,997)	$ 1,223,120	$ 10,823	$ 1,233,943
Net earnings (loss)	48	—	—	—	—	—	—	—	(30,293)	—	—	(30,293)	194	(30,099)
Other comprehensive income	8	—	—	—	—	—	—	—	—	1,350	—	1,350	37	1,387
Stock-based compensation expense	—	—	—	—	—	—	—	11,477	—	—	—	11,477	—	11,477
Issuance of common stock pursuant to stock-based awards, net of withholding taxes	—	1	697	—	—	—	—	(6,691)	—	—	—	(6,690)	—	(6,690)
Issuance of common stock to IAC pursuant to the employee matters agreement	—	—	6	—	19	—	—	—	—	—	—	—	—	—
Purchase of treasury stock	—	—	—	—	—	—	—	—	—	—	(721)	(721)	—	(721)
Adjustment of redeemable noncontrolling interests to fair value	(128)	—	—	—	—	—	—	128	—	—	—	128	—	128
Balance as of June 30, 2021	$ 4,536	$ 99	99,111	$ 422	421,977	$ —	—	$ 1,338,208	$ (18,613)	$ 5,973	$ (127,718)	$ 1,198,371	$ 11,054	$ 1,209,425
Balance as of December 31, 2020	$ 26,364	$ 94	94,238	$ 422	421,862	$ —	—	$ 1,379,469	$ 9,749	$ 4,637	$ (122,081)	$ 1,272,290	$ 10,567	$ 1,282,857
Net (loss) earnings	(12)	—	—	—	—	—	—	—	(28,362)	—	—	(28,362)	336	(28,026)
Other comprehensive income	588	—	—	—	—	—	—	—	—	1,336	—	1,336	151	1,487
Stock-based compensation expense	—	—	—	—	—	—	—	14,019	—	—	—	14,019	—	14,019
Issuance of common stock pursuant to stock-based awards, net of withholding taxes	—	2	2,288	—	—	—	—	(54,743)	—	—	—	(54,741)	—	(54,741)
Issuance of common stock to IAC pursuant to the employee matters agreement	—	3	2,585	—	115	—	—	(3)	—	—	—	—	—	—
Purchase of treasury stock	—	—	—	—	—	—	—	—	—	—	(5,637)	(5,637)	—	(5,637)
Purchase of redeemable noncontrolling interests	(22,938)	—	—	—	—	—	—	—	—	—	—	—	—	—
Adjustment of redeemable noncontrolling interests to fair value	534	—	—	—	—	—	—	(534)	—	—	—	(534)	—	(534)
Balance as of June 30, 2021	$ 4,536	$ 99	99,111	$ 422	421,977	$ —	—	$ 1,338,208	$ (18,613)	$ 5,973	$ (127,718)	$ 1,198,371	$ 11,054	$ 1,209,425

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

ANGI INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF CASH FLOWS
(Unaudited)

	Six Months Ended June 30,	
	2022	2021
	(In thousands)	
Cash flows from operating activities:		
Net loss	$ (57,284)	$ (28,038)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Provision for credit losses	47,926	42,731
Stock-based compensation expense	26,402	11,577
Depreciation	27,353	31,027
Amortization of intangibles	7,608	8,762
Deferred income taxes	(12,095)	(20,344)
Impairment of long-lived and right-of-use assets	2,195	12,280
Non-cash lease expense	6,612	6,326
Revenue reserves	3,009	4,667
Other adjustments, net	1,976	2,592
Changes in assets and liabilities, net of effects of acquisitions and dispositions:		
Accounts receivable	(84,234)	(63,192)
Other assets	(11,140)	2,050
Accounts payable and other liabilities	52,661	51,442
Operating lease liabilities	(8,624)	(8,243)
Income taxes payable and receivable	1,571	315
Deferred revenue	3,143	5,301
Net cash provided by operating activities	7,079	59,253
Cash flows from investing activities:		
Capital expenditures	(62,138)	(35,713)
Proceeds from maturities of marketable debt securities	—	50,000
Net proceeds from the sale of a business	—	750
Proceeds from sale of fixed assets	164	—
Net cash (used in) provided by investing activities	(61,974)	15,037
Cash flows from financing activities:		
Principal payments on Term Loan	—	(220,000)
Purchase of treasury stock	(8,144)	(5,637)
Withholding taxes paid on behalf of employees on net settled stock-based awards	(3,513)	(54,596)
Purchase of noncontrolling interests	—	(22,938)
Net cash used in financing activities	(11,657)	(303,171)
Total cash used	(66,552)	(228,881)
Effect of exchange rate changes on cash and cash equivalents and restricted cash	(983)	546
Net decrease in cash and cash equivalents and restricted cash	(67,535)	(228,335)
Cash and cash equivalents and restricted cash at beginning of period	429,485	813,561
Cash and cash equivalents and restricted cash at end of period	$ 361,950	$ 585,226

The accompanying Notes to Consolidated Financial Statements are an integral part of these statements.

ANGI INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

NOTE 1—THE COMPANY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Angi Inc. ("Angi," the "Company," "we," "our," or "us") connects quality home service professionals with consumers across more than 500 different categories, from repairing and remodeling homes to cleaning and landscaping. Over 256,000 domestic service professionals actively sought consumer matches, completed jobs, or advertised work through Angi platforms during the three months ended June 30, 2022. Additionally, consumers turned to at least one of our brands to find a service professional for approximately 31 million projects during the twelve months ended June 30, 2022.

The Company has two operating segments: (i) North America (United States and Canada), which includes Angi Ads, Angi Leads, and Angi Services; and (ii) Europe. In March 2021, the Company rebranded its North American brands which operate as follows: Angi Ads operates under the Angi brand, Angi Leads operates primarily under the HomeAdvisor, powered by Angi brand, and Angi Services operates primarily under the Handy and Angi Roofing brands.

As used herein, "Angi," the "Company," "we," "our," "us," and similar terms refer to Angi Inc. and its subsidiaries (unless the context requires otherwise).

At June 30, 2022, IAC/InterActiveCorp ("IAC") owned 84.5% and 98.2% of the economic interest and voting interest, respectively, of the Company.

Basis of Presentation and Consolidation

The Company prepares its consolidated financial statements in accordance with U.S. generally accepted accounting principles ("GAAP"). The consolidated financial statements include the accounts of the Company, all entities that are wholly-owned by the Company and all entities in which the Company has a controlling financial interest. All intercompany transactions and balances between and among the Company and its subsidiaries have been eliminated. All intercompany transactions between (i) Angi and (ii) IAC and its subsidiaries are considered to be effectively settled for cash at the time the transaction is recorded. See "Note 10—Related Party Transactions with IAC" for additional information on transactions between Angi and IAC.

The Company is included within IAC's tax group for purposes of federal and consolidated state income tax return filings. For the purpose of these financial statements, income taxes have been computed on an as if standalone, separate return basis. Any differences between taxes currently payable to or receivable from IAC under the tax sharing agreement between the Company and IAC and the current tax provision computed on an as if standalone, separate return basis for GAAP are reflected as adjustments to additional paid-in capital and as financing activities within the statement of cash flows.

In management's opinion, the unaudited interim consolidated financial statements have been prepared on the same basis as the annual consolidated financial statements and reflect all adjustments, consisting of normal and recurring adjustments, necessary for the fair presentation of the Company's consolidated financial position, consolidated results of operations and consolidated cash flows for the periods presented. Interim results are not necessarily indicative of the results that may be expected for the full year. The accompanying unaudited interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2021.

COVID-19 Update

The impact on the Company from the COVID-19 pandemic and the measures designed to contain its spread has been varied and volatile. The impact of COVID-19 has been difficult to precisely identify and measure in 2021 and beyond because we launched the rebranding initiative in March 2021.

As previously disclosed, the impact of COVID-19 initially resulted in a decline in demand for service requests, driven primarily by decreases in demand in certain categories of jobs (particularly discretionary indoor projects). While these businesses experienced a rebound in service requests from mid-2020 through early 2021, service requests started to decline in

May 2021 and continued to decline into early 2022 due to the launch of Angi Inc.'s brand integration in March 2021, and the Omicron variant surge in late 2021 and early 2022. Our ability to monetize service requests rebounded modestly in the second half of 2021, continued to increase in the first half of 2022, and is approaching levels experienced pre-COVID-19. No assurances can be provided that we will continue to be able to improve monetization, or that service professionals' businesses and, as a consequence, our revenue and profitability will not continue to be adversely impacted by COVID-19 in the future.

The extent to which developments related to the COVID-19 pandemic and measures designed to curb its spread continue to impact the Company's business, financial condition, and results of operations will depend on future developments, all of which are highly uncertain and many of which are beyond the Company's control, including the continuing spread of COVID-19, the severity of resurgences of COVID-19 caused by variant strains of the virus, the effectiveness of vaccines and attitudes toward receiving them, materials and supply chain constraints, labor shortages, the scope of governmental and other restrictions on travel, discretionary services and other activity, and public reactions to these developments.

Accounting Estimates

Management of the Company is required to make certain estimates, judgments, and assumptions during the preparation of its consolidated financial statements in accordance with GAAP. These estimates, judgments, and assumptions impact the reported amounts of assets, liabilities, revenue, and expenses and the related disclosure of contingent assets and liabilities. Actual results could differ from these estimates.

On an ongoing basis, the Company evaluates its estimates and judgments, including those related to: the fair values of cash equivalents and marketable debt securities; the carrying value of accounts receivable, including the determination of the allowance for credit losses and the determination of revenue reserves; the determination of the customer relationship period for certain costs to obtain a contract with a customer; the carrying value of right-of-use assets ("ROU assets"); the useful lives and recoverability of definite-lived intangible assets and capitalized software, leasehold improvements, and equipment; the recoverability of goodwill and indefinite-lived intangible assets; unrecognized tax benefits; the valuation allowance for deferred income tax assets; and the fair value of and forfeiture rates for stock-based awards, among others. The Company bases its estimates and judgments on historical experience, its forecasts and budgets, and other factors that the Company considers relevant.

General Revenue Recognition

Revenue is recognized when control of the promised goods or services is transferred to the Company's customers and in the amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services.

The Company's disaggregated revenue disclosures are presented in "Note 7—Segment Information."

Deferred Revenue

Deferred revenue consists of payments that are received or are contractually due in advance of the Company's performance obligation. The Company's deferred revenue is reported on a contract-by-contract basis at the end of each reporting period. The Company classifies deferred revenue as current when the remaining term of the applicable subscription period or expected completion of its performance obligation is one year or less. At December 31, 2021, the current and non-current deferred revenue balances were $53.8 million and $0.1 million, respectively, and during the six months ended June 30, 2022, the Company recognized $45.8 million of revenue that was included in the deferred revenue balance as of December 31, 2021. At December 31, 2020, the current and non-current deferred revenue balances were $54.7 million and $0.2 million, respectively, and during the six months ended June 30, 2021, the Company recognized $46.0 million of revenue that was included in the deferred revenue balance as of December 31, 2020.

The current and non-current deferred revenue balances at June 30, 2022 are $56.9 million and less than $0.1 million, respectively. Non-current deferred revenue is included in "Other long-term liabilities" in the accompanying consolidated balance sheet.

Practical Expedients and Exemptions

As permitted under the practical expedient available under Accounting Standard Codification ("ASC") 606, *Revenue from Contracts with Customers*, the Company does not disclose the value of unsatisfied performance obligations for (i) contracts with an original expected length of one year or less, (ii) contracts with variable consideration that is allocated entirely to unsatisfied performance obligations or to a wholly unsatisfied promise accounted for under the series guidance, and (iii) contracts for which the Company recognizes revenue at the amount which the Company has the right to invoice for services performed.

Commissions Paid to Employees Pursuant to Sales Incentive Programs

The Company has determined that commissions paid to employees pursuant to certain sales incentive programs meet the requirements to be capitalized as the incremental costs to obtain a contract with a customer. When customer renewals are expected and the renewal commission is not commensurate with the initial commission, the average customer life includes renewal periods. Capitalized commissions paid to employees pursuant to these sales incentive programs are amortized over the estimated customer relationship period and are included in "Selling and marketing expense" in the accompanying statement of operations. The Company calculates the anticipated customer relationship period as the average customer life, which is based on historical data.

For sales incentive programs where the anticipated customer relationship period is one year or less, the Company has elected the practical expedient to expense the commissions as incurred.

Assets Recognized from the Costs to Obtain a Contract with a Customer

The Company uses a portfolio approach to assess the accounting treatment of the incremental costs to obtain a contract with a customer. The Company recognizes an asset for these costs if we expect to recover those costs. To the extent that these costs are capitalized, the resultant asset is amortized on a systematic basis consistent with the pattern of the transfer of the services to which the asset relates. The current contract assets are $47.6 million and $38.0 million at June 30, 2022 and December 31, 2021, respectively. The non-current assets are $1.0 million and $1.1 million at June 30, 2022 and December 31, 2021, respectively. The current and non-current capitalized costs to obtain a contract with a customer are included in "Other current assets" and "Other non-current assets" in the accompanying balance sheet.

Recent Accounting Pronouncements

There are no recently issued accounting pronouncements adopted or that have not yet been adopted by the Company that are expected to have a material effect on the results of operations, financial condition, or cash flows of the Company.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year presentation.

NOTE 2—INCOME TAXES

The Company is included within IAC's tax group for purposes of federal and consolidated state income tax return filings. In all periods presented, the income tax benefit and/or provision has been computed for the Company on an as if standalone, separate return basis and payments to and refunds from IAC for the Company's share of IAC's consolidated federal and state tax return liabilities/receivables calculated on this basis have been reflected within cash flows from operating activities in the accompanying consolidated statement of cash flows. The tax sharing agreement between the Company and IAC governs the parties' respective rights, responsibilities and obligations with respect to tax matters, including responsibility for taxes attributable to the Company, entitlement to refunds, allocation of tax attributes and other matters and, therefore, ultimately governs the amount payable to or receivable from IAC with respect to income taxes. Any differences between taxes currently payable to or receivable from IAC under the tax sharing agreement and the current tax provision computed on an as if standalone, separate return basis for GAAP are reflected as adjustments to additional paid-in capital in the consolidated statement of shareholders' equity and financing activities within the consolidated statement of cash flows.

At the end of each interim period, the Company estimates the annual expected effective income tax rate and applies that rate to its ordinary year-to-date earnings or loss. The income tax provision or benefit related to significant, unusual, or extraordinary items, if applicable, that will be separately reported or reported net of their related tax effects are individually computed and recognized in the interim period in which they occur. In addition, the effect of changes in enacted tax laws or rates, tax status, judgment on the realizability of a beginning-of-the-year deferred tax asset in future years or unrecognized tax benefits is recognized in the interim period in which the change occurs.

The computation of the annual expected effective income tax rate at each interim period requires certain estimates and assumptions including, but not limited to, the expected pre-tax income (or loss) for the year, projections of the proportion of income (and/or loss) earned and taxed in foreign jurisdictions, permanent and temporary differences, and the likelihood of the realization of deferred tax assets generated in the current year. The accounting estimates used to compute the provision or benefit for income taxes may change as new events occur, more experience is acquired, additional information is obtained or the Company's tax environment changes. To the extent that the expected annual effective income tax rate changes during a quarter, the effect of the change on prior quarters is included in income tax provision or benefit in the quarter in which the change occurs.

For the three and six months ended June 30, 2022, the Company recorded an income tax benefit of $3.7 million and $9.7 million, which represents an effective income tax rate of 13% and 15%, respectively. For the three and six months ended June 30, 2022, the effective income tax rate is lower than the statutory rate of 21% due primarily to unbenefited foreign losses and tax shortfalls generated by the exercise and vesting for stock-based awards. For the three and six months ended June 30, 2021, the Company recorded an income tax benefit of $9.1 million and $18.4 million, which represents an effective income tax rate of 23% and 40%, respectively. For the three months ended June 30, 2021, the effective income tax rate is higher than the statutory rate of 21% due primarily to benefits related to a change in the annual expected effective income tax rate, partially offset by nondeductible share-based compensation expense. For the six months ended June 30, 2021, the effective income tax rate is higher than the statutory rate of 21% due primarily to excess tax benefits generated by the exercise and vesting for stock-based awards.

The Company recognizes interest and, if applicable, penalties related to unrecognized tax benefits in the income tax provision. Accruals for interest are not material and there are currently no accruals for penalties.

The Company is routinely under audit by federal, state, local and foreign authorities in the area of income tax as a result of previously filed separate company and consolidated tax returns with IAC. These audits include questioning the timing and the amount of income and deductions and the allocation of income and deductions among various tax jurisdictions. The Internal Revenue Service ("IRS") has substantially completed its audit of IAC's federal income tax returns for the years ended December 31, 2013 through 2019, which includes the operations of the Company. The statutes of limitations for the years 2013 through 2019 have been extended to December 31, 2023. Returns filed in various other jurisdictions are open to examination for various tax years beginning with 2014. Income taxes payable include unrecognized tax benefits considered sufficient to pay assessments that may result from examination of prior year tax returns. The Company considers many factors when evaluating and estimating its tax positions and tax benefits, which may not accurately anticipate actual outcomes and, therefore, may require periodic adjustment. Although management currently believes changes in unrecognized tax benefits from period to period and differences between amounts paid, if any, upon resolution of issues raised in audits and amounts previously provided will not have a material impact on liquidity, results of operations, or financial condition of the Company, these matters are subject to inherent uncertainties and management's view of these matters may change in the future.

At June 30, 2022 and December 31, 2021, the Company has unrecognized tax benefits of $6.7 million and $6.3 million, respectively; all of which are for tax positions included in IAC's consolidated tax return filings. If unrecognized tax benefits at June 30, 2022 are subsequently recognized, the income tax provision would be reduced by $6.4 million. The comparable amount as of December 31, 2021 is $6.0 million.

The Company regularly assesses the realizability of deferred tax assets considering all available evidence including, to the extent applicable, the nature, frequency and severity of prior cumulative losses, forecasts of future taxable income, tax filing status, the duration of statutory carryforward periods, available tax planning and historical experience. At June 30, 2022, the Company has a U.S. gross deferred tax asset of $223.4 million that the Company expects to fully utilize on a more likely than not basis. Of this amount, $49.7 million will be utilized upon the future reversal of deferred tax liabilities and the remaining net deferred tax asset of $173.7 million will be utilized based on forecasts of future taxable income. The Company's most significant net deferred tax asset relates to U.S. federal net operating loss ("NOL") carryforwards of $124.7 million. The Company expects to generate sufficient future taxable income of at least $593.7 million prior to the expiration of these NOLs, the majority of which expire between 2030 and 2037, and a portion of which never expire, to fully realize this deferred tax asset.

NOTE 3—FINANCIAL INSTRUMENTS AND FAIR VALUE MEASUREMENTS

Marketable Debt Securities

The Company did not hold any available-for-sale marketable debt securities at June 30, 2022 and December 31, 2021.

Fair Value Measurements

The Company categorizes its financial instruments measured at fair value into a fair value hierarchy that prioritizes the inputs used in pricing the asset or liability. The three levels of the fair value hierarchy are:

- Level 1: Observable inputs obtained from independent sources, such as quoted market prices for identical assets and liabilities in active markets.

- Level 2: Other inputs, which are observable directly or indirectly, such as quoted market prices for similar assets or liabilities in active markets, quoted market prices for identical or similar assets or liabilities in markets that are not active and inputs that are derived principally from or corroborated by observable market data. The fair values of the Company's Level 2 financial assets are primarily obtained from observable market prices for identical underlying securities that may not be actively traded. Certain of these securities may have different market prices from multiple market data sources, in which case an average market price is used.

- Level 3: Unobservable inputs for which there is little or no market data and require the Company to develop its own assumptions, based on the best information available in the circumstances, about the assumptions market participants would use in pricing the assets or liabilities.

The following tables present the Company's financial instruments that are measured at fair value on a recurring basis:

	June 30, 2022			
	Quoted Market Prices for Identical Assets in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value Measurements
	(In thousands)			
Assets:				
Cash equivalents:				
Money market funds	$ 225,464	$ —	$ —	$ 225,464
Total	$ 225,464	$ —	$ —	$ 225,464

	December 31, 2021			
	Quoted Market Prices for Identical Assets in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value Measurements
	(In thousands)			
Assets:				
Cash equivalents:				
Money market funds	$ 280,052	$ —	$ —	$ 280,052
Total	$ 280,052	$ —	$ —	$ 280,052

Assets measured at fair value on a nonrecurring basis

The Company's non-financial assets, such as goodwill, intangible assets, ROU assets, capitalized software, leasehold improvements and equipment are adjusted to fair value only when an impairment is recognized. Such fair value measurements are based predominantly on Level 3 inputs.

During the three months ended June 30, 2022, the Company recorded $2.3 million in impairment charges on ROU assets, leasehold improvements, and furniture and equipment. Impairment expense was determined by comparing the carrying value of each asset group related to each office space vacated to the estimated fair market value of cash inflows directly associated with each office space. Based on this analysis, if the carrying amount of the asset group is greater than the estimated future undiscounted cash flows, an impairment charge is recognized, measured as the amount by which the carrying amount exceeds the fair value of the asset.

Financial instruments measured at fair value only for disclosure purposes

The following table presents the carrying value and the fair value of financial instruments measured at fair value only for disclosure purposes:

	June 30, 2022		December 31, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(In thousands)			
Long-term debt, net [a]	$ (494,913)	$ (382,050)	$ (494,552)	$ (486,875)

[a] At June 30, 2022 and December 31, 2021, the carrying value of long-term debt, net includes unamortized debt issuance costs of $5.1 million and $5.4 million, respectively.

The fair value of long-term debt is estimated using observable market prices or indices for similar liabilities, which are Level 2 inputs.

NOTE 4—LONG-TERM DEBT

Long-term debt consists of:

	June 30, 2022	December 31, 2021
	(In thousands)	
3.875% ANGI Group Senior Notes due August 15, 2028 ("ANGI Group Senior Notes"); interest payable each February 15 and August 15, which commenced February 15, 2021	$ 500,000	$ 500,000
Total long-term debt	500,000	500,000
Less: unamortized debt issuance costs	5,087	5,448
Total long-term debt, net	$ 494,913	$ 494,552

ANGI Group Senior Notes

The ANGI Group Senior Notes were issued on August 20, 2020. At any time prior to August 15, 2023, these notes may be redeemed at a redemption price equal to the sum of the principal amount thereof, plus accrued and unpaid interest and a make-whole premium. Thereafter, these notes may be redeemed at the redemption prices set forth in the indenture governing the notes, plus accrued and unpaid interest thereon, if any, to the applicable redemption date.

ANGI INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

The indenture governing the ANGI Group Senior Notes contains a covenant that would limit ANGI Group's ability to incur liens for borrowed money in the event a default has occurred or ANGI Group's secured leverage ratio exceeds 3.75 to 1.0, provided that ANGI Group is permitted to incur such liens under certain permitted credit facilities indebtedness notwithstanding the ratio, all as defined in the indenture. At June 30, 2022, there were no limitations pursuant thereto.

ANGI Group Revolving Facility

The $250 million ANGI Group Revolving Facility, which otherwise would have expired on November 5, 2023, was terminated effective August 3, 2021. No amounts were ever drawn under the ANGI Group Revolving Facility prior to its termination.

ANGI Group Term Loan

During the six months ended June 30, 2021, ANGI Group prepaid the remaining balance of $220.0 million of the ANGI Group Term Loan principal, which otherwise would have matured on November 5, 2023.

NOTE 5—ACCUMULATED OTHER COMPREHENSIVE (LOSS) INCOME

The following tables presents the components of accumulated other comprehensive (loss) income and items reclassified out of accumulated other comprehensive (loss) income into earnings:

	Three Months Ended June 30,			
	2022		2021	
	Foreign Currency Translation Adjustment	Accumulated Other Comprehensive (Loss) Income	Foreign Currency Translation Adjustment	Accumulated Other Comprehensive Income
	(In thousands)			
Balance at April 1	$ 2,506	$ 2,506	$ 4,623	$ 4,623
Other comprehensive (loss) income	(2,899)	(2,899)	1,350	1,350
Balance at June 30	$ (393)	$ (393)	$ 5,973	$ 5,973

	Six Months Ended June 30,			
	2022		2021	
	Foreign Currency Translation Adjustment	Accumulated Other Comprehensive (Loss) Income	Foreign Currency Translation Adjustment	Accumulated Other Comprehensive Income
	(In thousands)			
Balance at January 1	$ 3,309	$ 3,309	$ 4,637	$ 4,637
Other comprehensive (loss) income	(3,702)	(3,702)	1,336	1,336
Balance at June 30	$ (393)	$ (393)	$ 5,973	$ 5,973

At both June 30, 2022 and 2021, there was no tax benefit or provision on the accumulated other comprehensive (loss) income.

NOTE 6—(LOSS) EARNINGS PER SHARE

The following table sets forth the computation of basic and diluted (loss) earnings per share attributable to Angi Inc. Class A and Class B Common Stock shareholders:

ANGI INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

	Three Months Ended June 30,			
	2022		2021	
	Basic	Diluted	Basic	Diluted
	(In thousands, except per share data)			
Numerator:				
Net loss	$ (23,997)	$ (23,997)	$ (30,052)	$ (30,052)
Net earnings attributable to noncontrolling interests	(235)	(235)	(241)	(241)
Net loss attributable to Angi Inc. Class A and Class B Common Stock shareholders	$ (24,232)	$ (24,232)	$ (30,293)	$ (30,293)
Denominator:				
Weighted average basic Class A and Class B common stock shares outstanding	502,453	502,453	504,469	504,469
Dilutive securities [(a)] [(b)]	—	—	—	—
Denominator for loss per share—weighted average shares	502,453	502,453	504,469	504,469
Loss per share attributable to Angi Inc. Class A and Class B Common Stock shareholders:				
Loss per share	$ (0.05)	$ (0.05)	$ (0.06)	$ (0.06)

	Six Months Ended June 30,			
	2022		2021	
	Basic	Diluted	Basic	Diluted
	(In thousands, except per share data)			
Numerator:				
Net loss	$ (57,284)	$ (57,284)	$ (28,038)	$ (28,038)
Net earnings attributable to noncontrolling interests	(338)	(338)	(324)	(324)
Net loss attributable to Angi Inc. Class A and Class B Common Stock shareholders	$ (57,622)	$ (57,622)	$ (28,362)	$ (28,362)
Denominator:				
Weighted average basic Class A and Class B common stock shares outstanding	502,231	502,231	502,577	502,577
Dilutive securities [(a)] [(b)]	—	—	—	—
Denominator for loss per share—weighted average shares	502,231	502,231	502,577	502,577
Loss per share attributable to Angi Inc. Class A and Class B Common Stock shareholders:				
Loss per share	$ (0.11)	$ (0.11)	$ (0.06)	$ (0.06)

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[(a)] If the effect is dilutive, weighted average common shares outstanding include the incremental shares that would be issued upon the assumed exercise of stock options and subsidiary denominated equity and vesting of restricted stock units ("RSUs"). For the three and six months ended June 30, 2022 and 2021, 28.7 million and 14.5 million of potentially dilutive securities, respectively, were excluded from the calculation of diluted earnings per share because their inclusion would have been anti-dilutive. Accordingly, the weighted average basic shares outstanding were used to compute all earnings per share amounts.

[(b)] Market-based awards and performance-based stock units ("PSUs") are considered contingently issuable shares. Shares issuable upon exercise or vesting of market-based awards and PSUs are included in the denominator for earnings per share if (i) the applicable market or performance condition(s) has been met and (ii) the inclusion of the market-based awards and PSUs is dilutive for the respective reporting periods. For the three and six months ended June 30, 2022 and 2021, 4.4 million and 3.7 million underlying market-based awards and PSUs, respectively, were excluded from the calculation of diluted earnings per share because the market or performance condition(s) had not been met.

NOTE 7—SEGMENT INFORMATION

The Company has determined its operating segments consistent with how the chief operating decision maker views the businesses. Additionally, the Company considers how the businesses are organized as to segment management and the focus of the businesses with regards to the types of services or products offered or the target market.

The following table presents revenue by reportable segment:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	(In thousands)			
Revenue:				
North America	$ 495,814	$ 399,945	$ 906,986	$ 760,986
Europe	19,968	21,043	44,955	47,031
Total	$ 515,782	$ 420,988	$ 951,941	$ 808,017

The following table presents the revenue of the Company's segments disaggregated by type of service:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	(In thousands)			
North America				
Angi Ads and Leads:				
Consumer connection revenue[(a)]	$ 259,037	$ 240,016	$ 471,833	$ 461,446
Advertising revenue[(b)]	65,085	62,608	128,861	123,355
Membership subscription revenue[(c)]	15,554	17,065	31,791	33,947
Other revenue	5,243	7,431	10,469	14,709
Total Angi Ads and Leads revenue	344,919	327,120	642,954	633,457
Angi Services revenue[(d)]	150,895	72,825	264,032	127,529
Total North America revenue	495,814	399,945	906,986	760,986
Europe				
Consumer connection revenue[(e)]	16,941	17,345	38,744	39,696
Service professional membership subscription revenue	2,738	3,331	5,628	6,659
Advertising and other revenue	289	367	583	676
Total Europe revenue	19,968	21,043	44,955	47,031
Total revenue	$ 515,782	$ 420,988	$ 951,941	$ 808,017

(a) Includes fees paid by service professionals for consumer matches through the Angi Ads and Leads platforms.

(b) Includes revenue from service professionals under contract for advertising.

(c) Includes membership subscription revenue from service professionals and consumers.

(d) Includes revenue from pre-priced offerings and Angi Roofing.

(e) Includes fees paid by service professionals for consumer matches.

ANGI INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

Geographic information about revenue and long-lived assets is presented below.

	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
	(In thousands)			
Revenue				
United States	$ 490,049	$ 394,538	$ 895,557	$ 750,982
All other countries	25,733	26,450	56,384	57,035
Total	$ 515,782	$ 420,988	$ 951,941	$ 808,017

	June 30, 2022	December 31, 2021
	(In thousands)	
Long-lived assets (excluding goodwill and intangible assets):		
United States	$ 149,232	$ 111,136
All other countries	6,998	7,131
Total	$ 156,230	$ 118,267

The following tables present operating loss and Adjusted EBITDA by reportable segment:

	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
	(In thousands)			
Operating loss:				
North America	$ (20,056)	$ (32,127)	$ (49,710)	$ (22,550)
Europe	(830)	(604)	(5,133)	(10,072)
Total	$ (20,886)	$ (32,731)	$ (54,843)	$ (32,622)

	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
	(In thousands)			
Adjusted EBITDA[(f)]:				
North America	$ 10,019	$ (5,302)	$ 10,360	$ 25,863
Europe	$ (330)	$ 860	$ (3,840)	$ (7,119)

[(f)] The Company's primary financial measure is Adjusted EBITDA, which is defined as operating loss excluding: (1) stock-based compensation expense; (2) depreciation; and (3) acquisition-related items consisting of amortization of intangible assets and impairments of goodwill and intangible assets, if applicable.

The following tables reconcile operating loss for the Company's reportable segments and net loss attributable to Angi Inc. shareholders to Adjusted EBITDA:

ANGI INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

	Three Months Ended June 30, 2022				
	Operating Loss	Stock-Based Compensation Expense	Depreciation	Amortization of Intangibles	Adjusted EBITDA
			(In thousands)		
North America	$ (20,056)	$ 13,439	$ 12,832	$ 3,804	$ 10,019
Europe	(830)	$ (22)	$ 522	$ —	$ (330)
Operating loss	(20,886)				
Interest expense	(5,026)				
Other expense, net	(1,750)				
Loss before income taxes	(27,662)				
Income tax benefit	3,665				
Net loss	(23,997)				
Net earnings attributable to noncontrolling interests	(235)				
Net loss attributable to Angi Inc. shareholders	$ (24,232)				

	Three Months Ended June 30, 2021				
	Operating Loss	Stock-Based Compensation Expense	Depreciation	Amortization of Intangibles	Adjusted EBITDA
			(In thousands)		
North America	$ (32,127)	$ 9,455	$ 13,682	$ 3,688	$ (5,302)
Europe	(604)	$ 88	$ 1,376	$ —	$ 860
Operating loss	(32,731)				
Interest expense	(5,814)				
Other income, net	(636)				
Loss before income taxes	(39,181)				
Income tax benefit	9,129				
Net earnings	(30,052)				
Net earnings attributable to noncontrolling interests	(241)				
Net earnings attributable to Angi Inc. shareholders	$ (30,293)				

ANGI INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

	Six Months Ended June 30, 2022				
	Operating Loss	Stock-Based Compensation Expense	Depreciation	Amortization of Intangibles	Adjusted EBITDA
			(In thousands)		
North America	$ (49,710)	$ 26,433	$ 26,029	$ 7,608	$ 10,360
Europe	(5,133)	$ (31)	$ 1,324	$ —	$ (3,840)
Operating loss	(54,843)				
Interest expense	(10,048)				
Other expense, net	(2,141)				
Loss before income taxes	(67,032)				
Income tax benefit	9,748				
Net loss	(57,284)				
Net earnings attributable to noncontrolling interests	(338)				
Net loss attributable to Angi Inc. shareholders	$ (57,622)				

	Six Months Ended June 30, 2021				
	Operating Loss	Stock-Based Compensation Expense	Depreciation	Amortization of Intangibles	Adjusted EBITDA
			(In thousands)		
North America	$ (22,550)	$ 11,391	$ 28,260	$ 8,762	$ 25,863
Europe	(10,072)	$ 186	$ 2,767	$ —	$ (7,119)
Operating loss	(32,622)				
Interest expense	(12,431)				
Other income, net	(1,403)				
Loss before income taxes	(46,456)				
Income tax benefit	18,418				
Net earnings	(28,038)				
Net earnings attributable to noncontrolling interests	(324)				
Net earnings attributable to Angi Inc. shareholders	$ (28,362)				

NOTE 8—CONSOLIDATED FINANCIAL STATEMENT DETAILS

Cash and Cash Equivalents and Restricted Cash

The following table provides a reconciliation of cash and cash equivalents and restricted cash reported within the accompanying balance sheet to the total amounts shown in the accompanying statement of cash flows:

ANGI INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)
(Unaudited)

	June 30, 2022	December 31, 2021	June 30, 2021	December 31, 2020
	(In thousands)			
Cash and cash equivalents	$ 360,950	$ 428,136	$ 584,260	$ 812,705
Restricted cash included in other current assets	130	156	236	407
Restricted cash included in other non-current assets	870	1,193	730	449
Total cash and cash equivalents, and restricted cash as shown on the consolidated statement of cash flows	$ 361,950	$ 429,485	$ 585,226	$ 813,561

Restricted cash included in other current assets at June 30, 2022 primarily consisted of cash reserved to fund insurance claims.

Restricted cash included in other current assets at December 31, 2021, June 30, 2021 and December 31, 2020 consisted of cash reserved to fund insurance claims and cash received from customers through the marketplace platforms, representing funds collected for payments to service providers, which were not settled as of the period end.

Restricted cash included in other non-current assets for all periods presented above primarily consisted of deposits related to leases. Restricted cash included in other non-current assets at June 30, 2022 and December 31, 2021 also included cash held related to a check endorsement guarantee for Angi Roofing.

Credit Losses and Revenue Reserve

The following table presents the changes in the credit loss reserve for the six months ended June 30, 2022 and 2021:

	2022	2021
	(In thousands)	
Balance at January 1	$ 33,652	$ 26,046
Current period provision for credit losses	47,926	42,731
Write-offs charged against the credit loss reserve	(40,764)	(37,051)
Recoveries collected	2,709	1,351
Balance at June 30	$ 43,523	$ 33,077

The revenue reserve was $2.8 million and $2.8 million at June 30, 2022 and 2021, respectively. The total allowance for credit losses and revenue reserve was $46.3 million and $35.9 million as of June 30, 2022 and 2021, respectively.

Accumulated Amortization and Depreciation

The following table provides the accumulated amortization and depreciation within the consolidated balance sheet:

Asset Category	June 30, 2022	December 31, 2021
	(In thousands)	
Right-of-use assets (included in “other non-current assets”)	$ 50,330	$ 40,757
Capitalized software, leasehold improvements, and equipment	$ 128,114	$ 108,235
Intangible assets	$ 165,582	$ 159,356

Other expense, net

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Interest income	$ 515	$ 50	$ 579	$ 147
Foreign exchange (losses) gains	(2,264)	407	(2,720)	(453)
Loss on extinguishment of debt[a]	—	(1,110)	—	(1,110)
Gain (loss) from acquisition/sale of a business	—	17	—	13
Other	(1)	—	—	—
Other expense, net	$ (1,750)	$ (636)	$ (2,141)	$ (1,403)

[a] Represents the write-off of deferred debt issuance costs related to the ANGI Group Term Loan, which was repaid in its entirety during the second quarter of 2021.

NOTE 9—CONTINGENCIES

In the ordinary course of business, the Company is a party to various lawsuits. The Company establishes an estimated liability for specific legal matters when it determines that the likelihood of an unfavorable outcome is probable and the loss is reasonably estimable. As of June 30, 2022, a $4.1 million legal liability was recorded, and while the Company does not expect the ultimate resolution of these matters, individually or in the aggregate, to be material, charges in excess of the established $4.1 million legal liability already recorded could be recorded in the future, which may have a material adverse effect on the Company's financial position, results of operations or liquidity. Management has also identified certain other legal matters where we believe an unfavorable outcome is not probable. Although management currently believes that resolving claims against us, including claims where an unfavorable outcome is reasonably possible, will not have a material impact on the liquidity, results of operations, or financial condition of the Company, these matters are subject to inherent uncertainties and management's view of these matters may change in the future. The Company also evaluates other contingent matters, including income and non-income tax contingencies, to assess the likelihood of an unfavorable outcome and estimated extent of potential loss. It is possible that an unfavorable outcome of one or more of these lawsuits or other contingencies could have a material impact on the liquidity, results of operations, or financial condition of the Company. See "Note 2—Income Taxes" for additional information related to income tax contingencies.

NOTE 10—RELATED PARTY TRANSACTIONS WITH IAC

Angi and IAC have entered into certain agreements to govern their relationship. These agreements include: a contribution agreement; an investor rights agreement; a services agreement; a tax sharing agreement; and an employee matters agreement.

For the three and six months ended June 30, 2022 and 2021, the Company was charged $0.9 million and $1.3 million, and $1.2 million and $2.3 million, respectively, by IAC for services rendered pursuant to the services agreement. There were no outstanding receivables or payables pursuant to the services agreement at June 30, 2022 and December 31, 2021.

Additionally, the Company subleases office space to IAC and charged IAC $0.4 million and $0.8 million, and $0.4 million and $0.8 million of rent for the three and six months ended June 30, 2022 and 2021, respectively. IAC subleases office space to the Company and charged the Company $0.3 million and $0.6 million of rent for the three and six months ended June 30, 2022. At June 30, 2022 and December 31, 2021, there were no outstanding receivables or payables pursuant to the sublease agreements.

At June 30, 2022 and December 31, 2021, the Company had outstanding payables of $1.1 million and $0.3 million, respectively, due to IAC pursuant to the tax sharing agreement, which are included in “Accrued expenses and other current liabilities,” in the accompanying consolidated balance sheet. There were no payments to or refunds from IAC pursuant to this agreement during the three and six months ended June 30, 2022 and 2021.

For the three and six months ended June 30, 2022, no shares of Angi Inc. Class B common stock were issued to IAC pursuant to the employee matters agreement as reimbursement for shares of IAC common stock issued in connection with the exercise and vesting of IAC equity awards held by Angi Inc. employees. For the three and six months ended June 30, 2021, less than 0.1 million and 0.1 million shares, respectively, of Angi Inc. Class B common stock were issued to IAC pursuant to the employee matters agreement. For the three and six months ended June 30, 2022, no shares of Angi Inc. Class A common stock were issued to IAC pursuant to the employee matters agreement as reimbursement for IAC common stock issued in connection with the exercise and settlement of certain Angi Inc. stock appreciation rights. For the three and six months ended June 30, 2021, less than 0.1 million and 2.6 million shares, respectively, of Angi Inc. Class A common stock were issued to IAC pursuant to the employee matters agreement.

Item 2. *Management's Discussion and Analysis of Financial Condition and Results of Operations*

GENERAL

Management Overview

Angi Inc. ("Angi," the "Company," "we," "our," or "us") connects quality home service professionals with consumers across more than 500 different categories, from repairing and remodeling homes to cleaning and landscaping. Approximately 256,000 transacting service professionals actively sought consumer matches, completed jobs, or advertised work through Angi Inc. platforms during the three months ended June 30, 2022. Additionally, consumers turned to at least one of our brands to find a professional for approximately 31 million projects during the twelve months ended June 30, 2022.

The Company has two operating segments: (i) North America (United States and Canada), which includes Angi Ads, Angi Leads, and Angi Services; and (ii) Europe. In March 2021, the Company rebranded its North American brands which operate as follows: Angi Ads operates under the Angi brand, Angi Leads operates primarily under the HomeAdvisor, powered by Angi brand, and Angi Services operates primarily under the Handy and Angi Roofing brands.

For a more detailed description of the Company's operating businesses, see the Company's Annual Report on Form 10-K for the year ended December 31, 2021.

Defined Terms and Operating Metrics:

Unless otherwise indicated or as the context otherwise requires, certain terms, which include the principal operating metrics we use in managing our business, are defined below:

- **Angi Ads and Leads Revenue** primarily reflects domestic ads and leads revenue, including consumer connection revenue for consumer matches, revenue from service professionals under contract for advertising and membership subscription revenue from service professionals and consumers.

- **Angi Services Revenue** primarily reflects domestic revenue from pre-priced offerings by which the consumer purchases services directly from the Company and the Company engages a service professional to perform the service and includes revenue from Total Home Roofing, Inc. ("Angi Roofing"), which was acquired on July 1, 2021.

- **Angi Service Requests ("Service Requests")** are fully completed and submitted domestic customer service requests and includes Angi Services requests in the period.

- **Angi Monetized Transactions** are fully completed and submitted domestic customer service requests that were matched to and paid for by a service professional and includes completed and in-process Angi Services jobs in the period.

- **Angi Transacting Service Professionals ("Transacting SPs")** are the number of service professionals that paid for consumer matches through Angi Leads or performed an Angi Services job during the most recent quarter.

- **Angi Advertising Service Professionals ("Advertising SPs")** are the number of service professionals under contract for advertising at the end of the period.

- **Senior Notes -** On August 20, 2020, ANGI Group, LLC ("ANGI Group"), a direct wholly-owned subsidiary of the Company, issued $500.0 million of its 3.875% Senior Notes due August 15, 2028, with interest payable February 15 and August 15 of each year, which commenced February 15, 2021.

Components of Results of Operations

Sources of Revenue

Angi Ads and Leads Revenue is primarily derived from (i) advertising revenue, which includes revenue from service professionals under contract for advertising, (ii) consumer connection revenue, which is comprised of fees paid by service professionals for consumer matches (regardless of whether the service professional ultimately provides the requested service), and (iii) membership subscription revenue from service professionals and consumers. Consumer connection revenue varies based upon several factors including the service requested, product experience offered, and geographic location of service. Angi

Services is primarily comprised of revenue from jobs (i) sourced through the "Book Now" feature which allows consumers to book and schedule on demand (ii) under managed projects (including Angi Roofing), which are larger home improvement projects, and (iii) through retail partnerships for installation of furniture or other household items.

Cost of Revenue and Gross Profit

Angi Cost of Revenue consists primarily of (i) payments made to independent service professionals who perform work contracted under Angi Services arrangements, (ii) credit card processing fees, (iii) hosting fees, and (iv) roofing materials costs associated with Angi Roofing.

Gross profit is revenue less cost of revenue. Gross margin is gross profit expressed as a percentage of revenue.

Operating Costs and Expenses:

- **Selling and marketing expense** - consists primarily of (i) advertising expenditures, which include marketing fees to promote the brand to Consumers and Service Professionals with (a) online marketing, including fees paid to search engines and other online marketing platforms, app platforms, and partners who direct traffic to our brands, (b) offline marketing, which is primarily television and radio advertising, (ii) compensation expense (including stock-based compensation expense) and other employee-related costs for our sales force and marketing personnel, (iii) software license and maintenance costs, and (iv) facilities costs.

- **General and administrative expense** - consists primarily of (i) compensation expense (including stock-based compensation expense) and other employee-related costs for personnel engaged in executive management, finance, legal, tax, human resources and customer service functions, (ii) fees for professional services (including transaction-related costs related to acquisitions), (iii) provision for credit losses, (iv) software license and maintenance costs, and (v) facilities costs. Our customer service function includes personnel who provide support to our service professionals and consumers.

- **Product development expense** - consists primarily of (i) compensation expense (including stock-based compensation expense) and other employee-related costs that are not capitalized for personnel engaged in the design, development, testing and enhancement of product offerings and related technology and (ii) software license and maintenance costs.

Non-GAAP financial measure

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA") is a non-GAAP financial measure. See "Principles of Financial Reporting" for the definition of Adjusted EBITDA and a reconciliation of net loss attributable to Angi Inc. shareholders to operating loss to consolidated Adjusted EBITDA for the three and six months ended June 30, 2022 and 2021.

Brand Integration Initiative

In March 2021, the Company changed its name to Angi Inc. and updated one of its leading websites and brands, Angie's List, to Angi, and since then, has concentrated its marketing investment in the Angi brand in order to focus its marketing, sales, and branding efforts on a single brand.

We rely heavily on free, or organic, search results from search engine optimization, and paid search engine marketing to drive traffic to our websites. Our brand integration initiative initially adversely affected the placement and ranking of Angi Inc. websites, particularly Angi.com, in organic search results. We have now passed the anniversary of the rebranding, and organic search results in the second quarter of 2022 have improved relative to the same period in 2021. We expect this positive trend to continue. However, organic search results are still below pre-March 2021 levels. The shift of marketing to support Angi, away from HomeAdvisor, powered by Angi, has had and continues to have a negative effect on the efficiency of our search engine marketing efforts. We will continue to optimize the efficiency and conversion of marketing to HomeAdvisor to maintain profitable demand generation to that domain for the foreseeable future, but we do expect the trend of declining traffic to continue due to sustained marketing emphasis in favor of Angi.

Angi Services Investment

Angi Services was launched in August 2019, and we have invested and continue to invest significantly in Angi Services since then. However, we believe we reached the peak investment in Angi Services in the first quarter of 2022. The investment in Angi Services had a smaller negative impact on profits in the second quarter of 2022 than in the first quarter of 2022, and we expect this sequential trend to continue. However, we do not expect an impact on year-over-year profits until the fourth quarter of 2022 and we expect that positive year-over-year trend to continue into 2023.

COVID-19 Update

The impact on the Company from the COVID-19 pandemic and the measures designed to contain its spread has been varied and volatile. The impact of COVID-19 has been difficult to precisely identify and measure in 2021 and beyond because, as is described above, we launched the rebranding initiative in March 2021.

As previously disclosed the impact of COVID-19 initially resulted in a decline in demand for service requests, driven primarily by decreases in demand in certain categories of jobs (particularly discretionary indoor projects). While these businesses experienced a rebound in service requests from mid-2020 through early 2021, service requests started to decline in May 2021 and continued to decline into early 2022 due to the launch of Angi Inc.'s brand integration in March 2021, and the Omicron variant surge in late 2021 and early 2022. Our ability to monetize service requests rebounded modestly in the second half of 2021, continued to increase in the first half of 2022, and is approaching levels experienced pre-COVID-19. No assurances can be provided that we will continue to be able to improve monetization, or that service professionals' businesses and, as a consequence, our revenue and profitability will not continue to be adversely impacted by COVID-19 in the future.

The extent to which developments related to the COVID-19 pandemic and measures designed to curb its spread continue to impact the Company's business, financial condition, and results of operations will depend on future developments, all of which are highly uncertain and many of which are beyond the Company's control, including the continuing spread of COVID-19, the severity of resurgences of COVID-19 caused by variant strains of the virus, the effectiveness of vaccines and attitudes toward receiving them, materials and supply chain constraints, labor shortages, the scope of governmental and other restrictions on travel, discretionary services and other activity, and public reactions to these developments.

Results of Operations for the three and six months ended June 30, 2022 compared to the three and six months ended June 30, 2021

Revenue

	Three Months Ended June 30,				Six Months Ended June 30,			
	2022	$ Change	% Change	2021	2022	$ Change	% Change	2021
	(Dollars in thousands)							
North America								
Angi Ads and Leads:								
Consumer connection revenue	$ 259,037	$ 19,021	8%	$ 240,016	$ 471,833	$ 10,387	2%	$ 461,446
Advertising revenue	65,085	2,477	4%	62,608	128,861	5,506	4%	123,355
Membership subscription revenue	15,554	(1,511)	(9)%	17,065	31,791	(2,156)	(6)%	33,947
Other revenue	5,243	(2,188)	(29)%	7,431	10,469	(4,240)	(29)%	14,709
Total Angi Ads and Leads revenue	344,919	17,799	5%	327,120	642,954	9,497	1%	633,457
Angi Services revenue	150,895	78,070	107%	72,825	264,032	136,503	107%	127,529
Total North America revenue	495,814	95,869	24%	399,945	906,986	146,000	19%	760,986
Europe	19,968	(1,075)	(5)%	21,043	44,955	(2,076)	(4)%	47,031
Total revenue	$ 515,782	$ 94,794	23%	$ 420,988	$ 951,941	$ 143,924	18%	$ 808,017
Percentage of Total Revenue:								
North America	96 %			95 %	95 %			94 %
Europe	4 %			5 %	5 %			6 %
Total revenue	100 %			100 %	100 %			100 %

	Three Months Ended June 30,				Six Months Ended June 30,			
	2022	Change	% Change	2021	2022	Change	% Change	2021
	(In thousands, rounding differences may occur)							
Operating metrics:								
Service Requests	8,498	(921)	(10)%	9,419	15,199	(1,929)	(11)%	17,128
Monetized Transactions	4,740	(266)	(5)%	5,006	8,629	(570)	(6)%	9,199
Transacting SPs[(a)]	220	(5)	(2)%	225				
Advertising SPs	37	(3)	(8)%	40				

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[(a)] Angi Transacting Service Professionals (“Transacting SPs”) are the number of service professionals that paid for consumer matches through Angi Leads or performed an Angi Services job during the most recent quarter.

For the three months ended June 30, 2022 compared to the three months ended June 30, 2021

North America revenue increased $95.9 million, or 24%, driven by increases in Angi Services revenue of $78.1 million, or 107%, and Angi Ads and Leads revenue of $17.8 million, or 5%. Angi Services revenue growth is due primarily to Angi Roofing, acquired July 1, 2021, and to a lesser extent, organic growth. The increase in Angi Ads and Leads revenue is primarily due to an increase in consumer connection revenue of $19.0 million, or 8%, primarily as a result of price increases implemented during the three months ended June 30, 2022, the anniversary of the initial impact from the brand integration that began in March 2021, and higher service professional engagement.

Europe revenue decreased $1.1 million, or 5%, due primarily to the unfavorable impact of the strengthening of the U.S dollar relative to the Euro and the British Pound.

For the six months ended June 30, 2022 compared to the six months ended June 30, 2021

North America revenue increased $146.0 million, or 19%, due primarily to factors described above in the three-month discussion.

Europe revenue decreased $2.1 million, or 4%, due primarily to factors described above in the three-month discussion.

Cost of revenue

	Three Months Ended June 30,				Six Months Ended June 30,			
	2022	$ Change	% Change	2021	2022	$ Change	% Change	2021
	(Dollars in thousands)							
Cost of revenue (exclusive of depreciation shown separately below)	$ 127,771	$ 58,067	83%	$ 69,704	$ 226,769	$ 103,237	84%	$ 123,532
As a percentage of revenue	25%			17%	24%			15%

For the three months ended June 30, 2022 compared to the three months ended June 30, 2021

North America cost of revenue increased $58.1 million, or 84%, and increased as a percentage of revenue, due primarily to $31.4 million of costs attributable to Angi Roofing for roofing materials and third-party contractors. The remaining increase is primarily due to the growth of Angi Services including costs incurred for third-party service professionals for other Angi Services arrangements.

For the six months ended June 30, 2022 compared to the six months ended June 30, 2021

North America cost of revenue increased $103.2 million, or 84%, and increased as a percentage of revenue, due primarily to factors described above in the three-month discussion.

Gross profit

	Three Months Ended June 30,				Six Months Ended June 30,			
	2022	$ Change	% Change	2021	2022	$ Change	% Change	2021
	(Dollars in thousands)							
Revenue	$ 515,782	$ 94,794	23%	$ 420,988	$ 951,941	$ 143,924	18%	$ 808,017
Cost of revenue (exclusive of depreciation shown separately below)	127,771	58,067	83%	69,704	226,769	103,237	84%	123,532
Gross profit	$ 388,011	$ 36,727	10%	$ 351,284	$ 725,172	$ 40,687	6%	$ 684,485
Gross margin	75%		(8)%	83%	76%		(9)%	85%

For the three and six months ended June 30, 2022 compared to the three and six months ended June 30, 2021

Gross profit increased for the three and six months ended June 30, 2022, primarily due to the revenue growth described in the Revenue discussions above. Gross margin decreased for the three and six months ended June 30, 2022, due primarily to increased cost of revenue factors described above in the Cost of Revenue discussions.

Selling and marketing expense

	Three Months Ended June 30,				Six Months Ended June 30,			
	2022	$ Change	% Change	2021	2022	$ Change	% Change	2021
	(Dollars in thousands)							
Selling and marketing expense	$ 251,159	$ 12,128	5%	$ 239,031	$ 476,960	$ 32,089	7%	$ 444,871
As a percentage of revenue	49%			57%	50%			55%

For the three months ended June 30, 2022 compared to the three months ended June 30, 2021

North America selling and marketing expense increased $11.5 million, or 5%, driven by expense of $6.2 million from the inclusion of Angi Roofing, increases in consulting costs of $2.6 million, compensation expense of $2.4 million, and software maintenance costs of $1.1 million, partially offset by decreases in advertising expense of $1.7 million and lease expense of $1.3 million. The increase in compensation expense is primarily due to an increase in wage-related expense from higher headcount partially offset by a decrease in commissions expense. The increase in consulting and software maintenance costs was due primarily to various sales initiatives at Angi Services. The decrease in advertising expense is primarily due to decreases in fees paid to app platforms and service professional marketing as a part of the investment in Angi Services in 2021, offset by an increase in search engine marketing and television spend. The increase in search engine marketing spend is due to the continued brand integration initiative. The increase in television spend in 2022 reflects the return to historical spending levels as compared to the cost cutting initiatives during 2021 due to the impact of COVID-19 and is consistent with spend prior to COVID-19. The decrease in lease expense is a result of the Company reducing its real estate footprint in 2021.

Europe selling and marketing expense increased $0.6 million, or 8%, driven by an increase in advertising expense of $0.7 million.

For the six months ended June 30, 2022 compared to the six months ended June 30, 2021

North America selling and marketing expense increased $30.7 million, or 7%, driven by expense of $12.4 million from the inclusion of Angi Roofing, increases in advertising expense of $7.3 million, consulting costs of $5.5 million, software maintenance costs of $2.8 million and compensation expense of $1.3 million, partially offset by a decrease in lease expense of $2.8 million. The increase in advertising expense was due primarily to increases of $12.5 million in television spend and $4.0 million in search engine marketing spend offset by decreases in fees paid to app platforms and service professional marketing that were a part of the investment in Angi Services in 2021. The increase in television spend in 2022 reflects the return to historical spending levels as compared to the cost cutting initiatives during 2021 due to the impact of COVID-19 and is consistent with spend prior to COVID-19. The increase in search engine marketing spend is due to the continued brand integration initiative. The increase in consulting and software maintenance costs was due primarily to various sales initiatives at Angi Services. The increase in compensation is primarily due to a general increase in wage-related expense from higher headcount partially offset by a decrease in commissions expense. The decrease in lease expense is a result of the Company reducing its real estate footprint in 2021.

Europe selling and marketing expense increased $1.3 million, or 6%, driven by an increase in advertising expense of $1.7 million partially offset by a decrease in compensation expense of $0.4 million which was caused by lower headcount.

General and administrative expense

	Three Months Ended June 30,				Six Months Ended June 30,			
	2022	**$ Change**	**% Change**	**2021**	**2022**	**$ Change**	**% Change**	**2021**
				(Dollars in thousands)				
General and administrative expense	$ 119,625	$ 12,139	11%	$ 107,486	$ 229,280	$ 33,632	17%	$ 195,648
As a percentage of revenue	23%			26%	24%			24%

For the three months ended June 30, 2022 compared to the three months ended June 30, 2021

North America general and administrative expense increased $13.2 million, or 13%, due primarily to an increase of $7.1 million in compensation expense, $6.0 million of expense from the inclusion of Angi Roofing, $3.0 million in software maintenance costs, $1.8 million in professional fees and a $1.5 million increase in the provision for credit losses, partially offset by a decrease of $7.5 million in impairment charges of right-of-use assets and related leasehold improvements, furniture and equipment. The increase in compensation expense is due to an increase of $5.5 million in wage-related expense from higher headcount and $1.2 million in stock-based compensation expense. The increase in software license and maintenance expense is due primarily to increased spend on software to support our customer service function. The increase in professional fees is due primarily to an increase in legal and consulting fees, and to a lesser extent, outsourced personnel costs. The increase in the provision for credit losses is due primarily to higher receivable balances from revenue growth. The decrease in impairments of right-of-use assets and related leasehold improvements, furniture and equipment was due primarily to charges of $2.3 million in 2022 relative to $9.6 million in 2021, primarily due to Angi Inc. reducing its real estate footprint in 2021.

Europe general and administrative expense decreased $1.0 million, or 13%, driven by a decrease in compensation expense of $0.9 million which was caused by lower headcount and lower average compensation.

For the six months ended June 30, 2022 compared to the six months ended June 30, 2021

North America general and administrative expense increased $41.6 million, or 24%, due primarily to an increase of $22.0 million in compensation expense, $12.9 million of expense from the inclusion of Angi Roofing, $6.5 million in professional fees, $4.9 million in software maintenance costs and a $2.7 million increase in the provision for credit losses, partially offset by a decrease of $8.2 million in impairment charges of right-of-use assets and related leasehold improvements, furniture and equipment. The increase in compensation expense is due to an increase of $11.0 million in wage-related expense from higher headcount and $10.1 million in stock-based compensation expense. The increase in stock-based compensation expense is the result of the reversal of previously recognized stock-based compensation as a result of the forfeiture of unvested awards due to management departures in the first quarter of 2021 and new awards granted through Q2 2022. The increase in professional fees is due primarily to an increase in legal and consulting fees, and to a lesser extent, outsourced personnel costs. The increase in software license and maintenance expense is due primarily to increased spend on software to support our customer service function. The increase in the provision for credit losses is due primarily to higher receivable balances from revenue growth. The decrease in impairment charges is due primarily to factors described above in the three-month discussion.

Europe general and administrative expense decreased $8.0 million, or 36%, due primarily to a 2021 charge of $6.0 million in compensation expense related to the acquisition of an additional interest in our MyBuilder business at a premium to fair value and lower headcount and average compensation. This impact was partially offset by higher professional fees of $0.6 million related to restructuring of the European businesses.

Product development expense

	Three Months Ended June 30,				Six Months Ended June 30,			
	2022	$ Change	% Change	2021	2022	$ Change	% Change	2021
	(Dollars in thousands)							
Product development expense	$ 20,954	$ 2,202	12%	$ 18,752	$ 38,813	$ 2,014	5%	$ 36,799
As a percentage of revenue	4%			4%	4%			5%

For the three months ended June 30, 2022 compared to the three months ended June 30, 2021

North America product development expense increased $1.8 million, or 13%, due primarily to increases in software maintenance expense of $0.9 million, outsourced personnel and consulting costs of $0.7 million and compensation expense of $0.6 million, partially offset by a decrease in lease expense of $0.5 million. The increase in software maintenance expense is due primarily to increased spend on software licensing.

Europe product and development expense increased $0.4 million, or 9%, due to an increase in compensation expense of $0.5 million from higher headcount and higher average compensation.

For the six months ended June 30, 2022 compared to the six months ended June 30, 2021

North America product development expense increased $0.9 million, or 3%, due primarily to increases in software license and maintenance expense of $1.6 million and outsourced personnel and consulting costs of $1.2 million, partially offset by decreases in lease expense of $1.1 million and compensation expense of $0.9 million. The increase in software maintenance expense is due primarily to increased spend on software licensing.

Europe product and development expense increased $1.1 million, or 12%, due primarily to factors described above in the three-month discussion.

Depreciation

	Three Months Ended June 30,				Six Months Ended June 30,			
	2022	$ Change	% Change	2021	2022	$ Change	% Change	2021
	(Dollars in thousands)							
Depreciation	$ 13,354	$ (1,704)	(11)%	$ 15,058	$ 27,353	$ (3,674)	(12)%	$ 31,027
As a percentage of revenue	3%			4%	3%			4%

For the three and six months ended June 30, 2022 compared to the three and six months ended June 30, 2021

North America depreciation in 2022 decreased from 2021 due primarily to the write-off of capitalized software projects in the first half of 2021.

Europe depreciation in 2022 decreased from 2021 due primarily to capitalized software projects reaching the end of their depreciable lives.

Operating loss

	Three Months Ended June 30,				Six Months Ended June 30,			
	2022	$ Change	% Change	2021	2022	$ Change	% Change	2021
	(Dollars in thousands)							
North America	$ (20,056)	$ 12,071	38%	$ (32,127)	$ (49,710)	$ (27,160)	(120)%	$ (22,550)
Europe	(830)	(226)	(37)%	(604)	(5,133)	4,939	49%	(10,072)
Total	$ (20,886)	$ 11,845	(36)%	$ (32,731)	$ (54,843)	$ (22,221)	NM	$ (32,622)
As a percentage of revenue	(4)%			(8)%	(6)%			(4)%

NM = Not meaningful

For the three months ended June 30, 2022 compared to the three months ended June 30, 2021

North America operating loss decreased $12.1 million to a loss of $20.1 million due to an increase in Adjusted EBITDA of $15.3 million, described below, and a decrease of $0.9 million in depreciation expense, partially offset by an increase of $4.0 million in stock-based compensation expense and a $0.7 million loss from the inclusion of Angi Roofing. The decrease in depreciation primarily to the write-off of certain capitalized software projects subsequent to June 30, 2021. The increase in stock-based compensation expense was due primarily new awards granted through Q2 2022.

Europe operating loss decreased $0.2 million to a loss of $0.8 million due primarily to a decrease in Adjusted EBITDA of $1.2 million, described below, partially offset by a decrease in depreciation expense of $0.9 million.

At June 30, 2022, there is $120.5 million of unrecognized compensation cost, net of estimated forfeitures, related to all equity-based awards, which is expected to be recognized over a weighted average period of approximately 2.9 years.

For the six months ended June 30, 2022 compared to the six months ended June 30, 2021

North America operating loss increased $27.2 million to a loss of $49.7 million due to a decrease in Adjusted EBITDA of $15.5 million, described below, an increase in stock-based compensation expenses of $15.0 million, and a $3.7 million loss from the inclusion of Angi Roofing, partially offset by decreases of $2.2 million in depreciation and $1.2 million in amortization of intangibles. The increase in stock-based compensation expense was due primarily due to the reversal of previously recognized stock-based compensation due to forfeitures from management departures in the first quarter of 2021 and new awards granted through Q2 2022, noted above. The decrease in depreciation primarily to the write-off of certain capitalized software projects subsequent to June 30, 2021. The decrease in the amortization of intangibles was due primarily to certain intangible assets becoming fully amortized during 2021.

Europe operating loss decreased $4.9 million, or 49%, due primarily to an increase in Adjusted EBITDA of $3.3 million, described below, and a decrease in depreciation expense of $1.4 million.

Adjusted EBITDA

	Three Months Ended June 30,				Six Months Ended June 30,			
	2022	$ Change	% Change	2021	2022	$ Change	% Change	2021
	(Dollars in thousands)							
North America	$ 10,019	$ 15,321	NM	$ (5,302)	$ 10,360	$ (15,503)	(60)%	$ 25,863
Europe	(330)	(1,190)	NM	860	(3,840)	3,279	46%	(7,119)
Total	$ 9,689	$ 14,131	NM	$ (4,442)	$ 6,520	$ (12,224)	(65)%	$ 18,744
As a percentage of revenue	2%			(1)%	1%			2%

For a reconciliation of net loss attributable to Angi Inc. shareholders to operating loss to consolidated Adjusted EBITDA, see "Principles of Financial Reporting." For a reconciliation of operating loss to Adjusted EBITDA for the Company's reportable segments, see "Note 7—Segment Information" to the consolidated financial statements included in "Item 1. Consolidated Financial Statements."

For the three months ended June 30, 2022 compared to the three months ended June 30, 2021

North America Adjusted EBITDA increased $15.3 million, to $10.0 million, and increased as a percentage of revenue, primarily due to higher revenue of $95.9 million, offset by increases in cost of revenue of $58.1 million, general and administrative expense of $13.2 million, and selling and marketing expense of $11.5 million as well as growth of Angi Services due to factors described above in the cost of revenue and selling and marketing discussions.

Europe Adjusted EBITDA decreased $1.2 million to a loss of $0.3 million, due primarily to the decrease in revenue of $1.1 million, the increase in selling and marketing expenses of $0.6 million, and the increase in product development expenses of $0.4 million which was partially offset by a $1.0 million decrease in general and administrative expenses, each of which are described above.

For the six months ended June 30, 2022 compared to the six months ended June 30, 2021

North America Adjusted EBITDA decreased $15.5 million, or 60%, to $10.4 million, and decreased as a percentage of revenue, despite higher revenue of $146.0 million, due primarily to increases in cost of revenue of $103.2 million, general and administrative expense of $41.6 million, and selling and marketing expense of $30.7 million as well as growth of Angi Services due to factors described above in the cost of revenue and selling and marketing discussions.

Europe Adjusted EBITDA increased $3.3 million, or 46%, due to an decrease in general and administrative expense of $8.0 million which was primarily due to the 2021 charge of $6.0 million related the acquisition of an additional interest in MyBuilder at a premium to fair value. This was partially offset by a decrease of $2.1 million in revenue, an increase of $1.7 million in advertising expense and an increase of $1.1 million in product development expense.

Interest expense

Interest expense relates to interest on the ANGI Group Senior Notes, ANGI Group Term Loan, and commitment fees on the ANGI Group Revolving Facility. As of May 6, 2021, the outstanding balance of the ANGI Group Term Loan was repaid in its entirety. The ANGI Group Revolving Facility was terminated effective August 3, 2021. No amounts were ever drawn under the ANGI Group Revolving Facility prior to its termination.

For a detailed description of long-term debt, net, see "Note 4—Long-term Debt" to the consolidated financial statements included in "Item 1. Consolidated Financial Statements."

	Three Months Ended June 30,				Six Months Ended June 30,			
	2022	$ Change	% Change	2021	2022	$ Change	% Change	2021
	(In thousands)							
Interest expense	$ 5,026	$ (788)	(14)%	$ 5,814	$ 10,048	$ (2,383)	(19)%	$ 12,431

For the three and six months ended June 30, 2022 compared to the three and six months ended June 30, 2021

Interest expense decreased primarily due to the repayment of the ANGI Group Term Loan during the second quarter of 2021.

Other expense, net

	Three Months Ended June 30,				Six Months Ended June 30,			
	2022	$ Change	% Change	2021	2022	$ Change	% Change	2021
	(In thousands)							
Other expense, net	$ (1,750)	$ (1,114)	(175)%	$ (636)	$ (2,141)	$ (738)	(53)%	$ (1,403)

For the three months ended June 30, 2022 and 2021

Other expense, net in 2022 primarily includes a net foreign currency exchange loss of $2.3 million, partially offset by interest income of $0.5 million.

Other expense, net in 2021 primarily includes the write-off of $1.1 million of deferred debt issuance costs related to the ANGI Group Term Loan, which was repaid in its entirety during the second quarter of 2021, partially offset by a net foreign currency exchange gain of $0.4 million and interest income of $0.1 million.

For the six months ended June 30, 2022 and 2021

Other expense, net in 2022 primarily includes net foreign currency exchange losses of $2.7 million, partially offset by interest income of $0.6 million.

Other expense, net in 2021 primarily includes the write-off of $1.1 million of deferred debt issuance costs related to the ANGI Group Term Loan which was repaid in its entirety during the second quarter of 2021 and net foreign currency exchange losses of $0.5 million, partially offset by interest income of $0.1 million.

Income tax benefit

	Three Months Ended June 30,				Six Months Ended June 30,			
	2022	**$ Change**	**% Change**	**2021**	**2022**	**$ Change**	**% Change**	**2021**
	(Dollars in thousands)							
Income tax benefit	$ 3,665	$ (5,464)	(60)%	$ 9,129	$ 9,748	$ (8,670)	(47)%	$ 18,418
Effective income tax rate	13%			23%	15%			NM

For further details of income tax matters, see "Note 2—Income Taxes" to the consolidated financial statements included in "Item 1. Consolidated Financial Statements."

For the three months ended June 30, 2022 compared to the three months ended June 30, 2021

In 2022, the effective income tax rate was lower than the statutory rate of 21%, due primarily to unbenefited foreign losses and tax shortfalls generated by the exercise and vesting of stock-based awards.

In 2021, the effective income tax rate was higher than the statutory rate of 21% due primarily to the benefit of the change in the annual expected effective income tax rate, partially offset by nondeductible stock-based compensation expense.

For the six months ended June 30, 2022 compared to the six months ended June 30, 2021

In 2022, the effective income tax rate was lower than the statutory rate of 21% due primarily to tax shortfalls generated by the exercise and vesting of stock-based awards and unbenefited foreign losses.

In 2021, the effective income tax rate was higher than the statutory rate of 21% due primarily to excess tax benefits generated by the exercise and vesting of stock-based awards.

PRINCIPLES OF FINANCIAL REPORTING

We report Adjusted EBITDA as a supplemental measure to U.S. generally accepted accounting principles ("GAAP"). This measure is one of the primary metrics by which we evaluate the performance of our businesses, on which our internal budgets are based and by which management is compensated. We believe that investors should have access to, and we are obligated to provide, the same set of tools that we use in analyzing our results. This non-GAAP measure should be considered in addition to results prepared in accordance with GAAP, but should not be considered a substitute for or superior to GAAP results. We endeavor to compensate for the limitations of the non-GAAP measure presented by providing the comparable GAAP measure with equal or greater prominence and descriptions of the reconciling items, including quantifying such items, to derive the non-GAAP measure. We encourage investors to examine the reconciling adjustments between the GAAP and non-GAAP measure, which we discuss below.

Definition of Non-GAAP Measure

Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA") is defined as operating income excluding: (1) stock-based compensation expense; (2) depreciation; and (3) acquisition-related items consisting of amortization of intangible assets and impairments of goodwill and intangible assets, if applicable. We believe this measure is useful for analysts and investors as this measure allows a more meaningful comparison between our performance and that of our competitors. Adjusted EBITDA has certain limitations because it excludes the impact of these expenses.

The following table reconciles net loss attributable to Angi Inc. shareholders to operating loss to consolidated Adjusted EBITDA:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
	(In thousands)			
Net loss attributable to Angi Inc. shareholders	$ (24,232)	$ (30,293)	$ (57,622)	$ (28,362)
Add back:				
Net earnings attributable to noncontrolling interests	235	241	338	324
Income tax benefit	(3,665)	(9,129)	(9,748)	(18,418)
Other expense, net	1,750	636	2,141	1,403
Interest expense	5,026	5,814	10,048	12,431
Operating loss	(20,886)	(32,731)	(54,843)	(32,622)
Add back:				
Stock-based compensation expense	13,417	9,543	26,402	11,577
Depreciation	13,354	15,058	27,353	31,027
Amortization of intangibles	3,804	3,688	7,608	8,762
Adjusted EBITDA	$ 9,689	$ (4,442)	$ 6,520	$ 18,744

For a reconciliation of operating loss to Adjusted EBITDA for the Company's reportable segments, see "Note 7—Segment Information" to the consolidated financial statements included in "Item 1. Consolidated Financial Statements."

Non-Cash Expenses That Are Excluded from Our Non-GAAP Measure

Stock-based compensation expense consists of expense associated with the grants, including unvested grants assumed in acquisitions, of stock appreciation rights, restricted stock units ("RSUs"), stock options, performance-based RSUs ("PSUs") and market-based awards. These expenses are not paid in cash and we view the economic costs of stock-based awards to be the dilution to our share base; we also include the related shares in our fully diluted shares outstanding for GAAP earnings per share using the treasury stock method. PSUs and market-based awards are included only to the extent the applicable performance or market condition(s) have been met (assuming the end of the reporting period is the end of the contingency period). The Company is currently settling all stock-based awards on a net basis and remits the required tax-withholding amounts from its current funds.

Depreciation is a non-cash expense relating to our capitalized software, leasehold improvements and equipment and is computed using the straight-line method to allocate the cost of depreciable assets to operations over their estimated useful lives, or, in the case of leasehold improvements, the lease term, if shorter.

Amortization of intangible assets and impairments of goodwill and intangible assets are non-cash expenses related primarily to acquisitions. At the time of an acquisition, the identifiable definite-lived intangible assets of the acquired company, such as service professional relationships, technology, memberships, customer lists and user base, and trade names, are valued and amortized over their estimated lives. Value is also assigned to acquired indefinite-lived intangible assets, which comprise trade names and trademarks, and goodwill that are not subject to amortization. An impairment is recorded when the carrying value of an intangible asset or goodwill exceeds its fair value. We believe that intangible assets represent costs incurred by the acquired company to build value prior to acquisition and the related amortization and impairments of intangible assets or goodwill, if applicable, are not ongoing costs of doing business.

FINANCIAL POSITION, LIQUIDITY, AND CAPITAL RESOURCES

Financial Position

	June 30, 2022	December 31, 2021
	(In thousands)	
Cash and cash equivalents:		
United States	$ 335,468	$ 404,277
All other countries	25,482	23,859
Total cash and cash equivalents	$ 360,950	$ 428,136
Long-term debt:		
Senior Notes	$ 500,000	$ 500,000
Total long-term debt	500,000	500,000
Less: unamortized debt issuance costs	5,087	5,448
Total long-term debt, net	$ 494,913	$ 494,552

At June 30, 2022, all of the Company’s international cash can be repatriated without significant tax consequences.

For a detailed description of long-term debt, see “Note 4—Long-term Debt” to the consolidated financial statements included in “Item 1. Consolidated Financial Statements.”

Cash Flow Information

In summary, the Company’s cash flows are as follows:

	Six Months Ended June 30,	
	2022	2021
	(In thousands)	
Net cash (used in) provided by:		
Operating activities	$ 7,079	$ 6,209
Investing activities	$ (61,974)	$ (45,072)
Financing activities	$ (11,657)	$ (345,168)

Net cash provided by operating activities consists of earnings adjusted for non-cash items and the effect of changes in working capital. Non-cash adjustments include stock-based compensation expense, provision for credit losses, amortization of intangibles, depreciation, impairment of long-lived and right-of-use assets, non-cash lease expense, and deferred income taxes.

2022

Adjustments to earnings consist primarily of $47.9 million of provision for credit losses, $27.4 million of depreciation, $26.4 million of stock-based compensation expense, $6.6 million of non-cash lease expense, and $7.6 million of amortization of intangibles. The decrease from changes in working capital consists primarily of an increase of $84.2 million in accounts receivable, an increase of $11.1 million in other assets, an increase of $1.6 million in income taxes payable and receivable, and a decrease of $8.6 million in operating lease liabilities, partially offset by increases of $52.7 million in accounts payable and other liabilities. The increase in accounts receivable is due primarily to revenue growth, primarily attributable to Angi Services. The increase in other assets is due to an increase in capitalized commissions. The increase in income taxes payable and receivable is due to accruals in excess of payments. The decrease in operating lease liabilities is due to cash payments on leases net of interest accretion. The increase in accounts payable and other liabilities is due primarily to increases in accrued expenses related to the factors described in the “Brand Integration Initiative” and accrued roofing material costs related to Angi Roofing.

Net cash used in investing activities includes $62.1 million of capital expenditures, primarily related to investments in capitalized software to support the Company’s products and services.

Net cash used in financing activities includes $8.1 million for the repurchase of 1.0 million shares of Angi Inc. Class A common stock, on a settlement date basis, at an average price of $7.80 per share and $3.5 million for the payment of withholding taxes on behalf of employees for stock-based awards that were net settled.

2021

Adjustments to earnings consist primarily of $42.7 million of provision for credit losses, $31.0 million of depreciation, $12.3 million of impairment charges on long-lived and right-of-use assets, $11.6 million of stock-based compensation expense, $8.8 million of amortization of intangibles, and $4.7 million of revenue reserves, partially offset by $20.3 million of deferred income taxes. The decrease from changes in working capital consists primarily of an increase of $63.2 million in accounts receivable partially offset by increases of $51.4 million in accounts payable and other liabilities and $5.3 million of deferred revenue. The increase in accounts payable is due primarily to revenue growth in North America. The increase in accounts payable and other liabilities is due primarily to an increase in accrued advertising and related payables. The increase in deferred revenue is driven primarily by increases in membership payments.

Net cash provided by investing activities includes proceeds of $50.0 million from the maturities of marketable debt securities, partially offset by $35.7 million of capital expenditures, primarily related to investments in capitalized software to support the Company's products and services.

Net cash used in financing activities includes $220.0 million for the prepayment of the remaining balance of the ANGI Group Term Loan, which otherwise would have matured on November 5, 2023, $54.6 million for the payment of withholding taxes on behalf of employees for stock-based awards that were net settled, $22.9 million for the purchase of redeemable noncontrolling interests, and $5.6 million for the repurchase of 0.5 million shares of Angi Inc. Class A common stock, on a settlement and trade date basis, at an average price of $11.87 per share.

Liquidity and Capital Resources

Financing Arrangements

The ANGI Group Senior Notes were issued on August 20, 2020. At any time prior to August 15, 2023, these notes may be redeemed at a redemption price equal to the sum of the principal amount thereof, plus accrued and unpaid interest and a make-whole premium. Thereafter, these notes may be redeemed at the redemption prices set forth in the indenture governing the notes, plus accrued and unpaid interest thereon, if any, to the applicable redemption date.

The indenture governing the ANGI Group Senior Notes contains a covenant that would limit ANGI Group's ability to incur liens for borrowed money in the event a default has occurred or ANGI Group's secured leverage ratio exceeds 3.75 to 1.0, provided that ANGI Group shall be permitted to incur such liens under certain permitted credit facilities indebtedness notwithstanding the ratio, all as defined in the indenture. At June 30, 2022 there were no limitations pursuant thereto.

During the six months ended June 30, 2021, ANGI Group prepaid $220.0 million of the ANGI Group Term Loan principal, which otherwise would have matured on November 5, 2023.

The $250.0 million ANGI Group Revolving Facility, which otherwise would have expired on November 5, 2023, was terminated effective August 3, 2021. No amounts were ever drawn under the ANGI Group Revolving Facility prior to its termination.

Share Repurchase Authorizations and Activity

During the six months ended June 30, 2022, the Company repurchased 1.0 million shares, on a trade date basis, of its common stock at an average price of $7.80 per share, or $8.1 million in aggregate. The Company has 15.0 million shares remaining in its share repurchase authorization as of August 5, 2022. The Company may purchase shares over an indefinite period of time on the open market and in privately negotiated transactions, depending on those factors the Company's management deems relevant at any particular time, including, without limitation, market conditions, share price and future outlook.

Outstanding Stock-based Awards

The Company may settle equity awards on a gross or a net basis depending upon factors deemed relevant at the time, and if settled on a net basis, Angi remits withholding taxes on behalf of the employee. At IAC's option, certain Angi stock appreciation rights can be settled in either Class A shares of Angi or shares of IAC common stock. If settled in IAC common stock, the Company reimburses IAC in either cash or through the issuance of Class A shares to IAC. The Company currently settles all equity awards on a net basis.

Pursuant to the employee matters agreement, in the event of a distribution of Angi capital stock to IAC stockholders in a transaction intended to qualify as tax-free for U.S. federal income tax purposes, the Compensation Committee of the IAC Board of Directors has the exclusive authority to determine the treatment of outstanding IAC equity awards. Such authority includes (but is not limited to) the ability to convert all or part of IAC equity awards outstanding immediately prior to the distribution into equity awards denominated in shares of Angi Class A Common Stock for no compensation, which Angi would be obligated to assume and which would be dilutive to Angi's stockholders.

The following table summarizes the aggregate intrinsic value of all awards outstanding as of August 5, 2022; assuming these awards were net settled on that date, the withholding taxes that would be paid by the Company on behalf of employees upon exercise or vesting that would be payable (assuming these equity awards are net settled with a 50% tax rate), and the shares that would have been issued are as follows:

	Aggregate intrinsic value of awards outstanding	Estimated withholding taxes payable	Estimated shares to be issued
		(In thousands)	
Stock appreciation rights	$ 1,265	$ 633	109
Other equity awards[(a)(b)]	136,321	66,881	11,931
Total outstanding employee stock-based awards	$ 137,586	$ 67,514	12,040

(a) Includes stock options, RSUs, and subsidiary denominated equity.

(b) The number of shares ultimately needed to settle subsidiary denominated equity awards and the cash withholding tax obligation may vary significantly as a result of the determination of the fair value of the relevant award at the time of exercise. In addition, the number of shares required to settle these awards will be impacted by movement in the Company's stock price.

Contractual Obligations

At June 30, 2022, there have been no material changes outside the ordinary course of business to the Company's contractual obligations since the disclosures for the year ended December 31, 2021, included in the Company's Annual Report on Form 10-K.

Capital Expenditures

The Company's 2022 capital expenditures are expected to be higher than 2021 capital expenditures of $70.2 million by approximately 20% to 25%, due primarily to increased investment in capitalized software to support the development of our products and services.

Liquidity Assessment

The Company's liquidity could be negatively affected by a decrease in demand for its products and services due to COVID-19 or other factors. As described in the "COVID-19 Update" section above, to date, the COVID-19 outbreak and measures designed to curb its spread have adversely impacted the Company's business.

At June 30, 2022, IAC held all Class B shares of Angi Inc., which represent 84.5% of the economic interest and 98.2% of the voting interest of the Company. As a result, IAC has the ability to control Angi's financing activities, including the issuance of additional debt and equity securities by Angi or any of its subsidiaries, or the incurrence of other indebtedness generally. While Angi is expected to have the ability to access debt and equity markets if needed, such transactions may require the approval of IAC due to its control of the majority of the outstanding voting power of Angi's capital stock and its representation on the Angi board of directors.

The Company believes its existing cash, cash equivalents, and expected positive cash flows generated from operations will be sufficient to fund its normal operating requirements, including capital expenditures, debt service, the payment of withholding taxes paid on behalf of employees for net-settled stock-based awards, and investing and other commitments, for the next twelve months. We may elect to raise additional capital through the sale of additional equity or debt financing to fund business activities such as strategic acquisitions, share repurchases, or other purposes beyond the next twelve months.

Additional financing may not be available on terms favorable to the Company or at all, and may also be impacted by any disruptions in the financial markets caused by COVID-19 or otherwise. In addition, the Company's existing indebtedness could limit its ability to obtain additional financing.

Item 3. ***Quantitative and Qualitative Disclosures About Market Risk***

During the six months ended June 30, 2022, there have been no material changes to the Company's instruments or positions that are sensitive to market risk since the disclosure in our Annual Report on Form 10-K for the year ended December 31, 2021.

Item 4. ***Controls and Procedures***

The Company monitors and evaluates on an ongoing basis its disclosure controls and procedures and internal control over financial reporting in order to improve their overall effectiveness. In the course of these evaluations, the Company modifies and refines its internal processes as conditions warrant.

As required by Rule 13a-15(b) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), the Company’s management, including our principal executive and principal financial officers, or persons performing similar functions, evaluated the effectiveness of the Company’s disclosure controls and procedures as defined by Rule 13a-15(e) under the Exchange Act. Based on this evaluation, management has concluded that the Company’s disclosure controls and procedures were effective as of the end of the period covered by this report in providing reasonable assurance that information we are required to disclose in our filings with the Securities and Exchange Commission under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Commission’s rules and forms, and include controls and procedures designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

There were no changes to the Company’s internal control over financial reporting during the period covered by this report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II

OTHER INFORMATION

Item 1. *Legal Proceedings*

Overview

In the ordinary course of business, the Company and its subsidiaries are (or may become) parties to claims, suits, regulatory and government investigations, and other proceedings involving property, personal injury, contract, intellectual property, privacy, tax, labor and employment, competition, commercial disputes, consumer protection and other claims, as well as stockholder derivative actions, class action lawsuits and other matters. Such claims, suits, regulatory and government investigations, and other proceedings could result in fines, civil or criminal penalties, or other adverse consequences and could subject us to costs, including legal fees, require us to change our business practices, divert resources and the attention of management from our business, or otherwise adversely affect our business. The amounts that may be recovered in such matters may be subject to insurance coverage. Although the results of legal proceedings and claims cannot be predicted with certainty, neither the Company nor any of its subsidiaries is currently a party to any legal proceedings, the outcome of which, we believe, if determined adversely to us, would individually or in the aggregate have a material adverse effect on our business, financial condition or results of operations. However, the outcome of such matters is inherently unpredictable and subject to significant uncertainties.

Rules of the Securities and Exchange Commission require the description of material pending legal proceedings (other than ordinary, routine litigation incident to the registrant's business) and advise that proceedings ordinarily need not be described if they primarily involve damages claims for amounts (exclusive of interest and costs) not exceeding 10% of the current assets of the registrant and its subsidiaries on a consolidated basis. In the judgment of Company management, none of the pending proceedings which we are defending, including the ones described below, involve or are likely to involve amounts of that magnitude. The litigation and administrative matters described below involve issues or claims that we believe may be of particular interest to our stockholders, regardless of whether the matters may be material to our financial position or operations, based upon the standard set forth in the rules of the Securities and Exchange Commission.

FTC Investigation Proceeding Regarding Certain HomeAdvisor Business Practices

In 2021, the staff of the Federal Trade Commission ("FTC") informed HomeAdvisor that the FTC was investigating certain of HomeAdvisor's business practices. On March 11, 2022, the FTC filed a complaint against HomeAdvisor with the FTC's administrative law judge, alleging that certain of HomeAdvisor's business practices related to leads provided to service professionals and its mHelpDesk product are unfair or deceptive in violation of the FTC Act and requesting injunctive relief. On April 7, 2022, complaint counsel for the FTC filed a motion for summary decision, which the FTC denied on August 2, 2022. While HomeAdvisor believes that the claims are without merit and is defending vigorously against them, the FTC administrative proceeding is ongoing, and the outcome cannot be predicted at present.

Service Professional Class Action Litigation against HomeAdvisor

This purported class action pending in Colorado is described in detail on pages 26-27 of our Annual Report on Form 10-K for the fiscal year ended December 31, 2021. *See Airquip, Inc. et al. v. HomeAdvisor, Inc. et al.*, No. l:16-cv-1849 and *Costello et al. v. HomeAdvisor, Inc. et al.*, No. 1:18-cv-1802, both filed in U.S. District Court in Colorado and consolidated under the caption *In re HomeAdvisor, Inc. Litigation.* This lawsuit alleges that our HomeAdvisor business engages in certain deceptive practices affecting the service professionals who join its network, including charging them for substandard customer leads or failing to disclose certain charges. There have been no material or otherwise noteworthy developments in this case since the filing of our Annual Report on Form 10-K for the fiscal year ended December 31, 2021. The Company believes that the allegations in this lawsuit are without merit and will continue to defend vigorously against them.

Item 1A. *Risk Factors*

This quarterly report on Form 10-Q contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. The use of words such as "anticipates," "estimates," "expects," "plans," "intends," "will continue," "may", "could" and "believes," among similar expressions, generally identify forward-looking statements. These forward-looking statements include, among others, statements relating to our future business, financial condition, results of operations and financial performance, our business prospects and strategy, trends and prospects in home services industry and other similar matters. These forward-looking statements are based on Company management's expectations and assumptions about future events as of the date of this report, which are inherently subject to uncertainties, risks and changes in circumstances that are difficult to predict.

Actual results could differ materially from those contained in these forward-looking statements for a variety of reasons, including, among others: (i) the impact of the COVID-19 outbreak on our businesses, (ii) our ability to compete, (iii) the failure or delay of the home services market to migrate online, (iv) adverse economic events or trends (particularly those that adversely impact consumer confidence and spending behavior), (v) our ability to establish and maintain relationships with quality service professionals, (vi) our ability to build, maintain and/or enhance our various brands, including through our Angi brand integration initiative, (vii) our ability to expand our pre-priced bookings offerings, (viii) our ability to market our various products and services in a successful and cost-effective manner, (ix) our ability to drive traffic to our properties and businesses, including through the continued display of links to websites offering our products and services in a prominent manner in search results, (x) our continued ability to communicate with consumers and service professionals via e-mail (or other sufficient means), (xi) our ability to access, share and use personal data about consumers, (xii) our ability to develop and monetize versions of our products and services for mobile and other digital devices, (xiii) any challenge to the contractor classification or employment status of our service professionals, (xiv) our ability to protect our systems, technology and infrastructure from cyberattacks and to protect personal and confidential user information, (xv) the occurrence of data security breaches, fraud and/or additional regulation involving or impacting credit card payments, (xvi) the integrity, quality, efficiency and scalability of our technology systems and infrastructures (and those of third parties with whom we do business), (xvii) operational and financial risks relating to acquisitions and the integration of suitable targets, (xviii) our ability to operate (and expand into) international markets successfully, (xix) our ability to adequately protect our intellectual property rights and not infringe the intellectual property rights of third parties, (xx) changes in key personnel, (xxi) various risks related to our relationship with IAC and (xxii) various risks related to our outstanding indebtedness.

Certain of these and other risks and uncertainties are discussed in our filings with the SEC, including in Part I-Item 1A-Risk Factors of our Annual Report on Form 10-K for the fiscal year ended December 31, 2021. Other unknown or unpredictable factors that could also adversely affect our business, financial condition and operating results may arise from time to time. In light of these risks and uncertainties, the forward-looking statements discussed in this quarterly report may not prove to be accurate. Accordingly, you should not place undue reliance on these forward-looking statements, which only reflect the views of Company management as of the date of this quarterly report. We do not undertake to update these forward-looking statements.

Item 2. *Unregistered Sales of Equity Securities and Use of Proceeds*

Unregistered Sales of Equity Securities

The Company did not issue or sell any shares of its common stock or any other equity securities pursuant to unregistered transactions during the quarter ended June 30, 2022.

Issuer Purchases of Equity Securities

The Company did not purchase any shares of its common stock during the quarter ended June 30, 2022. As of that date, 15,025,714 shares of Angi Class A common stock remained available for repurchase under the Company's previously announced March 2020 repurchase authorization. The Company may repurchase shares pursuant to this repurchase authorization over an indefinite period of time in the open market and in privately negotiated transactions, depending on those factors management deems relevant at any particular time, including, without limitation, market conditions, share price and future outlook.

Item 6. ***Exhibits***

The documents set forth below, numbered in accordance with Item 601 of Regulation S-K, are filed herewith, incorporated by reference to the location indicated or furnished herewith.

Exhibit Number	Description	Location
3.1	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of Angi Inc.	Exhibit 3.1 to the Registrant's Current Report on Form 8-K, filed on March 17, 2021.
3.2	Amended and Restated Bylaws of Angi Inc.	Exhibit 3.2 to the Registrant's Current Report on Form 8-K, filed on March 17, 2021.
10.1	Employment Agreement between Andrew Russakoff and Angi Inc., dated as of June 9, 2022.	Exhibit 10.1 to the Registrant's Current Report on Form 8-K, filed on June 9, 2022.
10.2	Separation Agreement, dated as of June 7, 2022, by and between Angi Inc. and Jeffrey Pedersen	
31.1	Certification of the Chief Executive Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.(1)	
31.2	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) or 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.(1)	
32.1	Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.(2)	
32.2	Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.(2)	
101.INS	Inline XBRL Instance (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document)	
101.SCH	Inline XBRL Taxonomy Extension Schema(1)	
101.CAL	Inline XBRL Taxonomy Extension Calculation(1)	
101.DEF	Inline XBRL Taxonomy Extension Definition(1)	
101.LAB	Inline XBRL Taxonomy Extension Labels(1)	
101.PRE	Inline XBRL Taxonomy Extension Presentation(1)	
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)	

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(1) Filed herewith.

(2) Furnished herewith.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: August 9, 2022

Angi Inc.

By: /s/ ANDREW RUSSAKOFF
Andrew Russakoff
Chief Financial Officer

Signature	Title	Date
/s/ ANDREW RUSSAKOFF Andrew Russakoff	Chief Financial Officer	August 9, 2022

SEPARATION AGREEMENT AND FULL RELEASE

THIS SEPARATION AGREEMENT AND GENERAL RELEASE (“Agreement”), dated as of June 7, 2022, is between Jeff Pedersen (referred to herein as “Employee”) and Angi Inc. (referred to herein as “Employer”) (referred to collectively throughout as “parties”). The parties have agreed that Employee will separate Employee’s employment from Employer, as provided in this Agreement and, in connection with such separation of employment, Employer has agreed to provide Employee with certain benefits to which Employee would not otherwise be entitled absent Employee’s execution of this Agreement. In consideration of the mutual promises contained in this Agreement, Employee and Employer agree as follows:

1. Separation of Employment. The parties have agreed that Employee’s final day of employment with Employer is July 19, 2022 (the “Separation Date”). Employee will no longer serve as Employer’s Chief Financial Officer and will serve in a consultative capacity effective June 9, 2022. The parties further agree that, except as otherwise provided in this Agreement, all benefits and privileges of Employee terminate as of the close of business on the Separation Date.

2. Payments. In connection with Employee’s separation from employment, Company will pay Employee the gross sum of $500,000.00, and acceleration of Employee’s unvested equity that would vest within the 12 months of the date of Employee’s Separation Date; provided that any equity awards with a vesting schedule less frequent than annual shall be treated as though the vesting occurred in equal annual installments and any portion of any such awards that would have vested within 12 months of the Separation Date shall vest as of the Separation Date (the “Severance Payment”). For clarity, 479,094 RSUs will accelerate from Employee’s July 19, 2021 awards. The Severance Payment will be in the form of the cash severance and acceleration of Angi RSUs provided for in the two preceding sentences, and is expressly conditioned on the Employee having not revoked this Agreement pursuant to Paragraph 16 and having not revoked the Supplemental Release pursuant to Paragraph 6 herein. The Severance Payment shall be less required deductions, including deductions for applicable state and federal taxes. The Severance Payment is provided in exchange for the releases and other promises made by Employee herein as well as for the Supplemental Release to be delivered by Employee pursuant to Paragraph 18 below. The cash portion of the Severance Payment will be in the form of a company check and will be mailed within 30 calendar days following Employee’s execution and delivery of the Supplemental Release, as long as (1) Employee has delivered a signed copy of this Agreement and not revoked this Agreement pursuant to Paragraph 17, and (2) Employee has not revoked the Supplemental Release pursuant to Paragraph 6 therein. Employee acknowledges that Employee is not entitled to the Severance Payment outlined in this Section 2 and that Company has agreed to provide such benefit solely as consideration for Employee’s execution of this Agreement and the Supplemental Release. Employee further acknowledges that the Severance Payment is provided in full satisfaction of any and all obligations to Employee under the terms of the Employment Agreement between Employee and Company dated July 19, 2021 (the “Employment Agreement”).

3. Confidential Information, Non-Competition and Non-Solicitation. Employee agrees that as a result of Employee’s employment relationship with Employer, Employee has acquired access to or knowledge of confidential information and/or trade secrets, and that such information has economic value, either actual or potential, because such information is not generally known or readily ascertainable by proper means by others who can obtain economic value from its disclosure or use. Employee therefore understands and agrees that the Confidential Information, Non-Competition, Non-Solicitation and Proprietary Rights provision that Employee signed as part of Employee’s Employment Agreement shall remain in full force and effect following Employee’s termination of employment with Employer. Employee further agrees that as a result of Employee’s employment relationship with Employer, Employee has acquired access to sensitive customer information that is personal, confidential and may be subject to additional protection under contract, or local, state or federal statutes, rules, or regulations. Employee understands and acknowledges Employee’s obligation to keep such information confidential and agrees that Employee will not use or disclose to third parties any such confidential customer

information. Employee understands that notwithstanding the foregoing, nothing in this Agreement prohibits Employee from reporting to any governmental authority information concerning possible violations of law or regulation and that Employee may disclose trade secret information to a government official or to an attorney and use it in certain court proceedings without fear of prosecution or liability provided Employee does so consistent with 18 U.S.C. 1833. This Agreement shall not limit any obligations Employee has under any employee confidentiality agreement, or terms and conditions of employment to which Employee has agreed, or applicable state law.

4. Return of Company Property. Employee acknowledges that prior to the date on which Employee signs this Agreement, Employee has returned all company property in Employee's possession, including, but not limited to, any company credit card (or credit card on which the company is guarantor), computer, or printer. Employee is entitled to retain her company laptop computer at no cost, once it has been wiped clean and processed by Company's information security department. Further, Employee agrees to repay to Employer the amount of any permanent or temporary advances and balance owing on any credit cards of any monies due and owing Employer or for which Employer is a guarantor.

5. Confidentiality and Nondisparagement. An essential and material term of this Agreement shall be that Employee shall keep confidential Employee's understanding of the nature and existence and terms of this Agreement, negotiations leading to its execution, the fact of its execution, and the conveyance of the consideration to Employee, as well as the fact of and substance of negotiations, discussions, correspondence and other related matters that preceded the execution of this Agreement (collectively "Information") to the extent permitted by law. Except as expressly allowed under law, Employee agrees that Employee will not, directly or indirectly, in any way publish, reveal, disclose, or communicate to any government agency, person, or entity any of the Information, except Employee's spouse, or Employee's legal or tax advisors (who shall agree to be bound to Employee's non-disclosure obligations before Employee communicates Information to them), without first obtaining the express written consent of Employer. If any Information is sought from Employee pursuant to a valid and binding court order, or if Employee or any representative of Employee is subpoenaed or called as a witness at any deposition or trial in any action, regardless of whether Employee and/or Employer are Parties to said action, in which data, correspondence, communications or other documentation relating to the Information is sought, then Employee shall immediately notify Employer or any successor thereto of the time and place of the proceeding to which Employee or Employee's representative has been called to testify sufficiently in advance, in which case Employee's subsequent provision of such testimony shall not be considered a material breach of this Agreement.

Employee agrees to make every reasonable effort to maintain and protect the reputation of Employer and its affiliates and that of their businesses, products, directors, officers, employees, and agents. Employee further agrees that Employee will not disparage Employer and its affiliates or their businesses, products, directors, officers, employees, and agents (or persons representing them in their official capacity) or engage in any activities that reasonably could be anticipated to harm their reputation, operations, or relationships with current or prospective customers, suppliers, residents, clients or employees.

6. Full General Release. In consideration of the covenants and agreements contained herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Employee, for Employee and on behalf of Employee's heirs, successors, and assigns hereby irrevocably and unconditionally releases, waives and discharges Employer and its parents, subsidiaries or otherwise affiliated corporations, partnerships or business enterprises, and each of their respective past and former officers, partners, members, employees, agents, insurers, representatives, counsel, shareholders, directors, successors and assigns, (collectively "Released Parties") from any and all causes of action, claims, charges, demands, losses, damages, wages, compensation, benefits, costs, attorney's fees and liabilities of any kind, including claims for age discrimination (collectively "Claims") that Employee may have or claim to have, in any way relating to or arising out of Employee's employment with Employer through the date of this Agreement, regardless of whether these Claims are known or unknown. This irrevocable and unconditional release includes, but is not limited to, a

release from any such matters or claims which Employee or anyone else could have raised on Employee's behalf arising out of or pursuant to Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. 2000e et seq.; the Americans with Disabilities Act, 42 U.S.C. 12101, et seq.; the Fair Labor Standards Act, 29 U.S.C. " 201 et seq.; the Employee Retirement Income Security Act, 29 U.S.C. " 1001, et seq.; New York Human Rights Law, N.Y. Stat., Executive Law, Art. 15, Vol. 14, §§ 290-301, et seq., Equal Pay Law, N.Y. Stat. Vol. 20, Labor Law, Art. 6, § 194-198-a, ,, New York Persons with Disabilities Law, N.Y. Stat., Art. 4-B, Civil Rights Law, Vol. 5, § 47, et seq., New York Equal Rights Law, N.Y. Stat., Vol. 5, Civil Rights, Art. 4, § 40-c –45, et seq., New York Civil Rights Law, N.Y. Stat., Vol. 5, Civil Rights, Art. 7, § 79-e and 79-I, et seq., New York City Human Rights Law,
N.Y.C. Admin. Code § 8, et seq., Section 125 of the N.Y Workers' Compensation Law, N.Y. Workers' Comp. Law § 125, New York Minimum Wage Act, N.Y. Lab. Law § 663, United States Constitution, any and all amendments to said statutes, or any other federal, state or local employment law, any state contract or tort law, including, but not limited to, claims for infliction of emotional distress, wrongful termination, breach of the covenant of good faith and fair dealing, promissory estoppel or breach of an express or implied promise,
misrepresentation or fraud, retaliation, defamation of character, claims for attorney's fees, or claims for any rights to future employment and benefits with Employer. Employee further understands that this release extends to all claims that Employee has or may have, based on any theory, whether developed or undeveloped, arising from or related to Employee's employment or the separation of Employee's employment with Employer, or any other fact or matter occurring prior to Employee's execution of this Agreement. The Release provision of this Agreement does not apply, however, to any vested rights Employee may have under the Employer's 401(k) Plan. It is the intent of the parties that this Full General Release shall fully resolve any and all Claims of any nature whatsoever arising out of Employee's employment with Employer, now or previously existing which Employee may have against the Released Parties, whether presently known or unknown.

7. No Charges Filed By Employee/Subsequent Proceedings Barred. Employee hereby warrants and represents that Employee has not filed or caused to be filed any charge or claim against any Released Party with any administrative agency, court of law, or other tribunal. Employee agrees not to pursue or bring before any federal, state or other governmental authority or court any claim, complaint, or charge against any of the Released Parties relating to any of the matters released hereby, and Employee further agrees that Employee is not entitled to any remedy or relief if Employee were to pursue any such claim, complaint or charge. Nothing in this Agreement is intended to interfere with Employee's right to participate in the charge filing or investigative process with the Equal Employment Opportunity Commission or similar local, state, or federal agency. However, Employee covenants and agrees that should any administrative proceeding, charge, lawsuit, or action of any type against Employer be filed by Employee or on his behalf, Employee will not accept any monies therefrom. Employee covenants and agrees that if Employee or Employee's assigns or successors hereafter commence, join in, or in any manner seek relief through any suit arising out of, based upon, or relating to the released Claims or in any manner assert against Employer any of the released Claims, Employee will indemnify and hold harmless Employer, and including and in addition to any other damages caused to Employer thereby, the payment of attorneys' fees incurred by Employer in defending or otherwise responding to said suit or claim. Employee also agrees to indemnify, hold harmless, and defend Employer against any and all past or future claims made, if any, with respect to the released Claims.

In addition, Employee understands and agrees that the provisions of the Arbitration Agreement signed by Employee previously shall remain in full force and effect following Employee's termination of employment with Employer.

8. Compensation and Benefits. Employee affirms that Employee has been paid and received all wages and other compensation, as defined by either federal or state law, to which Employee has been entitled, including but not limited to any and all compensation, reimbursements, bonuses, commissions, overtime, vacation time, paid time off, leave, deferred compensation, or any other form of remuneration to which Employee has been entitled as a result of Employee's employment with Employer. Except as provided above, Employee has no claim to any compensation or benefits of any kind or any other benefit plan available to employees of Employer by virtue of their employment with Employer.

9. Acceptance Period; Right to Rescind and/or Revoke. Employee has been informed that the terms of this Agreement shall be open for acceptance by Employee for a period of at least 21 days after the date set forth above, during which time Employee may consider whether or not to accept this Agreement and seek counsel to advise Employee regarding the same. Employee agrees that changes to this Agreement, whether material or immaterial, will not restart this acceptance period. Employee has the right to revoke this Agreement only insofar as it extends to potential claims under the Age Discrimination in Employment Act by informing Employer of Employee's intent to revoke this Agreement within seven (7) calendar days following Employee's execution of it. Employee understands and agrees that this Agreement shall not become effective or enforceable until this 7- day revocation period has expired. Any rescission by Employee must be in writing and hand-delivered to Employer or, if sent by mail, postmarked within the applicable time period, sent by certified mail, return receipt requested, and addressed to Chief Legal Officer, Angi Inc., 130 East Washington Street, Indianapolis, IN 46204. Employee agrees that if Employee exercises any right of rescission or revocation, Employer may at its option either nullify this Agreement in its entirety or keep it in effect as to all claims not rescinded or revoked in accordance with the rescission or revocation provisions of this Agreement. In the event Employer opts to nullify the entire Agreement, neither Employee nor Employer will have any rights or obligations whatsoever under this Agreement. Any rescission or revocation, however, does not affect Employee's separation from employment effective as of the date set forth in Section 1.

10. No Admission. This Agreement is not an admission by the Employer that it has taken any improper actions with respect to Employee in violation of any federal, state, or local law or regulation.

11. No Adequate Remedy. Employee agrees that it is impossible to measure in money all of the damages which will accrue to Employer by reason of Employee's breach of any of Employee's obligations under this Agreement. Therefore, if Employer shall institute any action or proceeding to enforce the provisions hereof, Employee hereby waives the claim or defense that Employer has an adequate remedy at law, and Employee shall not raise in any such action or proceeding the claim or defense that Employer has an adequate remedy at law.

12. Cooperation of Employee. Employee covenants and agrees to cooperate fully with the Released Parties concerning any business or legal matter about which Employee had knowledge during Employee's employment with Employer or any Released Party. Employer will reimburse Employee for reasonable expenses associated with travel, meals, lodging, or other out-of-pocket expenses related to or associated with Employee's cooperation with the Released Parties concerning any business or legal matter about which Employee had knowledge during Employee's employment with Employer or any Released Party.

13. Report. During Employee's employment, Employee understood that if Employee was aware of activity within Company that would violate federal and/or state law, that were discriminatory, or may have violated any policy or procedures, Employee had a duty to report such issues. Employee represents that Employee has no knowledge of any existing violations or suspected violations of any state or federal law or any Company policy. In addition, Employee represents that Employee has notified an officer of Company of any violation of Company policies and procedures in which Employee has any reason to suspect may lead to future violations of law. To the extent Company requests further information after Employee's last day of employment related to this paragraph, Employee agrees to make herself reasonably available with respect to any follow-up inquiries deemed necessary

14. Waiver of Jury Trial. The Parties desire to avoid the uncertainty of and the additional time and expense related to a jury trial of any disputes arising hereunder. The parties further hereby irrevocably waive the right to a trial by jury on any claim arising out of or in any way related to this Agreement. Employee and Company acknowledge and agree that this waiver of a jury trial is knowingly, freely, and voluntarily given, is desired by both of them, and is in the best interests of Employee and Company

15. Enforceable Contract; No Assignment; Entire Agreement. This Agreement shall be governed by the laws of the State of Colorado. If any part of this Agreement is construed to be in violation of any law, such part shall be modified to achieve the objective of the parties to the fullest extent permitted and the balance of this Agreement shall remain in full force and effect. This Agreement is personal to Employee and may not be assigned by Employee. Employee agrees that this Agreement, the Advisory Agreement, and the Arbitration Agreement executed by Employee contain the entire agreement between the parties with respect to the subject matter hereof and there are no promises, undertakings or understandings outside of this Agreement, except as specifically set forth herein and this Agreement supersedes all prior or contemporaneous discussions, negotiations and agreements, whether written or oral. Employee's rights to payments or benefits from Employer are specified exclusively and completely in this Agreement. Any modification of or addition to this Agreement must be in writing, signed by an officer of Employer and Employee.

16. Older Workers Benefit Protection Act. In compliance with the Older Workers Benefit Protection Act, EMPLOYEE hereby acknowledges that:

a. he fully understands this Agreement;
b. this Agreement specifically applies to any rights or claims Employee may have against Company under the Federal Age Discrimination in Employment Act of 1967, as amended;
c. this Agreement does not purport to waive rights or claims that may arise from acts or events occurring after the date that this Agreement is executed by the parties;
d. the consideration provided for in this Agreement and the provisions of this Paragraph are in addition to that to which Employee is already entitled;
e. Employee has been advised to consult with an attorney prior to signing this Agreement;
f. Employee has been given a period of at least twenty-one (21) days within which to consider whether to sign this Agreement;
g. Employee agrees that changes to the terms of this Agreement, whether material or immaterial, will not restart the twenty-one (21) day consideration period;
h. Employee has voluntarily signed this Agreement; and
i. This Agreement shall be revocable for the seven (7) day period following execution of this Agreement by Employee, provided Employee delivers written notice of such revocation via hand-delivery or mail to Shannon Shaw, Chief Legal Officer, at shannon.shaw@angi.com, within the seven (7) day period. Accordingly, this Agreement shall not become effective or enforceable until the eighth (8th) day after Employee executes this Agreement ("Effective Date"). If Employee signs this Agreement prior to the expiration of the twenty-one (21) day period set forth in subparagraph (f), Employee voluntarily acknowledges and agrees to waive the full amount of time provided within which to consider this Agreement.

17. Supplemental Release. Employee agrees that on the Separation Date, he will execute and deliver the Supplemental Release attached hereto as Exhibit A to the Company. Employee agrees and acknowledges that execution of the Supplemental Release is a material term to this Agreement and that he is not entitled to any portion of the Severance Payment if he does not execute the Supplemental Release

BY SIGNING THIS AGREEMENT, EMPLOYEE HAS WAIVED ALL CLAIMS AGAINST COMPANY (INCLUDING WITHOUT LIMITATION ITS PREDECESSORS, SUCCESSORS, PARENT, SUBSIDIARIES, AND/OR AFFILIATED CORPORATIONS, AND ITS EMPLOYEES OR OTHER AGENTS), INCLUDING ALL CLAIMS FOR LOST WAGES, BENEFITS, COMPENSATORY DAMAGES, OR PAYMENT OF ATTORNEYS' FEES. EMPLOYEE CERTIFIES THAT HE IS ENTERING INTO THIS AGREEMENT KNOWINGLY, VOLUNTARILY, AND AFTER HAVING THE OPPORTUNITY TO CONSULT WITH AN ATTORNEY AND AFTER REVIEW OF THIS DOCUMENT IN ITS ENTIRETY.

IN WITNESS WHEREOF, the parties have executed this Agreement by their signatures below.

EMPLOYEE: **EMPLOYER:**

ANGI INC.
a Delaware corporation

/s/ Jeffrey W. Pedersen

By: /s/ Shannon Shaw

Name: Jeff Pedersen Name: Shannon Shaw

Title: Chief Legal Officer

Address: 32 Malysana Lane
New Rochell, NY 10805

Date: 6/8/2022

Exhibit A
Supplemental Release

GENERAL RELEASE (this “Release”) is made 7/19/2022 by and between Jeff Pedersen (“Employee”), in favor of Angi Inc., a Delaware corporation (the “Company”).

WHEREAS, Employee’s last day of employment with the Company was July 19, 2022; and

WHEREAS, Employee and the Company have agreed to settle in full all claims that Employee, on Employee's own behalf and for Employee's heirs, executors, administrators, successors and assigns, has or may have against the Company or any other Releasees (as defined below).

NOW, THEREFORE, in consideration of: (1) the promises and covenants herein, and (2) the consideration duly exchanged in accordance with the separation agreement executed as of June 8, 2022 by and between Employee and the Company (the “Separation Agreement”), the parties hereto agree as follows:

1. Except for the rights, duties, obligations, promises, covenants, warranties, indemnities, conditions, limitations and exclusions, if any, set forth in this Release and in the Separation Agreement:

   (a) Employee, for Employee and on behalf of Employee’s heirs, successors, and assigns hereby irrevocably and unconditionally releases, waives and discharges Employer and its parents, subsidiaries or otherwise affiliated corporations, partnerships or business enterprises, and each of their respective past and former officers, partners, members, employees, agents, insurers, representatives, counsel, shareholders, directors, successors and assigns, (collectively “Released Parties”)from any and all causes of action, claims, charges, demands, losses, damages, wages, compensation, benefits, costs, attorney’s fees and liabilities of any kind, including claims for age discrimination (collectively “Claims”) that Employee may have or claim to have, in any way relating to or arising out of Employee’s employment with Company through the date of this Agreement, regardless of whether these Claims are known or unknown. This irrevocable and unconditional release includes, but is not limited to, a release from any such matters or claims which Employee or anyone else could have raised on Employee’s behalf arising out of or pursuant to Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. 2000e et seq.; the Americans with Disabilities Act, 42 U.S.C. 12101, et seq.; the Fair Labor Standards Act, 29 U.S.C. 201 et seq.; the Employee Retirement Income Security Act, 29 U.S.C. 1001, et seq.; New York Human Rights Law, N.Y. Stat., Executive Law, Art. 15, Vol. 14, §§ 290-301, et seq., New York Equal Pay Law, N.Y. Stat. Vol. 20, Labor Law, Art. 6, § 194-198-a, ,, New York Persons with Disabilities Law, N.Y. Stat., Art. 4-B, Civil Rights Law, Vol. 5, § 47, et seq., New York Equal Rights Law, N.Y. Stat., Vol. 5, Civil Rights, Art. 4, § 40-c –45, et seq., New York Civil Rights Law, N.Y. Stat., Vol. 5, Civil Rights, Art. 7, § 79-e and 79-I, et seq., New York City Human Rights Law, N.Y.C. Admin. Code § 8, et seq., Section 125 of the N.Y Workers’ Compensation Law, N.Y. Workers’ Comp. Law § 125, New York Minimum Wage Act, N.Y. Lab. Law § 663, the United States Constitution, any and all amendments to said statutes; or any other federal, state or local employment law, any state contract or tort law, including, but not limited to, claims for infliction of emotional distress, wrongful termination, breach of contract (including claims for breach of Employee’s Employment Agreement), breach of the covenant of good faith and fair dealing, promissory estoppel or breach of an express or implied promise, misrepresentation or fraud, retaliation, defamation of character, claims for attorney’s fees, or claims for any rights to future employment and benefits with Company. Employee further understands that this release extends to all claims that Employee has or may have, based on any theory, whether developed or undeveloped, arising from or related to Employee’s employment or the separation of Employee’s employment with Company, or any other fact or matter occurring prior to Employee’s execution of this Agreement. The Release provision of this Agreement does not apply, however, to any vested rights Employee may have under the Company’s 401(k) Plan. It is the intent of the parties that this Full General Release shall fully resolve any and all

Claims of any nature whatsoever arising out of Employee's employment with Company, now or previously existing which Employee may have against the Released Parties, whether presently known or unknown.

(a) Employee acknowledges and agrees that by virtue of the foregoing, Employee has waived any relief available to Employee (including without limitation, monetary damages, equitable relief and reinstatement) under any of the claims and/or causes of action waived in this Release. Therefore, Employee agrees that Employee will not seek or accept any award or settlement from any source or proceeding (including but not limited to any proceeding brought by any other person or by any government agency) with respect to any claim or right waived in this Release. Notwithstanding anything to the contrary set forth in this Release, Employee does not release, waive or discharge the Company from: (i) any claims to seek to enforce this Release or the Separation Agreement or (ii) any claims for indemnification or contribution under the Company's organization documents, under any Company insurance policies, or under any federal or state laws with respect to any liability incurred by Employee as a director or officer of the Company.

(b) For the purpose of implementing a full and complete release and discharge of the Releasees, Employee acknowledges that this Release is intended to include in its effect, without limitation, other than specified in the Separation Agreement, all claims or other matters herein that neither party knows or suspects to exist in Employee's favor at the time of execution hereof, and that this Release contemplates the extinguishment of any and all such claims or other such matters. The Releasees who are not a party to this Release are third party beneficiaries of this Release and are entitled to enforce its provisions.

2. This Release is not intended, and shall not be construed, as an admission that any of the Releasees has violated any federal, state or local law (statutory or decisional), ordinance or regulation, breached any contract or committed any wrong whatsoever against Employee.

3. In case any provision of this Release shall for any reason be held to be invalid, illegal or unenforceable in any respect by any court or administrative body with competent jurisdiction, such invalidity, illegality or unenforceability shall not affect the remaining provisions hereof, which shall remain in full force and effect. Any provision(s) so determined to be invalid, illegal or unenforceable shall be reformed so that they are valid, legal and enforceable to the fullest extent permitted by law or, if such reformation is impossible, then this Release shall be construed as if such invalid, illegal or unenforceable provision(s) had never been contained herein; provided that, upon a finding by a court of competent jurisdiction that this Release or any portion thereof is illegal and/or unenforceable, Employee hereby agrees to execute and deliver a release in substantially the same form as this Release, modified to the extent necessary so as to make it legal and enforceable.

4. This Release and all matters or issues related hereto shall be governed by the laws of the Colorado applicable to contracts entered into and performed therein (without reference to its principles of conflicts of laws). Any lawsuit brought by either party in connection with this Agreement shall be brought in the state and federal courts of Colorado. The parties acknowledge that such courts have jurisdiction to interpret and enforce the provisions of this Agreement, and the parties consent to, and waive any and all objections that they may have as to personal jurisdiction and/or venue in such courts.

5. This Release and the Separation Agreement is binding upon, and shall inure to the benefit of, the parties and their respective heirs, executors, administrators, successors and assigns.

6. Employee represents and warrants that, in deciding to execute this Releases, Employee has carefully read this Release in its entirety; Employee has had at least twenty-one (21) days to consider its terms and effects and to ask any questions that he may have of anyone, and that Employee has executed this Release voluntarily and with full understanding of its terms and its effects on him, and that no fact, evidence,

event or transaction currently unknown to you but which may later become known to you will affect in any way or manner the final and unconditional nature of this Release. Employee further acknowledge that (a) the release provided for herein is granted in exchange for the receipt of consideration that exceeds the amount to which Employee would otherwise be entitled to receive upon termination of his employment; (b) the waiver of rights by Employee under this Release is knowing and voluntary; (c) Employee has been advised by the Company in writing to consult with an attorney, tax and/or financial advisor of your choice before signing this Release and that the Company has not provided Employee with any legal, tax or financial advice in connection with the same; (d) Employee has had answered to his satisfaction any questions he have asked with regard to the meaning and significance of any terms or provisions of this Release; and (e) this Release includes a release by Employee of all known and unknown claims. In the event that Employee does not accept this Release as set forth above, the obligation of the Company to provide the payments and benefits in the Separation Agreement shall immediately become null and void. This Agreement shall be revocable for the seven (7) day period following execution of this Agreement by Employee, provided Employee delivers written notice of such revocation via hand-delivery or mail to Shannon Shaw, Chief Legal Officer, at shannon.shaw@angi.com, within the seven (7) day period. Accordingly, this Agreement shall not become effective or enforceable until the eighth (8th) day after Employee executes this Agreement ("Effective Date"). If Employee signs this Agreement prior to the expiration of the twenty-one (21) day period set forth in subparagraph (f), Employee voluntarily acknowledges and agrees to waive the full amount of time provided within which to consider this Agreement. In the event that Employee does not accept this Release as set forth above and/or revokes within the seven day period following execution, the obligation of the Company to provide the payments and benefits as set forth in the Separation Agreement shall immediately become null and void.

/s/ Jeff W. Pedersen
Jeff Pedersen

Date: 7/19/2022

Exhibit 31.1

Certification

I, Oisin Hanrahan, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended June 30, 2022 of Angi Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 9, 2022

/s/ OISIN HANRAHAN
Oisin Hanrahan
Chief Executive Officer

Exhibit 31.2

Certification

I, Andrew Russakoff, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended June 30, 2022 of Angi Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Dated: August 9, 2022

/s/ ANDREW RUSSAKOFF

Andrew Russakoff
Chief Financial Officer

Exhibit 32.1

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Oisin Hanrahan, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to my knowledge:

(1) the Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2022 of Angi Inc. (the "Report") which this statement accompanies fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Angi Inc.

Dated: August 9, 2022

/s/ OISIN HANRAHAN
Oisin Hanrahan
Chief Executive Officer

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Andrew Russakoff, certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to my knowledge:

(1) the Quarterly Report on Form 10-Q for the fiscal quarter ended June 30, 2022 of Angi Inc. (the "Report") which this statement accompanies fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Angi Inc.

Dated:	August 9, 2022	/s/ ANDREW RUSSAKOFF
		Andrew Russakoff
		Chief Financial Officer