As filed with the Securities and Exchange Commission on November 5, 2021

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 September 30, 2021
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)

(Former name or former address, if changed since last report)

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 October 29, 2021, the following shares of the Registrant's common stock were outstanding:

Class A Common Stock	80,373,715
Class B Common Stock	422,019,247
Class C Common Stock	—
Total outstanding Common Stock	502,392,962

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PART I
FINANCIAL INFORMATION

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

ANGI INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET
(Unaudited)

	September 30, 2021	December 31, 2020
	(In thousands, except par value amounts)	
ASSETS		
Cash and cash equivalents	$ 476,625	$ 812,705
Marketable debt securities	—	49,995
Accounts receivable, net of reserves of $40,276 and $27,839, respectively	98,538	43,148
Other current assets	75,818	71,958
Total current assets	650,981	977,806
Capitalized software, leasehold improvements and equipment, net	116,825	108,842
Goodwill	917,081	891,797
Intangible assets, net	198,024	209,717
Other non-current assets, net	192,127	180,020
TOTAL ASSETS	$ 2,075,038	$ 2,368,182
LIABILITIES AND SHAREHOLDERS' EQUITY		
LIABILITIES:		
Accounts payable	$ 39,491	$ 30,805
Deferred revenue	60,025	54,654
Accrued expenses and other current liabilities	203,752	148,219
Total current liabilities	303,268	233,678
Long-term debt, net	494,373	712,277
Deferred income taxes	1,633	1,296
Other long-term liabilities	102,434	111,710
Redeemable noncontrolling interests	4,524	26,364
Commitments and contingencies		
SHAREHOLDERS' EQUITY:		
Class A common stock, $0.001 par value; authorized 2,000,000 shares; issued 99,252 and 94,238 shares, respectively, and outstanding 80,146 and 78,333, respectively	99	94
Class B convertible common stock, $0.001 par value; authorized 1,500,000 shares; 422,019 and 421,862 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	1,345,549	1,379,469
(Accumulated deficit) retained earnings	(35,608)	9,749
Accumulated other comprehensive income	4,933	4,637
Treasury stock, 19,107 and 15,905 shares, respectively	(157,484)	(122,081)
Total Angi Inc. shareholders' equity	1,157,911	1,272,290
Noncontrolling interests	10,895	10,567
Total shareholders' equity	1,168,806	1,282,857
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	$ 2,075,038	$ 2,368,182

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 September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
	(In thousands, except per share data)			
Revenue	$ 461,565	$ 389,913	$ 1,269,582	$ 1,108,624
Operating costs and expenses:				
Cost of revenue (exclusive of depreciation shown separately below)	99,467	48,253	222,999	122,524
Selling and marketing expense	237,755	210,171	682,626	590,114
General and administrative expense	103,086	90,122	298,734	270,129
Product development expense	17,675	17,577	54,474	50,068
Depreciation	14,701	13,921	45,728	38,614
Amortization of intangibles	3,854	12,888	12,616	38,846
Total operating costs and expenses	476,538	392,932	1,317,177	1,110,295
Operating loss	(14,973)	(3,019)	(47,595)	(1,671)
Interest expense	(6,032)	(3,699)	(18,463)	(7,593)
Other (expense) income, net	(479)	223	(1,882)	856
Loss before income taxes	(21,484)	(6,495)	(67,940)	(8,408)
Income tax benefit	4,791	11,698	23,209	17,638
Net (loss) earnings	(16,693)	5,203	(44,731)	9,230
Net earnings attributable to noncontrolling interests	(302)	(731)	(626)	(1,049)
Net (loss) earnings attributable to Angi Inc. shareholders	$ (16,995)	$ 4,472	$ (45,357)	$ 8,181
Per share information attributable to Angi Inc. shareholders:				
Basic (loss) earnings per share	$ (0.03)	$ 0.01	$ (0.09)	$ 0.02
Diluted (loss) earnings per share	$ (0.03)	$ 0.01	$ (0.09)	$ 0.02
Stock-based compensation expense by function:				
Selling and marketing expense	$ 1,256	$ 2,346	$ 3,138	$ 4,069
General and administrative expense	5,836	10,866	13,330	46,977
Product development expense	1,721	1,485	3,922	3,985
Total stock-based compensation expense	$ 8,813	$ 14,697	$ 20,390	$ 55,031

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 September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
	(in thousands)			
Net (loss) earnings	$ (16,693)	$ 5,203	$ (44,731)	$ 9,230
Other comprehensive (loss) income:				
Change in foreign currency translation adjustment	(1,353)	3,053	722	971
Comprehensive (loss) income	(18,046)	8,256	(44,009)	10,201
Components of comprehensive loss (income) attributable to noncontrolling interests:				
Net earnings attributable to noncontrolling interests	(302)	(731)	(626)	(1,049)
Change in foreign currency translation adjustment attributable to noncontrolling interests	313	(1,298)	(426)	(577)
Comprehensive loss (income) attributable to noncontrolling interests	11	(2,029)	(1,052)	(1,626)
Comprehensive (loss) income attributable to Angi Inc. shareholders	$ (18,035)	$ 6,227	$ (45,061)	$ 8,575

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 Nine Months Ended September 30, 2021
(Unaudited)

		Angi Inc. Shareholders' Equity												
		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								
	Redeemable Noncontrolling Interests	$	Shares	$	Shares	$	Shares	Additional Paid-in Capital	(Accumulated Deficit) Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total Angi Inc. Shareholders' Equity	Noncontrolling Interests	Total Shareholders' Equity
	(In thousands)													
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
Net earnings (loss)	61	—	—	—	—	—	—	—	(16,995)	—	—	(16,995)	241	(16,754)
Other comprehensive loss	(73)	—	—	—	—	—	—	—	—	(1,040)	—	(1,040)	(240)	(1,280)
Stock-based compensation expense	—	—	—	—	—	—	—	8,817	—	—	—	8,817	—	8,817
Issuance of common stock pursuant to stock-based awards, net of withholding taxes	—	—	139	—	—	—	—	(1,066)	—	—	—	(1,066)	—	(1,066)
Issuance of common stock to IAC pursuant to the employee matters agreement	—	—	3	—	42	—	—	—	—	—	—	—	—	—
Purchase of treasury stock	—	—	—	—	—	—	—	—	—	—	(29,766)	(29,766)	—	(29,766)
Purchase of noncontrolling interests	—	—	—	—	—	—	—		—	—	—	—	(160)	(160)
Other	—	—	—	—	—	—	—	(410)	—	—	—	(410)	—	(410)
Balance as of September 30, 2021	$ 4,524	$ 99	99,253	$ 422	422,019	$ —	—	$ 1,345,549	$ (35,608)	$ 4,933	$ (157,484)	$ 1,157,911	$ 10,895	$ 1,168,806
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 earnings (loss)	49	—	—	—	—	—	—	—	(45,357)	—	—	(45,357)	577	(44,780)
Other comprehensive income (loss)	515	—	—	—	—	—	—	—	—	296	—	296	(89)	207
Stock-based compensation expense	—	—	—	—	—	—	—	22,836	—	—	—	22,836	—	22,836
Issuance of common stock pursuant to stock-based awards, net of withholding taxes	—	2	2,427	—	—	—	—	(55,809)	—	—	—	(55,807)	—	(55,807)
Issuance of common stock to IAC pursuant to the employee matters agreement	—	3	2,588	—	157	—	—	(3)	—	—	—	—	—	—
Purchase of treasury stock	—	—	—	—	—	—	—	—	—	—	(35,403)	(35,403)	—	(35,403)
Purchase of noncontrolling interests	(22,938)	—	—	—	—	—	—	—	—	—	—	—	(160)	(160)
Adjustment of noncontrolling interests to fair value	534	—	—	—	—	—	—	(534)	—	—	—	(534)	—	(534)
Other	—	—	—	—	—	—	—	(410)	—	—	—	(410)	—	(410)
Balance as of September 30, 2021	$ 4,524	$ 99	99,253	$ 422	422,019	$ —	—	$ 1,345,549	$ (35,608)	$ 4,933	$ (157,484)	$ 1,157,911	$ 10,895	$ 1,168,806

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 Nine Months Ended September 30, 2020
(Unaudited)

		Angi Inc. Shareholders' Equity												
		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								
	Redeemable Noncontrolling Interests	$	Shares	$	Shares	$	Shares	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive (Loss) Income	Treasury Stock	Total Angi Inc. Shareholders' Equity	Noncontrolling Interests	Total Shareholders' Equity
								(In thousands)						
Balance as of June 30, 2020	$ 25,093	$ 89	89,076	$ 422	421,757	$ —	—	$ 1,387,618	$ 19,741	$ (2,740)	$ (112,808)	$ 1,292,322	$ 9,604	$ 1,301,926
Net earnings	438	—	—	—	—	—	—	—	4,472	—	—	4,472	293	4,765
Other comprehensive income	920	—	—	—	—	—	—	—	—	1,755	—	1,755	378	2,133
Stock-based compensation expense	—	—	—	—	—	—	—	13,846	—	—	—	13,846	—	13,846
Issuance of common stock pursuant to stock-based awards, net of withholding taxes	—	4	3,584	—	—	—	—	(37,842)	—	—	—	(37,838)	—	(37,838)
Issuance of common stock to IAC pursuant to the employee matters agreement	—	—	—	—	102	—	—	(632)	—	—	—	(632)	—	(632)
Adjustment of redeemable noncontrolling interests to fair value	(677)	—	—	—	—	—	—	677	—	—	—	677	—	677
Purchase of noncontrolling interests	—	—	—	—	—	—	—	—	—	—	—	—	(1,115)	(1,115)
Other	—	—	—	—	—	—	—	(690)	—	—	—	(690)	689	(1)
Balance as of September 30, 2020	$ 25,774	$ 93	92,660	$ 422	421,859	$ —	—	$ 1,362,977	$ 24,213	$ (985)	$ (112,808)	$ 1,273,912	$ 9,849	$ 1,283,761
Balance as of December 31, 2019	$ 26,663	$ 87	87,007	$ 422	421,570	$ —	—	$ 1,357,075	$ 16,032	$ (1,379)	$ (57,949)	$ 1,314,288	$ 9,264	$ 1,323,552
Net earnings	383	—	—	—	—	—	—	—	8,181	—	—	8,181	666	8,847
Other comprehensive income	233	—	—	—	—	—	—	—	—	394	—	394	344	738
Stock-based compensation expense	15	—	—	—	—	—	—	54,664	—	—	—	54,664	—	54,664
Issuance of common stock pursuant to stock-based awards, net of withholding taxes	—	6	5,653	—	—	—	—	(48,615)	—	—	—	(48,609)	—	(48,609)
Issuance of common stock to IAC pursuant to the employee matters agreement	—	—	—	—	289	—	—	(1,423)	—	—	—	(1,423)	—	(1,423)
Purchase of treasury stock	—	—	—	—	—	—	—	—	—	—	(54,859)	(54,859)	—	(54,859)
Purchase of redeemable noncontrolling interests	(3,165)	—	—	—	—	—	—	—	—	—	—	—	—	—
Adjustment of redeemable noncontrolling interests to fair value	1,645	—	—	—	—	—	—	(1,645)	—	—	—	(1,645)	—	(1,645)
Purchase of noncontrolling interests	—	—	—	—	—	—	—	—	—	—	—	—	(1,115)	(1,115)
Adjustment pursuant to the tax sharing agreement	—	—	—	—	—	—	—	3,613	—	—	—	3,613	—	3,613
Other	—	—	—	—	—	—	—	(692)	—	—	—	(692)	690	(2)
Balance as of September 30, 2020	$ 25,774	$ 93	92,660	$ 422	421,859	$ —	—	$ 1,362,977	$ 24,213	$ (985)	$ (112,808)	$ 1,273,912	$ 9,849	$ 1,283,761

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

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

	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
	(In thousands)	
Cash flows from operating activities:		
Net (loss) earnings	$ (44,731)	$ 9,230
Adjustments to reconcile net (loss) earnings to net cash provided by operating activities:		
Provision for credit losses	66,081	60,090
Stock-based compensation expense	20,390	55,031
Depreciation	45,728	38,614
Amortization of intangibles	12,616	38,846
Deferred income taxes	(25,435)	(18,081)
Impairment of long-lived and right-of-use assets	12,280	188
Non-cash lease expense	9,587	10,166
Revenue reserves	6,392	6,998
Other adjustments, net	4,226	1,508
Changes in assets and liabilities, net of effects of acquisitions and dispositions:		
Accounts receivable	(106,234)	(70,705)
Other assets	(3,342)	(4,966)
Accounts payable and other liabilities	23,271	46,941
Income taxes payable and receivable	499	(570)
Deferred revenue	4,560	(105)
Net cash provided by operating activities	25,888	173,185
Cash flows from investing activities:		
Acquisition, net of cash acquired	(25,357)	—
Capital expenditures	(52,056)	(37,637)
Purchases of marketable debt securities	—	(49,987)
Proceeds from maturities of marketable debt securities	50,000	—
Net proceeds from the sale of a business	750	730
Net cash used in investing activities	(26,663)	(86,894)
Cash flows from financing activities:		
Proceeds from the issuance of Senior Notes	—	500,000
Principal payments on Term Loan	(220,000)	(10,313)
Debt issuance costs	—	(5,635)
Purchase of treasury stock	(35,403)	(54,400)
Withholding taxes paid on behalf of employees on net settled stock-based awards	(56,135)	(49,993)
Distribution from IAC pursuant to the tax sharing agreement	—	3,071
Purchase of noncontrolling interests	(23,508)	(4,280)
Net cash (used in) provided by financing activities	(335,046)	378,450
Total cash (used) provided	(335,821)	464,741
Effect of exchange rate changes on cash and cash equivalents and restricted cash	373	(354)
Net (decrease) increase in cash and cash equivalents and restricted cash	(335,448)	464,387
Cash and cash equivalents and restricted cash at beginning of period	813,561	391,478
Cash and cash equivalents and restricted cash at end of period	$ 478,113	$ 855,865

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

NOTE 1—THE COMPANY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Angi Inc., formerly ANGI Homeservices, Inc., ("Angi Inc.," the "Company," "we," "our," or "us") connects quality home service professionals with consumers across 400 different categories, from repairing and remodeling homes to cleaning and landscaping. Over 260,000 domestic service professionals actively sought consumer matches, completed jobs, or advertised work through Angi Inc. platforms during the three months ended September 30, 2021. Additionally, consumers turned to at least one of our brands to find a professional for approximately 33 million projects during the twelve months ended September 30, 2021.

The Company has two operating segments: (i) North America (United States and Canada), which includes Angi Ads and Leads and Angi Services; and (ii) Europe. The brands for North America operate as follows: Angi Ads operates under the Angi (formerly Angie's List) brand, Angi Leads operates primarily under the HomeAdvisor, powered by Angi brand, and Angi Services operates primarily under the Handy brand.

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

At September 30, 2021, IAC/InterActiveCorp ("IAC") owned 84.6% 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 Inc. 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 Inc. 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 as if Angi Inc. filed tax returns on a standalone, separate tax 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.

The accompanying unaudited financial statements have been prepared in accordance with GAAP for interim financial information and with the rules and regulations of the Securities and Exchange Commission ("SEC"). Accordingly, they do not include all of the information and notes required by GAAP for complete annual financial statements. In the opinion of management, the accompanying unaudited financial statements include all normal recurring adjustments considered necessary for a fair presentation. Interim results are not necessarily indicative of the results that may be expected for the full year. The accompanying unaudited interim financial statements should be read in conjunction with the annual audited financial statements and notes thereto for the year ended December 31, 2020.

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.

As previously disclosed, the initial impact of COVID-19 on the Company 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 we experienced a rebound in service requests in the second half of 2020 and through early 2021, service requests did start to decline in May 2021 compared to the comparable months of 2020 as a result of the surge in 2020 and due to impacts of the brand integration initiative launched on March 17, 2021. Moreover, many service professionals' businesses had been adversely impacted by labor and material constraints and many service professionals had limited capacity to take on new business, which negatively impacted our ability to monetize this increased level of service requests through the first quarter of 2021. Although our ability to monetize service requests rebounded modestly in the second and third quarters of 2021, we still have not returned back to levels we experienced pre-COVID-19. No assurances can be provided that we will continue to be able to improve monetization, or that service professionals' businesses will not be adversely impacted 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, 2020, the current and non-current deferred revenue balances were $54.7 million and $0.2 million, respectively, and during the nine months ended September 30, 2021, the Company recognized $52.3 million of revenue that was included in the deferred revenue balance as of December 31, 2020. At December 31, 2019, the current and non-current deferred revenue balances were $58.2 million and $0.2 million, respectively, and during the nine months ended September 30, 2020, the Company recognized $55.7 million of revenue that was included in the deferred revenue balance as of December 31, 2019.

The current and non-current deferred revenue balances at September 30, 2021 are $60.0 million and $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 Standards Update ("ASU") No. 2014-09, *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. 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 $40.3 million and $49.2 million at September 30, 2021 and December 31, 2020, respectively. The non-current assets are $1.2 million and $0.4 million at September 30, 2021 and December 31, 2020, 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

Accounting Pronouncement Not Yet Adopted by the Company

ASU 2021-08 – Business Combinations (Topic 805), Accounting for Contract Assets and Contract Liabilities from Contracts with Customers

In October 2021, the Financial Accounting Standards Board issued ASU No. 2021-08, which changes how entities will recognize assets acquired and liabilities assumed in a business combination, including contract assets and contract liabilities arising from revenue contracts with customers. The provisions of ASU No. 2021-08 will require acquiring entities to recognize and measure contract assets and contract liabilities acquired in a business combination in accordance with ASU No. 2014-09 (Topic 606), Revenue from Contracts with Customers, as if it had originated the contracts. The provisions of ASU No. 2021-08 are effective for fiscal years beginning after December 15, 2022, with early adoption permitted, including adoption in an interim period. The Company will early adopt ASU 2021-08 effective in the fourth quarter of 2021. An entity that early adopts in an interim period is required to apply the amendments (i) retrospectively to all business combinations for which the acquisition date occurs on or after the beginning of the fiscal year that includes the interim period of early adoption and (ii) prospectively to all business combinations that occur on or after the date of initial application. Early adoption will have no material retrospective impact on the Company. The adoption of ASU 2021-08 may have a material impact on the purchase accounting for prospective business combinations.

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 and as financing activities within the 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. Included in the income tax benefit for the three months ended September 30, 2021 is a benefit of $0.6 million due to a higher estimated annual effective tax rate from that applied to the second quarter's year to date ordinary loss from continuing operations. The higher estimated annual effective tax rate was primarily due to the reduced impact of forecasted nondeductible stock-based compensation expense had on the increase in forecasted ordinary pre-tax losses.

For the three and nine months ended September 30, 2021, the Company recorded an income tax benefit of $4.8 million and $23.2 million, which represents an effective income tax rate of 22% and 34%, respectively. For the three months ended September 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 foreign income taxed at different tax rates. For the nine months ended September 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, partially offset by foreign income taxed at different tax rates. For the three months ended September 30, 2020, the Company recorded an income tax benefit of $11.7 million due primarily to excess tax benefits generated by the exercise and vesting of stock-based awards. For the nine months ended September 30, 2020, the Company recorded an income tax benefit of $17.6 million due primarily excess tax benefits generated by the exercise and vesting of stock-based awards and a reduction to deferred taxes due to the true-up of the state tax rate for an indefinite-lived intangible asset.

The Company recognizes interest and, if applicable, penalties related to unrecognized tax benefits in the income tax provision. There are currently no accruals for interest and 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 2017, and has begun its audit of the years December 31, 2018 through 2019, which includes the operations of the Company. The statutes of limitations for the years 2013 through 2017 have been extended to June 30, 2022. Returns filed in various other jurisdictions are open to examination for various tax years beginning with 2009. 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 September 30, 2021 and December 31, 2020, the Company has unrecognized tax benefits of $5.8 million and $5.3 million, respectively; all of which are for tax positions included in IAC's consolidated tax return filings. If unrecognized tax benefits at September 30, 2021 are subsequently recognized, the income tax provision would be reduced by $5.6 million. The comparable amount as of December 31, 2020 is $5.1 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. As of September 30, 2021, the Company has a U.S. gross deferred tax asset of $203.6 million that the Company expects to fully utilize on a more likely than not basis. Of this amount, $54.4 million will be utilized upon the future reversal of deferred tax liabilities and the remaining net deferred tax asset of $149.2 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 $89.5 million. The Company expects to generate sufficient future taxable income of at least $426.2 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 September 30, 2021.

At December 31, 2020, current available-for-sale marketable debt securities were as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
	(In thousands)			
Treasury discount notes	$ 49,995	$ —	$ —	$ 49,995
Total available-for-sale marketable debt securities	$ 49,995	$ —	$ —	$ 49,995

The contractual maturities of debt securities classified as current available-for-sale at December 31, 2020 were within one year.

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:

	September 30, 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	$ 314,040	$ —	$ —	$ 314,040
Total	$ 314,040	$ —	$ —	$ 314,040

	December 31, 2020			
	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	$ 374,014	$ —	$ —	$ 374,014
Treasury discount notes	—	324,995	—	324,995
Time deposits	—	2,721	—	2,721
Marketable debt securities:				
Treasury discount notes	—	49,995	—	49,995
Total	$ 374,014	$ 377,711	$ —	$ 751,725

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 nine months ended September 30, 2021, the Company recorded $9.6 million in impairment charges on ROU assets, leasehold improvements, and furniture and equipment as a result of the Company reducing its real estate footprint. 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:

	September 30, 2021		December 31, 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
	(In thousands)			
Long-term debt, net [(a)]	$ (494,373)	$ (495,625)	$ (712,277)	$ (725,700)

[(a)] At September 30, 2021 and December 31, 2020, the carrying value of long-term debt, net includes unamortized debt issuance costs of $5.6 million and $7.7 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:

	September 30, 2021	December 31, 2020
	(In thousands)	
3.875% ANGI Group Senior Notes due August 15, 2028 (“ANGI Group Senior Notes”); interest payable each February 15 and August 15, commencing February 15, 2021	$ 500,000	$ 500,000
ANGI Group Term Loan due November 5, 2023 (“ANGI Group Term Loan”)	—	220,000
Total long-term debt	500,000	720,000
Less: unamortized debt issuance costs	5,627	7,723
Total long-term debt, net	$ 494,373	$ 712,277

ANGI Group Senior Notes

The ANGI Group Senior Notes were issued on August 20, 2020, the proceeds of which have been used for general corporate purposes, including the acquisition of Total Home Roofing, Inc. (“Angi Roofing”) on July 1, 2021, and treasury share purchases. 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 (as defined in the indenture) exceeds 3.75 to 1.0. At September 30, 2021, there were no limitations pursuant thereto.

ANGI Group Revolving Facility

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.

ANGI Group Term Loan

As of May 6, 2021, the outstanding balance of the ANGI Group Term Loan was repaid in its entirety. The outstanding balance of the ANGI Group Term Loan at December 31, 2020 was $220.0 million and bore interest at 2.16%.

NOTE 5—ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

The following tables present the components of accumulated other comprehensive income (loss):

	Three Months Ended September 30,			
	2021		2020	
	Foreign Currency Translation Adjustment	Accumulated Other Comprehensive Income	Foreign Currency Translation Adjustment	Accumulated Other Comprehensive Loss
	(In thousands)			
Balance at July 1	$ 5,973	$ 5,973	$ (2,740)	$ (2,740)
Other comprehensive (loss) income	(1,040)	(1,040)	1,755	1,755
Balance at September 30	$ 4,933	$ 4,933	$ (985)	$ (985)

	Nine Months Ended September 30,			
	2021		2020	
	Foreign Currency Translation Adjustment	Accumulated Other Comprehensive Income	Foreign Currency Translation Adjustment	Accumulated Other Comprehensive Loss
	(In thousands)			
Balance at January 1	$ 4,637	$ 4,637	$ (1,379)	$ (1,379)
Other comprehensive income	296	296	394	394
Balance at September 30	$ 4,933	$ 4,933	$ (985)	$ (985)

At both September 30, 2021 and 2020, there was no tax benefit or provision on the accumulated other comprehensive income (loss).

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:

	Three Months Ended September 30,			
	2021		2020	
	Basic	Diluted	Basic	Diluted
	(In thousands, except per share data)			
Numerator:				
Net (loss) earnings	$ (16,693)	$ (16,693)	$ 5,203	$ 5,203
Net earnings attributable to noncontrolling interests	(302)	(302)	(731)	(731)
Net (loss) earnings attributable to Angi Inc. Class A and Class B Common Stock shareholders	$ (16,995)	$ (16,995)	$ 4,472	$ 4,472
Denominator:				
Weighted average basic Class A and Class B common stock shares outstanding	503,416	503,416	497,501	497,501
Dilutive securities [(a) (b) (c)]	—	—	—	17,218
Denominator for (loss) earnings per share—weighted average shares	503,416	503,416	497,501	514,719
(Loss) earnings per share attributable to Angi Inc. Class A and Class B Common Stock shareholders:				
(Loss) earnings per share	$ (0.03)	$ (0.03)	$ 0.01	$ 0.01

	Nine Months Ended September 30,			
	2021		2020	
	Basic	Diluted	Basic	Diluted
	(In thousands, except per share data)			
Numerator:				
Net (loss) earnings	$ (44,731)	$ (44,731)	$ 9,230	$ 9,230
Net earnings attributable to noncontrolling interests	(626)	(626)	(1,049)	(1,049)
Net (loss) earnings attributable to Angi Inc. Class A and Class B Common Stock shareholders	$ (45,357)	$ (45,357)	$ 8,181	$ 8,181
Denominator:				
Weighted average basic Class A and Class B common stock shares outstanding	502,859	502,859	497,574	497,574
Dilutive securities [(a) (b) (c)]	—	—	—	13,901
Denominator for (loss) earnings per share—weighted average shares	502,859	502,859	497,574	511,475
(Loss) earnings per share attributable to Angi Inc. Class A and Class B Common Stock shareholders:				
(Loss) Earnings per share	$ (0.09)	$ (0.09)	$ 0.02	$ 0.02

(a) For the three and nine months ended September 30, 2021, the Company had a loss from operations and as a result, approximately 21.2 million potentially dilutive securities were excluded from computing dilutive earnings per share because the impact would have been anti-dilutive. Accordingly, the weighted average basic shares outstanding were used to compute all earnings per share amounts.

(b) 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 nine months ended September

30, 2020, 1.4 million and 5.4 million, respectively, of potentially dilutive securities were excluded from the calculation of diluted earnings per share because their inclusion would have been anti-dilutive.

(c) 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 both the three and nine months ended September 30, 2020, 1.2 million shares underlying market-based awards and PSUs 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 overall concept that the Company employs in determining its operating segments is to present the financial information in a manner consistent with how the chief operating decision maker views the businesses. In addition, 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 September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
	(In thousands)			
Revenue:				
North America	$ 443,531	$ 372,226	$ 1,204,517	$ 1,053,775
Europe	18,034	17,687	65,065	54,849
Total	$ 461,565	$ 389,913	$ 1,269,582	$ 1,108,624

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

	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
	(In thousands)			
North America				
Angi Ads and Leads:				
Consumer connection revenue[(a)]	$ 238,421	$ 244,184	$ 699,867	$ 694,804
Advertising revenue[(b)]	63,953	56,217	187,308	166,732
Membership subscription revenue[(c)]	17,079	17,760	51,026	56,810
Other revenue	6,703	8,922	21,412	25,144
Total Angi Ads and Leads revenue	326,156	327,083	959,613	943,490
Angi Services revenue[(d)]	117,375	45,143	244,904	110,285
Total North America revenue	443,531	372,226	1,204,517	1,053,775
Europe				
Consumer connection revenue[(e)]	14,530	14,006	54,226	43,640
Service professional membership subscription revenue	3,215	3,278	9,874	9,792
Advertising and other revenue	289	403	965	1,417
Total Europe revenue	18,034	17,687	65,065	54,849
Total revenue	$ 461,565	$ 389,913	$ 1,269,582	$ 1,108,624

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

ANGI INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Unaudited)

(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 revenue from Angi Roofing

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

Revenue by geography is based on where the customer is located. Geographic information about revenue and long-lived assets is presented below.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
	(In thousands)			
Revenue				
United States	$ 437,872	$ 368,082	$ 1,188,854	$ 1,041,903
All other countries	23,693	21,831	80,728	66,721
Total	$ 461,565	$ 389,913	$ 1,269,582	$ 1,108,624

	September 30, 2021	December 31, 2020
	(In thousands)	
Long-lived assets (excluding goodwill and intangible assets):		
United States	$ 108,496	$ 97,841
All other countries	8,329	11,001
Total	$ 116,825	$ 108,842

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
	(In thousands)			
Operating (loss) income:				
North America	$ (14,719)	$ 295	$ (37,269)	$ 8,377
Europe	(254)	(3,314)	(10,326)	(10,048)
Total	$ (14,973)	$ (3,019)	$ (47,595)	$ (1,671)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
	(In thousands)			
Adjusted EBITDA[f]:				
North America	$ 11,213	$ 40,454	$ 37,076	$ 136,886
Europe	$ 1,182	$ (1,967)	$ (5,937)	$ (6,066)

(f) The Company's primary financial measure is Adjusted EBITDA, which is defined as operating (loss) 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. The Company believes this measure is useful for analysts and investors as this measure allows a more meaningful comparison between the Company's performance and that of its competitors. Adjusted EBITDA has certain limitations because it excludes the impact of these expenses.

ANGI INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS (Continued)

(Unaudited)

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

	Three Months Ended September 30, 2021				
	Operating Loss	Stock-Based Compensation Expense	Depreciation	Amortization of Intangibles	Adjusted EBITDA
	(In thousands)				
North America	$ (14,719)	$ 8,727	$ 13,351	$ 3,854	$ 11,213
Europe	(254)	$ 86	$ 1,350	$ —	$ 1,182
Operating loss	(14,973)				
Interest expense	(6,032)				
Other expense, net	(479)				
Loss before income taxes	(21,484)				
Income tax benefit	4,791				
Net loss	(16,693)				
Net earnings attributable to noncontrolling interests	(302)				
Net loss attributable to Angi Inc. shareholders	$ (16,995)				

	Three Months Ended September 30, 2020				
	Operating Income (Loss)	Stock-Based Compensation Expense	Depreciation	Amortization of Intangibles	Adjusted EBITDA
	(In thousands)				
North America	$ 295	$ 14,599	$ 12,767	$ 12,793	$ 40,454
Europe	(3,314)	$ 98	$ 1,154	$ 95	$ (1,967)
Operating loss	(3,019)				
Interest expense	(3,699)				
Other income, net	223				
Loss before income taxes	(6,495)				
Income tax benefit	11,698				
Net earnings	5,203				
Net earnings attributable to noncontrolling interests	(731)				
Net earnings attributable to Angi Inc. shareholders	$ 4,472				

	Nine Months Ended September 30, 2021				
	Operating Loss	Stock-Based Compensation Expense	Depreciation	Amortization of Intangibles	Adjusted EBITDA
	(In thousands)				
North America	$ (37,269)	$ 20,118	$ 41,611	$ 12,616	$ 37,076
Europe	(10,326)	$ 272	$ 4,117	$ —	$ (5,937)
Operating loss	(47,595)				
Interest expense	(18,463)				
Other expense, net	(1,882)				
Loss before income taxes	(67,940)				
Income tax benefit	23,209				
Net loss	(44,731)				
Net earnings attributable to noncontrolling interests	(626)				
Net loss attributable to Angi Inc. shareholders	$ (45,357)				

	Nine Months Ended September 30, 2020				
	Operating Income (Loss)	Stock-Based Compensation Expense	Depreciation	Amortization of Intangibles	Adjusted EBITDA
	(In thousands)				
North America	$ 8,377	$ 54,406	$ 35,531	$ 38,572	$ 136,886
Europe	(10,048)	$ 625	$ 3,083	$ 274	$ (6,066)
Operating loss	(1,671)				
Interest expense	(7,593)				
Other income, net	856				
Loss before income taxes	(8,408)				
Income tax benefit	17,638				
Net earnings	9,230				
Net earnings attributable to noncontrolling interests	(1,049)				
Net earnings attributable to Angi Inc. shareholders	$ 8,181				

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:

	September 30, 2021	December 31, 2020	September 30, 2020	December 31, 2019
	(In thousands)			
Cash and cash equivalents	$ 476,625	$ 812,705	$ 855,044	$ 390,565
Restricted cash included in other current assets	272	407	392	504
Restricted cash included in other non-current assets	1,216	449	429	409
Total cash and cash equivalents, and restricted cash as shown on the consolidated statement of cash flows	$ 478,113	$ 813,561	$ 855,865	$ 391,478

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

Restricted cash included in other current assets at September 30, 2020 and December 31, 2019 primarily consisted of a deposit related to corporate credit cards.

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 September 30, 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 nine months ended September 30, 2021 and 2020:

	2021	2020
	(In thousands)	
Balance at January 1	$ 26,046	$ 19,066
Current period provision for credit losses	66,081	60,090
Write-offs charged against the credit loss reserve	(56,102)	(53,208)
Recoveries collected	1,896	1,883
Balance at September 30	$ 37,921	$ 27,831

The revenue reserve was $2.4 million and $2.0 million at September 30, 2021 and 2020, respectively. The total allowance for credit losses and revenue reserve was $40.3 million and $29.8 million as of September 30, 2021 and 2020, respectively.

Accumulated Amortization and Depreciation

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

Asset Category	September 30, 2021	December 31, 2020
	(In thousands)	
Right-of-use assets (included in “other non-current assets”)	$ 55,284	$ 40,800
Capitalized software, leasehold improvements, and equipment	$ 96,956	$ 95,438
Intangible assets	$ 155,820	$ 162,627

Other (expense) income, net

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
			(In thousands)	
Interest income	$ 31	$ 129	$ 178	$ 1,561
Gain (loss) on the sale of a business[(a)]	18	—	31	(454)
Foreign exchange (losses) gains	(515)	88	(968)	(256)
Loss on extinguishment of debt[(b)]	—	—	(1,110)	—
Other	(13)	6	(13)	5
Other (expense) income, net	$ (479)	$ 223	$ (1,882)	$ 856

(a) Loss from acquisition/sale of a business for the nine months ended September 30, 2020 includes a $0.2 million mark-to-market charge for an indemnification charge related to the Handy acquisition that was settled in Angi Inc. shares during the first quarter of 2020 and a $0.3 million charge related to the final earn-out settlement related to the sale of Felix.

(b) 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 reserves for specific legal matters when it determines that the likelihood of an unfavorable outcome is probable and the loss is reasonably estimable. Management has not identified any material legal matters where we believe an unfavorable outcome is probable and estimable; therefore, no reserve is established. 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 Inc. 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 nine months ended September 30, 2021 and 2020, the Company was charged $0.9 million and $3.2 million, and $1.3 million and $3.6 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 September 30, 2021 or December 31, 2020.

Additionally, the Company subleases office space to IAC and charged IAC $0.4 million and $1.2 million, and $0.5 million and $1.4 million of rent for the three and nine months ended September 30, 2021 and 2020, respectively. IAC subleases office space to the Company and charged the Company $0.3 million of rent for the three and nine months ended September 30, 2021. At September 30, 2021, there were no outstanding receivables or payables pursuant to the sublease agreements. At December 31, 2020, there was an outstanding receivable of less than $0.1 million due from IAC pursuant to the sublease agreements, which was subsequently paid in full in the first quarter of 2021.

At September 30, 2021 and December 31, 2020, the Company had outstanding payables of $1.7 million and $0.9 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 nine months ended September 30, 2021. There were $3.1 million of refunds received from IAC pursuant to this agreement during the nine months ended September 30, 2020.

For the three and nine months ended September 30, 2021, less than 0.1 million and 0.2 million shares, respectively, 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 nine months ended September 30, 2020, 0.1 million and 0.3 million shares of Angi Inc. Class B common stock were issued to IAC pursuant to the employee matters agreement. For the three and nine months ended September 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 as reimbursement for IAC common stock issued in connection with the exercise and settlement of certain Angi Inc. stock appreciation rights. There were no shares of Angi Inc. Class A common stock issued to IAC during the three and nine months ended September 30, 2020.

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

GENERAL

Management Overview

Angi Inc., formerly ANGI Homeservices, Inc., ("Angi Inc.," the "Company," "we," "our," or "us") connects quality home service professionals with consumers across 400 different categories, from repairing and remodeling homes to cleaning and landscaping. Over 260,000 domestic service professionals actively sought consumer matches, completed jobs, or advertised work through Angi Inc. platforms during the three months ended September 30, 2021. Additionally, consumers turned to at least one of our brands to find a professional for approximately 33 million projects during the twelve months ended September 30, 2021.

The Company has two operating segments: (i) North America (United States and Canada), which includes Angi Ads and Leads and Angi Services; and (ii) Europe. The brands operate as follows: Angi Ads operates under the Angi (formerly Angie's List) brand, Angi Leads operates primarily under the HomeAdvisor, powered by Angi brand, and Angi Services operates primarily under the Handy brand.

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, 2020.

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, used in this quarterly report 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 in the 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, commencing February 15, 2021.

Components of Results of Operations

Sources of Revenue

Angi Ads and Leads Revenue is primarily derived from (i) 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), (ii) advertising revenue, which includes revenue from service professionals under contract for advertising, 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 comprised of revenue from jobs (i) sourced through the “Book Now” feature which lets consumers consummate the entire transaction digitally for work that’s completed physically, (ii) under managed projects (including Angi Roofing) which are home improvement projects, and (iii) through retail partnerships for delivery and installation of furniture or other items.

Operating Costs and Expenses:

- **Cost of revenue** - consists primarily of payments made to independent service professionals who perform work contracted under Angi Services arrangements, credit card processing fees, hosting fees, and roofing materials costs associated with Angi Roofing.

- **Selling and marketing expense** - consists primarily of advertising expenditures, which include online marketing, including fees paid to search engines; offline marketing, which is primarily television advertising; and partner-related payments to those who direct traffic to our brands; compensation expense (including stock-based compensation expense) and other employee-related costs for our sales force and marketing personnel; and facilities costs.

- **General and administrative expense** - consists primarily of 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, fees for professional services (including transaction-related costs related to acquisitions), provision for credit losses, software license and maintenance costs, and facilities costs. Our customer service function includes personnel who provide support to our service professionals and consumers.

- **Product development expense** - consists primarily of 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, software license and maintenance costs, and facilities 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) earnings attributable to Angi Inc. shareholders to operating loss to consolidated Adjusted EBITDA for the three and nine months ended September 30, 2021 and 2020.

Brand Integration Initiative

On March 17, 2021, the Company updated one of its leading websites and brands, Angie’s List, to Angi, and 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 has adversely affected the placement and ranking of Angi Inc. websites, particularly Angi.com, in organic search results as Angi does not have the same domain history as Angie’s List. In addition, we shifted marketing to support Angi, away from HomeAdvisor, which has negatively affected the efficiency of our search engine marketing efforts.

Since the beginning of the integration process, these efforts had a pronounced negative impact on service requests from organic search results and via our mobile applications, which in turn has resulted in increased paid search engine marketing to generate service requests. The combined effect of this during the three months ended September 30, 2021, has reduced revenue and increased marketing spend, materially more than expected at the launch of the brand initiative in the first quarter of 2021 and more significantly than our forecasts at the beginning of May 2021. We expect the pronounced negative impact to organic search results, the increased paid search engine marketing costs and the reduced monetization from our mobile applications to continue until such time as the new brand establishes search engine optimization ranking and consumer awareness is established.

Angi Services Investment

Angi Services was launched in August 2019 and we have invested significantly in Angi Services and expect to continue to do so going forward. In the fourth quarter of 2021, we expect significant revenue growth as we expand the business, refine the overall experience, and increase penetration in certain geographies. This increased investment in Angi Services has contributed to lower profitability for the Company for the three and nine months ended September 30, 2021 and is expected to continue to negatively impact profits through the remainder of 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.

As previously disclosed, the initial impact of COVID-19 on the Company 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 we experienced a rebound in service requests in the second half of 2020 and through early 2021, service requests did start to decline in May 2021 compared to the comparable months of 2020 as a result of the surge in 2020 and due to impacts of the “Brand Integration Initiative” discussed above. Moreover, many service professionals’ businesses had been adversely impacted by labor and material constraints and many service professionals had limited capacity to take on new business, which negatively impacted our ability to monetize the increased level of service requests through the first quarter of 2021. Although our ability to monetize service requests rebounded modestly in the second and third quarters of 2021, we still have not returned to levels we experienced pre-COVID-19. No assurances can be provided that we will continue to be able to improve monetization, or that service professionals’ businesses will not be adversely impacted 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 nine months ended September 30, 2021 compared to the three and nine months ended September 30, 2020

Revenue

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2021	$ Change	% Change	2020	2021	$ Change	% Change	2020
	(Dollars in thousands)							
North America								
Angi Ads and Leads:								
Consumer connection revenue	$ 238,421	$ (5,763)	(2)%	$ 244,184	$ 699,867	$ 5,063	1%	$ 694,804
Advertising revenue	63,953	7,736	14%	56,217	187,308	20,576	12%	166,732
Membership revenue	17,079	(681)	(4)%	17,760	51,026	(5,784)	(10)%	56,810
Other revenue	6,703	(2,219)	(25)%	8,922	21,412	(3,732)	(15)%	25,144
Total Angi Ads and Leads revenue	326,156	(927)	—%	327,083	959,613	16,123	2%	943,490
Angi Services revenue	117,375	72,232	NM	45,143	244,904	134,619	NM	110,285
Total North America revenue	443,531	71,305	19%	372,226	1,204,517	150,742	14%	1,053,775
Europe	18,034	347	2%	17,687	65,065	10,216	19%	54,849
Total revenue	$ 461,565	$ 71,652	18%	$ 389,913	$ 1,269,582	$ 160,958	15%	$ 1,108,624
Percentage of Total Revenue:								
North America	96 %			95 %	95 %			95 %
Europe	4 %			5 %	5 %			5 %
Total revenue	100 %			100 %	100 %			100 %

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2021	Change	% Change	2020	2021	Change	% Change	2020
	(In thousands, rounding differences may occur)							
Operating metrics:								
Service Requests	8,707	(1,130)	(11)%	9,837	25,835	649	3%	25,186
Monetized Transactions	4,783	67	1%	4,716	13,982	1,161	9%	12,821
Transacting SPs	222	15	7%	207				
Advertising SPs	39	—	1%	39				

NM = Not meaningful

For the three months ended September 30, 2021 compared to the three months ended September 30, 2020

North America revenue increased $71.3 million, or 19%, driven by growth of $72.2 million, or 160%, in Angi Services revenue, while Angi Ads and Leads remained relatively flat. Approximately half of the Angi Services revenue growth is due to organic growth and approximately half of the revenue growth is due to Angi Roofing, acquired July 1, 2021. Angi Ads and Leads revenue had relatively flat growth, despite the decline in Service Requests during the quarter of 11%, which impacted consumer connection revenue and was primarily attributable to the brand integration initiative described above under “Brand Integration Initiative.”

Europe revenue increased $0.3 million, or 2%, due to the favorable impact of the weakening of the U.S dollar relative to the Euro and the British Pound.

For the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020

North America revenue increased $150.7 million, or 14%, driven by increases in Angi Services revenue of $134.6 million, or 122%, and Angi Ads and Leads revenue of $16.1 million, or 2%. The increase in Angi Services revenue is due primarily to organic growth and to a lesser extent from Angi Roofing, acquired July 1, 2021. The increase in Angi Ads and Leads revenue is due primarily to an increase in Advertising revenue of $20.6 million, or 12%.

Europe revenue increased $10.2 million, or 19%, due to strong growth across its markets due to increased consumer demand and the favorable impact of the weakening of the U.S dollar relative to the Euro and the British Pound.

Cost of revenue

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2021	$ Change	% Change	2020	2021	$ Change	% Change	2020
	(Dollars in thousands)							
Cost of revenue (exclusive of depreciation shown separately below)	$ 99,467	$ 51,214	NM	$ 48,253	$ 222,999	$ 100,475	82%	$ 122,524
As a percentage of revenue	22%			12%	18%			11%

For the three months ended September 30, 2021 compared to the three months ended September 30, 2020

North America cost of revenue increased $51.1 million, or 107%, and increased as a percentage of revenue, due primarily to the growth of Angi Services, including $25.8 million of costs attributable to Angi Roofing acquired July 1, 2021, primarily for third-party contractors and roofing materials. The remaining increase is for payments to third-party professional service providers for other Angi Services arrangements.

For the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020

North America cost of revenue increased $100.4 million, or 83%, and increased as a percentage of revenue, due primarily to factors described above in the three-month discussion.

Selling and marketing expense

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2021	$ Change	% Change	2020	2021	$ Change	% Change	2020
	(Dollars in thousands)							
Selling and marketing expense	$ 237,755	$ 27,584	13%	$ 210,171	$ 682,626	$ 92,512	16%	$ 590,114
As a percentage of revenue	52%			54%	54%			53%

For the three months ended September 30, 2021 compared to the three months ended September 30, 2020

North America selling and marketing expense increased $29.5 million, or 15%, driven by increases in advertising expense of $11.6 million, compensation expense of $9.6 million, expense of $7.2 million from inclusion of Angi Roofing and an increase in consulting costs of $3.2 million. The increase in advertising expense was due primarily to an increase in television spend of $11.6 million. The increase in television spend in 2021 reflects the return to historical spending levels as compared to the cost cutting initiatives during the third quarter of 2020 due to the impact of COVID-19 as well as continued efforts related to the brand integration initiative described above under “Brand Integration Initiative.” The increase in compensation expense was due primarily to increased commission expense, in addition to an increase in sales force headcount. The increase in consulting costs was due primarily to various sales initiatives at Angi Services.

Europe selling and marketing expense decreased $1.9 million, or 23%, driven by a decrease in compensation expense of $2.1 million primarily due to severance costs recorded in the third quarter of 2020 associated with headcount reductions in France.

For the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020

North America selling and marketing expense increased $93.9 million, or 17%, driven by increases in advertising expense of $46.6 million, compensation expense of $32.9 million, outsourced personnel and consulting costs of $10.4 million, and $7.2 million in expense from the inclusion of Angi Roofing. The increase in advertising expense was due primarily to increases of $42.7 million in online marketing spend and $3.7 million in television spend. The increase in online marketing spend was attributable to the brand integration initiative described above under “Brand Integration Initiative.” The increases in television spend, compensation expense, and outsourced personnel and consulting costs were due primarily to the factors described above in the three-month discussion.

Europe selling and marketing expense decreased $1.4 million, or 5%, driven by a decrease in compensation expense of $3.2 million, partially offset by an increase in advertising expense of $2.0 million. The decrease in compensation expense was primarily due to severance costs recorded in the third quarter of 2020 associated with headcount reductions in France and lower headcount in 2021. The increase in advertising expense was due, in part, to decreased advertising expense in 2020 to mitigate the negative impact of COVID-19 on revenue.

General and administrative expense

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2021	$ Change	% Change	2020	2021	$ Change	% Change	2020
	(Dollars in thousands)							
General and administrative expense	$ 103,086	$ 12,964	14%	$ 90,122	$ 298,734	$ 28,605	11%	$ 270,129
As a percentage of revenue	22%			23%	24%			24%

For the three months ended September 30, 2021 compared to the three months ended September 30, 2020

North America general and administrative expense increased $15.4 million, or 19%, due primarily to an increase of $7.5 million in professional fees, $6.0 million of expense from the inclusion of Angi Roofing, increases of $2.2 million in software license and maintenance expense and $1.7 million in the provision for credit losses, partially offset by a $4.0 million decrease in compensation expense. The increase in professional fees is due primarily to an increase in outsourced personnel costs, and to a lesser extent, legal fees, consulting costs, and recruiting fees. The increase in outsourced personnel costs is due primarily to an increase in call volume related to our customer service function. The increase in software license and maintenance expense is due primarily to increased investment in software to support our customer service function. The increase in the provision for credit losses is primarily due to higher Angi Services revenue as the provision for credit losses as a percentage of revenue has remained relatively flat. The decrease in compensation expense was due primarily to a decrease in stock-based compensation expense.

Europe general and administrative expense decreased $2.5 million, or 29%, driven by a decrease in compensation expense of $2.6 million primarily due to severance costs recorded in the third quarter of 2020 associated with headcount reductions in France.

For the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020

North America general and administrative expense increased $22.3 million, or 9%, due primarily to an increase of $18.9 million in professional fees, $9.6 million in one-time costs related to the Company reducing its real estate footprint, $6.0 million of expense from the inclusion of Angi Roofing, increases of $4.9 million in the provision for credit losses, and $4.4 million in software license and maintenance costs, partially offset by a decrease of $26.0 million in compensation expense. The increase in professional fees, provision for credit losses, and software license and maintenance costs were due primarily to the factors described above in the three-month discussion above. The real estate related costs are the result of impairments of right-of-use lease assets, leasehold improvements and furniture and equipment associated with office space we are vacating. The decrease in compensation expense was due primarily to a decrease of stock-based compensation expense of $34.6 million, partially offset by an increase of $8.0 million in wage related expenses resulting primarily from annual wage increases and certain department's headcount now being aligned to general and administrative functions under the brand integration initiative, attributing to $2.8 million of the increase. The decrease in stock-based compensation expense was due primarily to $22.4 million in stock appreciation rights expense recognized during the nine months ended September 30, 2020, which was not incurred in 2021 as the awards became fully vested in 2020, and a net decrease of $7.7 million due to the reversal of previously recognized expense related to unvested awards that were forfeited due to management departures in the first quarter of 2021, partially offset by the issuance of new equity awards since 2020.

Europe general and administrative expense increased $6.3 million, or 29%, due primarily to a charge of $6.0 million related to the acquisition of an additional 21% interest in our MyBuilder business at a premium to fair value and a $1.9 million increase in professional fees related to corporate restructuring, partially offset by a $3.9 million decrease in compensation expense driven by severance costs recorded in the third quarter of 2020 associated with headcount reductions in France.

Product development expense

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2021	$ Change	% Change	2020	2021	$ Change	% Change	2020
	(Dollars in thousands)							
Product development expense	$ 17,675	$ 98	1%	$ 17,577	$ 54,474	$ 4,406	9%	$ 50,068
As a percentage of revenue	4%			5%	4%			5%

For the three months ended September 30, 2021 compared to the three months ended September 30, 2020

North America product development expense decreased $1.3 million, or 9%, due primarily to decreases in compensation expense of $1.3 million, partially offset by an increase in software license and maintenance expense of $0.3 million. The decrease in compensation expense is due to certain departments' headcount that were previously included within product development now being aligned to general and administrative functions under the brand integration initiative. This change resulted in a $2.4 million decrease in compensation expense. Excluding this change, compensation expense would have increased by $1.1 million driven by higher salary expense.

Europe product and development expense increased $1.4 million, or 53%, due to an increase in compensation expense of $1.3 million as a result of fewer projects being capitalized.

For the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020

North America product development expense decreased $0.4 million, or 1%, due primarily to decreases in compensation expense of $1.3 million, partially offset by increases in outsourced personnel and consulting costs of $0.8 million and software license and maintenance expense of $0.7 million. The decrease in compensation expense is due to the factor described above in the three-month discussion. The increase in outsourced personnel and consulting costs were in support of projects for the Angi brand change.

Europe product and development expense increased $4.8 million, or 59%, due to an increase in compensation expense of $4.4 million due primarily to factors described above in the three-month discussion.

Depreciation

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2021	$ Change	% Change	2020	2021	$ Change	% Change	2020
	(Dollars in thousands)							
Depreciation	$ 14,701	$ 780	6%	$ 13,921	$ 45,728	$ 7,114	18%	$ 38,614
As a percentage of revenue	3%			4%	4%			3%

For the three and nine months ended September 30, 2021 compared to the three and nine months ended September 30, 2020

North America and Europe depreciation in 2021 increased from 2020 due primarily to investments in capitalized software to support our products and services.

Operating (loss) income

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2021	$ Change	% Change	2020	2021	$ Change	% Change	2020
	(Dollars in thousands)							
North America	$ (14,719)	$ (15,014)	NM	$ 295	$ (37,269)	$ (45,646)	NM	$ 8,377
Europe	(254)	3,060	92%	(3,314)	(10,326)	(278)	(3)%	(10,048)
Total	$ (14,973)	$ (11,954)	NM	$ (3,019)	$ (47,595)	$ (45,924)	NM	$ (1,671)
As a percentage of revenue	(3)%			(1)%	(4)%			—%

For the three months ended September 30, 2021 compared to the three months ended September 30, 2020

North America operating income decreased $15.0 million to a loss of $14.7 million due to a decrease in Adjusted EBITDA of $29.2 million, described below, and an increase of $0.6 million in depreciation, partially offset by decreases of $8.9 million in amortization of intangibles and $5.9 million in stock-based compensation expense. The increase in depreciation was due primarily to the investments in capitalized software to support our products and services. The decrease in the amortization of intangibles was due primarily to certain intangible assets becoming fully amortized during 2020. The decrease in stock-based compensation expense was due primarily to $6.8 million for stock appreciation rights and options expense recognized in the third quarter of 2020 which were not incurred in 2021 as the awards became fully vested.

Europe operating loss increased $3.1 million to a loss of $0.3 million due primarily to an increase in Adjusted EBITDA loss of $3.1 million, described below, partially offset by a decrease of $0.1 million in amortization of intangibles.

At September 30, 2021, there is $135.5 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 3.2 years.

For the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020

North America operating income decreased $45.6 million to a loss of $37.3 million due to a decrease in Adjusted EBITDA of $99.8 million, described below, and an increase of $6.1 million in depreciation, partially offset by decreases of $34.3 million in stock-based compensation expense and $26.0 million in amortization of intangibles. The increase in depreciation and the decreases in stock-based compensation and amortization of intangibles were driven by the factors described above in the three-month discussion.

Europe operating loss increased $0.3 million, or 3%, due primarily to an increase in Adjusted EBITDA loss of $0.1 million, described below, and an increase of $1.0 million in depreciation expense, partially offset by decreases of $0.4 million in stock-based compensation expense and $0.3 million in amortization of intangibles.

Adjusted EBITDA

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2021	$ Change	% Change	2020	2021	$ Change	% Change	2020
	(Dollars in thousands)							
North America	$ 11,213	$ (29,241)	(72)%	$ 40,454	$ 37,076	$ (99,810)	(73)%	$ 136,886
Europe	1,182	3,149	NM	(1,967)	(5,937)	129	2%	(6,066)
Total	$ 12,395	$ (26,092)	(68)%	$ 38,487	$ 31,139	$ (99,681)	(76)%	$ 130,820
As a percentage of revenue	3%			10%	2%			12%

For a reconciliation of net (loss) earnings attributable to Angi Inc. shareholders to operating loss to consolidated Adjusted EBITDA, see "Principles of Financial Reporting." For a reconciliation of operating (loss) income 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 September 30, 2021 compared to the three months ended September 30, 2020

North America Adjusted EBITDA decreased $29.2 million, or 72%, to $11.2 million, and decreased as a percentage of revenue, despite higher revenue of $71.3 million, due primarily to an increase in selling and marketing expense of $29.5 million as well as growth of Angi Services due to factors described above in the cost of revenue and selling and marketing three-month discussions.

Europe Adjusted EBITDA increased $3.1 million, as higher revenue of $0.3 million was more than offset by the increases in general and administrative expense of $2.4 million (excluding stock-based compensation expense), selling and marketing expense of $1.9 million, and product development expense of $1.4 million; each of which are described above.

For the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020

North America Adjusted EBITDA decreased $99.8 million, or 73%, to $37.1 million, and decreased as a percentage of revenue, despite higher revenue of $150.7 million, due primarily to an increase in selling and marketing expense of $93.9

million as well as growth of Angi Services due to factors described above in the cost of revenue and selling and marketing nine-month discussions.

Europe Adjusted EBITDA loss decreased $0.1 million, or 2%, due primarily to an increase of $10.2 million in revenue, mostly offset by the increase in general and administrative expense of $6.7 million (excluding stock-based compensation expense), which included a charge of $6.0 million related to the acquisition of an additional 21% interest in MyBuilder at a premium to fair value, and the increase in product development expense of $4.8 million.

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 September 30,				Nine Months Ended September 30,			
	2021	**$ Change**	**% Change**	**2020**	**2021**	**$ Change**	**% Change**	**2020**
				(In thousands)				
Interest expense	$ 6,032	$ 2,333	63%	$ 3,699	$ 18,463	$ 10,870	NM	$ 7,593

For the three and nine months ended September 30, 2021 compared to the three and nine months ended September 30, 2020

Interest expense increased due primarily to the issuance of the ANGI Group Senior Notes in August 2020 and the write-off of deferred debt issuance costs associated with the termination of the ANGI Group Revolving Facility, partially offset by a decrease in interest expense due to the repayment of the ANGI Group Term Loan during the second quarter of 2021.

Other (expense) income, net

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2021	**$ Change**	**% Change**	**2020**	**2021**	**$ Change**	**% Change**	**2020**
				(In thousands)				
Other (expense) income, net	$ (479)	$ (702)	NM	$ 223	$ (1,882)	$ (2,738)	NM	$ 856

For the three months ended September 30, 2021 and 2020

Other expense, net in 2021 principally includes a net foreign currency exchange loss of $0.5 million.

Other income, net in 2020 principally includes interest income of $0.1 million and foreign currency exchange gains of $0.1 million.

For the nine months ended September 30, 2021 and 2020

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 $1.0 million, partially offset by interest income of $0.2 million.

Other income, net in 2020 primarily includes interest income of $1.6 million, partially offset by net foreign currency exchange losses of $0.3 million, and a $0.2 million mark-to-market charge for an indemnification claim related to the Handy acquisition that was settled in Angi Inc. shares during the first quarter of 2020.

Income tax benefit

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2021	$ Change	% Change	2020	2021	$ Change	% Change	2020
	(Dollars in thousands)							
Income tax benefit	$ 4,791	$ (6,907)	(59)%	$ 11,698	$ 23,209	$ 5,571	32%	$ 17,638
Effective income tax rate	22%			NM	34%			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 September 30, 2021 compared to the three months ended September 30, 2020

In 2021, the effective income tax rate was higher than the statutory rate of 21%, due primarily to the benefit from the change in the annual expected effective income tax rate driven by the reduced impact of forecasted nondeductible stock-based compensation expense had on the increase in forecasted ordinary pre-tax losses, partially offset by foreign income taxed at different tax rates.

In 2020, the income tax benefit was due primarily to excess tax benefits generated by the exercise and vesting of stock-based awards.

For the nine months ended September 30, 2021 compared to the nine months ended September 30, 2020

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, partially offset by foreign income taxed at different tax rates.

In 2020, the Company recorded an income tax benefit of $17.6 million. The income tax benefit was due primarily to excess tax benefits generated by the exercise and vesting of stock-based awards and a reduction to deferred taxes due to the true-up of the state tax rate of an indefinite-lived intangible asset.

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 (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. 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) earnings attributable to Angi Inc. shareholders to operating loss to consolidated Adjusted EBITDA:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2021	2020	2021	2020
	(In thousands)			
Net (loss) earnings attributable to Angi Inc. shareholders	$ (16,995)	$ 4,472	$ (45,357)	$ 8,181
Add back:				
Net earnings attributable to noncontrolling interests	302	731	626	1,049
Income tax benefit	(4,791)	(11,698)	(23,209)	(17,638)
Other expense (income), net	479	(223)	1,882	(856)
Interest expense	6,032	3,699	18,463	7,593
Operating loss	(14,973)	(3,019)	(47,595)	(1,671)
Add back:				
Stock-based compensation expense	8,813	14,697	20,390	55,031
Depreciation	14,701	13,921	45,728	38,614
Amortization of intangibles	3,854	12,888	12,616	38,846
Adjusted EBITDA	$ 12,395	$ 38,487	$ 31,139	$ 130,820

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

	September 30, 2021	December 31, 2020
	(In thousands)	
Cash and cash equivalents and marketable debt securities:		
United States	$ 449,687	$ 793,679
All other countries	26,938	19,026
Total cash and cash equivalents	476,625	812,705
Marketable debt securities (United States)	—	49,995
Total cash and cash equivalents and marketable debt securities	$ 476,625	$ 862,700
Long-term debt:		
Senior Notes	$ 500,000	$ 500,000
Term Loan	—	220,000
Total long-term debt	500,000	720,000
Less: unamortized debt issuance costs	5,627	7,723
Total long-term debt, net	$ 494,373	$ 712,277

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:

	Nine Months Ended September 30,	
	2021	2020
	(In thousands)	
Net cash provided (used in) by:		
Operating activities	$ 25,888	$ 173,185
Investing activities	$ (26,663)	$ (86,894)
Financing activities	$ (335,046)	$ 378,450

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.

2021

Adjustments to earnings consist primarily of $66.1 million of provision for credit losses, $45.7 million of depreciation, $20.4 million of stock-based compensation expense, $12.6 million of amortization of intangibles, $12.3 million of impairment charges on long-lived and right-of-use assets, $9.6 million of non-cash lease expense, and $6.4 million of revenue reserves, partially offset by $25.4 million of deferred income taxes. The decrease from changes in working capital consists primarily of an increase of $106.2 million in accounts receivable partially offset by increases of $23.3 million in accounts payable and other liabilities and $4.6 million of deferred revenue. The increase in accounts receivable is due primarily to revenue growth, primarily attributable to Angi Services. The increase in accounts payable and other liabilities is due primarily to increases in accrued advertising and related payables and accrued roofing material costs related to Angi Roofing, partially offset by the reduction in lease liabilities. The increase in deferred revenue is primarily driven by increases in annual membership payments and an increase in customer deposits for Angi Services jobs.

Net cash used in investing activities includes $52.1 million of capital expenditures, primarily related to investments in capitalized software to support the Company’s products and services, $25.4 million of cash principally related to the acquisition of Angi Roofing, partially offset by proceeds of $50.0 million from the maturities of marketable debt securities.

Net cash used in financing activities includes $220.0 million for the prepayment of the ANGI Group Term Loan, which otherwise would have matured on November 5, 2023, $56.1 million for the payment of withholding taxes on behalf of employees for stock-based awards that were net settled, $35.4 million for the repurchase of 3.2 million shares of Angi Inc. Class A common stock, on a settlement date basis, at an average price of $11.06 per share, and $23.5 million for the purchase of redeemable noncontrolling interests.

2020

Adjustments to earnings consist primarily of $60.1 million of provision for credit losses, $55.0 million of stock-based compensation expense, $38.8 million of amortization of intangibles, and $38.6 million of depreciation, and $10.2 million of non-cash lease expense, partially offset by $18.1 million of deferred income taxes. The decrease from changes in working capital consists primarily of an increase in accounts receivable of $70.7 million, partially offset by an increase in accounts payable and other liabilities of $46.9 million. The increase in accounts receivable is due primarily to revenue growth. The increase in accounts payable and other liabilities is due primarily to an increase in accrued advertising and related payables, and accrued compensation costs due, in part, to the deferral of payroll tax payments under the Coronavirus Aid, Relief, and Economic Security Act, partially offset by the reduction in lease liabilities..

Net cash used in investing activities includes purchases of marketable debt securities of $50.0 million and capital expenditures of $37.6 million, primarily related to investments in capitalized software to support the Company's products and services, and leasehold improvements.

Net cash provided by financing activities includes $500.0 million of proceeds from the issuance of the Senior Notes and a $3.1 million payment from IAC/InterActiveCorp (“IAC”) pursuant to the tax sharing agreement, partially offset by $54.4 million for the repurchase of 7.7 million shares of Class A common stock, on a settlement date basis, at an average price of $7.02 per share, $50.0 million for the payment of withholding taxes on behalf of employees for stock-based awards that were net settled, $10.3 million in principal payments on the Term Loan, $5.6 million for debt issuance costs, and $4.3 million for the purchase of redeemable noncontrolling interests.

Liquidity and Capital Resources

Financing Arrangements

The ANGI Group Senior Notes were issued on August 20, 2020, the proceeds of which have been used for general corporate purposes, including the acquisition of Angi Roofing, and treasury share purchases.

As of May 6, 2021, the outstanding balance of the ANGI Group Term Loan was repaid in its entirety. The outstanding balance of the ANGI Group Term Loan at December 31, 2020 was $220.0 million and bore interest at 2.16%.

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 nine months ended September 30, 2021, the Company repurchased 3.2 million shares, on a trade date basis, of its common stock at an average price of $11.06 per share, or $35.4 million in aggregate. Angi Inc. has 16.1 million shares remaining in its share repurchase authorization as of September 30, 2021. The Company may purchase shares over an indefinite period of time on the open market and in privately negotiated transactions, depending on those factors Angi Inc. 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 upon factors deemed relevant at the time, and if settled on a net basis, with 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 October 29, 2021; 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	$ 9,375	$ 4,687	374
Other equity awards[(a)(b)]	190,775	94,491	7,684
Total outstanding employee stock-based awards	$ 200,150	$ 99,178	8,058

(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.

Capital Expenditures

The Company's 2021 capital expenditures are expected to be higher than 2020 capital expenditures of $52.5 million by approximately 25% to 30%, 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 September 30, 2021, IAC held all Class B shares of Angi Inc., which represent 84.6% of the economic interest and 98.2% of the voting interest of the Company. As a result, IAC has the ability to control Angi Inc.'s financing activities, including the issuance of additional debt and equity securities by Angi Inc. or any of its subsidiaries, or the incurrence of other indebtedness generally. While Angi Inc. 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 Inc.'s capital stock and its representation on the Angi Inc. board of directors. Additional financing may not be available on terms favorable to the Company or at all. In addition, the Company's existing indebtedness could limit its ability to obtain additional financing.

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 foreseeable future.

CONTRACTUAL OBLIGATIONS

During the nine months ended September 30, 2021, other than the repayment of the outstanding balance of the ANGI Group Term Loan of $220.0 million, there have been no material changes to the Company's contractual obligations since the disclosure in our Annual Report on Form 10-K for the year ended December 31, 2020.

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

During the nine months ended September 30, 2021, 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, 2020, other than the repayment of the outstanding balance of the ANGI Group term loan of $220.0 million, which bore interest at a variable rate, reducing the Company's exposure risk related to changes in interest rates.

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 litigation involving property, personal injury, contract, intellectual property and other claims, as well as stockholder derivative actions, class action lawsuits and other matters. 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.

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 litigation matters which we are defending, including the one described below, involves or is likely to involve amounts of that magnitude. The litigation matter and the investigation described below involves issues or claims that may be of particular interest to our stockholders, regardless of whether this matter 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 of Certain HomeAdvisor Business Practices

On April 19, 2021, the staff of the Federal Trade Commission (“FTC”) informed HomeAdvisor that upon investigation it believes that certain of HomeAdvisor’s business practices relating to leads provided to service professionals and its mHelpDesk product are unfair or deceptive in violation of the FTC Act. The staff proposed to resolve its potential claims via a consent judgment mandating certain business practice changes (and an unspecified payment amount) and invited the company to engage in settlement discussions to resolve the matter. While HomeAdvisor believes that any such claims would be without merit and is prepared to defend vigorously against any enforcement proceeding, it is continuing a dialogue with the FTC to discuss the matter and cannot currently predict the outcome of this investigation and related discussions.

Service Professional Class Action Litigation against HomeAdvisor

This purported class action pending in Colorado is described in detail on page 27 of our Annual Report on Form 10-K for the fiscal year ended December 31, 2020. *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, 2020. 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” and “believes,” among others, generally identify forward-looking statements. These forward-looking statements include, among others, statements relating to the Company’s future financial performance, business prospects and strategy, anticipated trends and prospects in home services industry and other similar matters. These forward-looking statements are based on Company management's current expectations and assumptions about future events, 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, (vii) our ability to market our various products and services in a successful and cost-effective manner, (viii) the continued display of links to websites offering our products and services in a prominent manner in search results, (ix) our continued ability to communicate with consumers and service professionals via e-mail (or other sufficient means), (x) our ability to access, share and use personal data about consumers, (xi) our ability to develop and monetize versions of our products and services for mobile and other digital devices, (xii) any challenge to the contractor classification or employment status of our Handy service professionals, (xiii) our ability to protect our systems, technology and infrastructure from cyberattacks and to protect personal and confidential user information, (xiv) the occurrence of data security breaches, fraud and/or additional regulation involving or impacting credit card payments, (xv) the integrity, efficiency and scalability of our technology systems and infrastructures (and those of third parties with whom we do business), (xvi) operational and financial risks relating to acquisitions and the integration of suitable targets, (xvii) our ability to operate (and expand into) international markets successfully, (xviii) our ability to adequately protect our intellectual property rights and not infringe the intellectual property rights of third parties, (xix) changes in key personnel, (xx) various risks related to our relationship with IAC and (xxi) 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, 2020. 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.

Risk Factors

Recent changes in our executive management may not result in growth of our business or enhance stockholder value, and our management transition may not be successful.

During 2021, we announced the appointment of a new Chief Executive Officer, a new Chief Financial Officer, and a new Chief Marketing Officer. Our executive management team is critical to the overall management of the Company and also plays a key role in maintaining our culture and setting our strategic direction. In connection with these executive management changes, we have experienced, and may continue to experience, employee and management turnover in certain areas. These recent changes in our executive management may also cause or result in: disruption of our business and operations; difficulty recruiting, hiring, motivating and retaining talented and skilled personnel; further departures of other members of management; increased stock price volatility; and difficulty in establishing, maintaining or negotiating business or strategic relationships or transactions. Furthermore, these transitions could be a distraction to our executive management, business operations, service professionals and customers. If we do not succeed in attracting well-qualified employees, retaining and motivating existing employees or integrating new executives and employees, our business could be materially and adversely affected.

Our Angi brand integration initiative may involve substantial costs, including as a result of a continued negative impact on our organic search placement, and may not be favorably received by customers and service professionals.

On March 17, 2021, the Company updated one of its leading websites and brands, Angie’s List, to Angi, and concentrated its marketing investment in the Angi brand in order to focus its marketing, sales, and branding efforts on a single brand.

We have incurred and may continue to incur substantial costs as a result of our brand integration initiative and may not be able to achieve or maintain brand name recognition or status that is comparable to the recognition and status previously enjoyed by Angie’s List, and our customers and service professionals may be confused as we transition and focus on the Angi brand. Our Company relies heavily on free and paid search engine marketing efforts to drive traffic to our platforms. Our brand initiative has adversely affected the placement and ranking of Angi Inc. websites, particularly Angi.com, in organic search results as Angi does not have the same domain history as Angie’s List. In addition, we shifted marketing to support the Angi brand, away from the HomeAdvisor brand, which has negatively affected the efficiency of our search engine marketing efforts.

During the second and third quarters of 2021, these efforts had a pronounced negative impact on Service Requests from organic search results and via our mobile applications, which in turn has resulted in increased paid search engine marketing to generate Service Requests. The combined effect of this during the three months ended September 30, 2021, has reduced revenue and increased marketing spend, materially more than expected at the launch of the brand initiative in the first quarter of 2021 and more significantly than our forecasts at the beginning of May 2021. We expect the pronounced negative impact to organic search results, increased paid search engine marketing and reduced monetization from our mobile applications will continue until such time as the new brand establishes search engine optimization ranking and consumer awareness is more established. Any or all of these impacts could continue to increase our marketing costs (particularly to the extent free traffic is replaced with paid traffic) and adversely affect the effectiveness of our marketing efforts overall. Finally, as we align and focus the organization around a single brand, we could experience financial and operational challenges and reduced service professional participation across our various product lines. Depending on market acceptance, our brand integration initiative could adversely affect our ability to attract and retain customers and service professionals, which could cause us not to realize some or all of the anticipated benefits contemplated by the brand integration initiative.

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

Unregistered Sales of Equity Securities

The employee matters agreement dated as of September 29, 2017, by and between us and IAC, provides, among other things, that we will reimburse IAC for the cost of certain equity awards held by our current and former employees and that IAC may elect to receive payment either in cash or shares of our capital stock.

Pursuant to the employee matters agreement, 2,985 shares of Class A common stock and 42,243 shares of Class B common stock were issued to IAC on September 30, 2021 as reimbursement for shares of IAC common stock issued in connection with the settlement of certain equity awards held by our employees during the three months ended September 30, 2021. This issuance did not involve any underwriters or public offerings and we believe that such issuance was exempt from the registration requirements of the Securities Act of 1933, as amended (the “Securities Act”), pursuant to Section 4(a)(2) thereof.

Issuer Purchases of Equity Securities

The following table sets forth purchases by the Company of its Class A common stock during the three months ended September 30, 2021:

Period	(a) Total Number of Shares Purchased	(b) Average Price Paid Per Share	(c) Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs(1)	(d) Maximum Number of Shares that May Yet Be Purchased Under Publicly Announced Plans or Programs(2)
July 2021	537,140	$ 11.77	537,140	18,259,646
August 2021	1,514,127	$ 10.64	1,514,127	16,745,519
September 2021	675,683	$ 10.85	675,683	16,069,836
Total	2,726,950	$ 11.77	2,726,950	16,069,836

(1) Reflects repurchases made pursuant to the share repurchase authorizations previously announced in March 2020 and February 2019.

(2) Represents the total number of shares of Class A common stock that remained available for repurchase as of September 30, 2021 pursuant to the March 2020 and February 2019 share repurchase authorizations. The Company may repurchase shares pursuant to this share repurchase authorization over an indefinite period of time in the open market and in privately negotiated transactions, depending on those factors Company 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 Certificate of Incorporation	Exhibit 3.1 to the Registrant's Current Report on Form 8-K, filed on October 2, 2017.
3.3	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.
4.1	Form of Angi Inc. Common Stock Certificate.	Exhibit 4.1 to the Registrant's Quarterly Report on Form 10-Q, filed on May 10, 2021.
10.1	Employment Agreement between Dhanusha Sivajee and Angi Inc., dated as of July 30, 2021. (1)(2)	
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. (3)	
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. (3)	
101.INS	Inline XBRL Instance (1)	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)	

(1) Filed herewith.

(2) Reflects management contracts and management and director compensatory plans.

(3) 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: November 5, 2021

Angi Inc.

By: /s/ JEFFREY W. PEDERSEN
Jeffrey W. Pedersen
Chief Financial Officer

Signature	Title	Date
/s/ JEFFREY W. PEDERSEN Jeffrey W. Pedersen	Chief Financial Officer	November 5, 2021

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT (“Agreement”) is entered into as of July 30, 2021 by and between Dhanusha Sivajee (“Executive”) and Angi Inc., a Delaware corporation (the “Company”), and is effective as of September 7, 2021 (the “Effective Date”).

WHEREAS, the Company desires to establish its right to the services of Executive, in the capacity described below, on the terms and conditions hereinafter set forth, and Executive is willing to accept such employment on such terms and conditions.

NOW, THEREFORE, in consideration of the mutual agreements hereinafter set forth, Executive and the Company have agreed and do hereby agree as follows:

1A. EMPLOYMENT. During the Term (as defined below), the Company shall employ Executive, and Executive shall be employed, as Chief Marketing Officer, Angi Inc. During Executive’s employment with the Company, Executive shall do and perform all services and acts necessary or advisable to fulfill the duties and responsibilities as are commensurate and consistent with Executive’s position and shall render such services on the terms set forth herein. During Executive’s employment with the Company, Executive shall report directly to the Chief Executive Officer of the Company (hereinafter referred to as the “Reporting Officer”). Executive shall have such powers and duties with respect to the Company as may reasonably be assigned to Executive by the Reporting Officer, to the extent consistent with Executive’s position. Executive agrees to devote all of Executive’s working time, attention and efforts to the Company and to perform the duties of Executive’s position in accordance with the Company’s policies as in effect from time to time. Notwithstanding anything to the contrary above, Executive may participate in civic and charitable activities, and may serve as member of the board of directors of such entities as may be approved from time to time in advance by the Reporting Officer, so long as such activities do not conflict with or interfere with Executive’s performance of his duties hereunder or compete with or present an actual or apparent conflict of interest for the Company, which shall be determined by the Reporting Officer and/or the Chief Legal Officer of the Company in his/her good faith judgment.

2A. TERM. The term of this Agreement shall commence on the Effective Date and shall terminate on the first anniversary thereof (the “Initial Term”); provided, that certain terms and conditions herein may specify a greater period of effectiveness; and further provided that this Agreement shall automatically renew for additional one year terms (each a “Renewal Term”, and collectively with the Initial Term, the “Term”), unless terminated by either party with written notice provided not less than ninety (90) days prior to the end of the then-current Term or Renewal Term (a “Notice of Non-Renewal”).

Notwithstanding any other provision of this Agreement to the contrary, Executive’s employment with the Company is “at-will” and may be terminated at any time for any reason or no reason, with or without cause, by the Company or Executive, with or without notice. During the Term, Executive’s right to payments upon certain terminations of employment is governed by Section 1(d) of the Standard Terms and Conditions attached hereto. Following the expiration of the Term, upon the termination of Executive’s employment, the Company shall have no further obligation hereunder, except for the payment of Accrued Obligations.

3A. COMPENSATION.

(a) BASE SALARY. During the period that Executive is employed with the Company hereunder, the Company shall pay Executive an annual base salary of $400,000.00 (the “Base Salary”), payable in equal biweekly installments (or, if different, in accordance with the Company’s payroll practice as in effect from time to time), which Base Salary may be increased, from time to time, as approved by the Executive Compensation Committee of the Board. For all purposes under this Agreement, the term “Base Salary” shall refer to the Base Salary as in effect from time to time.

(b) DISCRETIONARY BONUS. During the period that Executive is employed with the Company hereunder, Executive shall be eligible to receive discretionary annual bonuses (the “Annual Bonuses”). The Annual Bonuses shall be of a target amount equal to 50% of your Base Salary, and shall in all cases be determined by the Executive Compensation Committee of the Board of Directors of the Company (the “Compensation Committee”) in its sole discretion, based on the factors it deems relevant, which may include, among other factors, the Company’s performance against various criteria (including its competition, its prior year results, achievement of established initiatives, etc.) and the contribution and performance of Executive. Notwithstanding the foregoing, with respect to calendar year 2021, your bonus shall be prorated for a partial year of service.

(c) EQUITY AWARD. On the Effective Date, Executive shall be granted, under and subject to the provisions of the Company’s 2017 Stock and Annual Incentive Plan (the “2017 Plan”), an award of Company Restricted Stock Units with a grant date value of $4,500,000. The actual vesting and other terms and conditions of the RSU Award will be governed by the award notices and related terms and conditions attached as Exhibit A and the 2017 Plan. Executive shall remain eligible for future equity grants during the Term of his employment with the Company.

(d) BENEFITS. From the Effective Date through the date of termination of Executive’s employment with the Company for any reason, Executive shall be entitled to participate in any welfare, health and life insurance and pension benefit programs as may be adopted from time to time by the Company on the same basis as that provided to similarly situated employees of the Company. Without limiting the generality of the foregoing, Executive shall be entitled to the following benefits:

(i) Reimbursement for Business Expenses. During the period that Executive is employed with the Company hereunder, the Company shall reimburse Executive for all reasonable, necessary and documented expenses incurred by Executive in performing Executive’s duties for the Company, on the same basis as similarly situated employees generally and in accordance with the Company’s policies as in effect from time to time; and

(ii) Vacation. During the period that Executive is employed with the Company hereunder, Executive shall be entitled to paid vacation each year, in accordance with the plans, policies, programs and practices of the Company applicable to similarly situated employees of the Company generally.

4A. NOTICES. All notices and other communications under this Agreement shall be in writing and shall be given by first-class mail, certified or registered with return receipt requested, or by hand delivery, or by overnight delivery by a nationally recognized carrier, in each case to the applicable address set forth below, and any such notice is deemed effectively given when received by the recipient (or if receipt is refused by the recipient, when so refused):

If to the Company: Angi Inc.
3601 Walnut St, Suite 700
Denver CO, 80205
Attention: Chief Legal Officer

With a copy to:
IAC/InterActiveCorp
555 West 18th Street, 6th Floor
New York, NY 10011
Attention: General Counsel

If to Executive: At the most recent address for Executive on file at the Company.

Either party may change such party's address for notices by notice duly given pursuant hereto.

5A. GOVERNING LAW; JURISDICTION. This Agreement and the legal relations thus created between the parties hereto (including, without limitation, any dispute arising out of or related to this Agreement) shall be governed by and construed under and in accordance with the internal laws of the State of Colorado without reference to its principles of conflicts of laws. Any such dispute will be heard and determined before an appropriate federal court located in the State of Colorado in Denver County, or, if not maintainable therein, then in an appropriate Colorado state court located in Denver County, and each party hereto submits itself and its property to the non-exclusive jurisdiction of the foregoing courts with respect to such disputes. Each party hereto (i) agrees that service of process may be made by mailing a copy of any relevant document to the address of the party set forth above, (ii) waives to the fullest extent permitted by law any objection which it may now or hereafter have to the courts referred to above on the grounds of inconvenient forum or otherwise as regards any dispute between the parties hereto arising out of or related to this Agreement, (iii) waives to the fullest extent permitted by law any objection which it may now or hereafter have to the laying of venue in the courts referred to above as regards any dispute between the parties hereto arising out of or related to this Agreement and (iv) agrees that a judgment or order of any court referred to above in connection with any dispute between the parties hereto arising out of or related to this Agreement is conclusive and binding on it and may be enforced against it in the courts of any other jurisdiction.

6A. COUNTERPARTS. This Agreement may be executed in several counterparts, each of which shall be deemed to be an original but all of which together will constitute one and the same instrument.

7A.   STANDARD TERMS AND CONDITIONS. Executive expressly understands and acknowledges that the Standard Terms and Conditions attached hereto are incorporated herein by reference, deemed a part of this Agreement and are binding and enforceable provisions of this Agreement. References to “this Agreement” or the use of the term “hereof” shall refer to this Agreement and the Standard Terms and Conditions attached hereto, taken as a whole.

[The Signature Page Follows]

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed and delivered by its duly authorized officer and Executive has executed and delivered this Agreement on the Effective Date.

Angi Inc.

/s/ Oisin Hanrahan
Oisin Hanrahan
CEO

/s/ Dhanusha Sivajee
Dhanusha Sivajee

STANDARD TERMS AND CONDITIONS

1. TERMINATION OF EXECUTIVE'S EMPLOYMENT.

(a) DEATH. In the event Executive's employment hereunder is terminated by reason of Executive's death, the Company shall pay Executive's designated beneficiary or beneficiaries, within thirty (30) days of Executive's death in a lump sum in cash, (i) Executive's Base Salary through the end of the month in which death occurs and (ii) any other Accrued Obligations (as defined in paragraph 1(f) below).

(b) DISABILITY. If, as a result of Executive's incapacity due to physical or mental illness ("Disability"), Executive shall have been absent from the full-time performance of Executive's duties with the Company for a period of four (4) consecutive months and, within thirty (30) days after written notice is provided to Executive by the Company (in accordance with Section 4A hereof), Executive shall not have returned to the full-time performance of Executive's duties, Executive's employment under this Agreement may be terminated by the Company for Disability. During any period prior to such termination during which Executive is absent from the full-time performance of Executive's duties with the Company due to Disability, the Company shall continue to pay Executive's Base Salary at the rate in effect at the commencement of such period of Disability, offset by any amounts payable to Executive under any disability insurance plan or policy provided by the Company. Upon termination of Executive's employment due to Disability, the Company shall pay Executive within thirty (30) days of such termination (i) Executive's Base Salary through the end of the month in which termination occurs in a lump sum in cash, offset by any amounts payable to Executive under any disability insurance plan or policy provided by the Company; and (ii) any other Accrued Obligations (as defined in paragraph 1(f) below).

(c) TERMINATION FOR CAUSE. Upon the termination of Executive's employment by the Company for Cause (as defined below), the Company shall have no further obligation hereunder, except for the payment of any Accrued Obligations (as defined in paragraph 1(f) below). As used herein, "Cause" shall mean: (i) the plea of guilty or nolo contendere to, or conviction for, the commission of a felony offense by Executive; provided, however, that after indictment, the Company may suspend Executive from the rendition of services, but without limiting or modifying in any other way the Company's obligations under this Agreement; (ii) a material breach by Executive of a fiduciary duty owed to the Company; (iii) a material breach by Executive of any of the covenants made by Executive in Section 2 hereof; (iv) the willful or gross neglect by Executive of the material duties required by this Agreement; or (v) a violation by Executive of any Company policy pertaining to ethics, wrongdoing or conflicts of interest; provided, that in the case of conduct described in clauses (iii), (iv) or (v) above which is capable of being cured, Executive shall have a period of fifteen (15) days after Executive is provided with written notice thereof in which to cure.

(d) TERMINATION BY THE COMPANY OTHER THAN FOR DEATH, DISABILITY OR CAUSE; RESIGNATION BY EXECUTIVE FOR GOOD REASON. If Executive's employment hereunder is terminated prior to the expiration of the Term by the Company for any reason other than Executive's death or Disability or for Cause or if Executive resigns for Good Reason (as defined below) prior to the expiration of the Term, then

(i) the Company shall continue to pay to Executive the Base Salary for 12 months from the date of such termination or resignation ("Severance Period"), payable in equal biweekly installments (or, if different, in accordance with the Company's payroll practice as in effect from time to time) over the course of such twelve (12) months;

(ii) any compensation awards of Executive based on, or in the form of, Company equity (e.g., restricted stock, restricted stock units, stock options or similar instruments) that are outstanding and unvested at the time of such termination but which would, but for such termination, have vested during the Severance Period shall vest as of the date of such termination of employment; provided that for these purposes, 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 by the end of the Severance Period (including any portion which would have vested prior to the date of termination of employment) shall vest as of the date of such termination of employment (e.g., if 100 restricted stock units were granted 1.7 years prior to the date of termination with a 5-year cliff vesting term then on the date of termination 40 of such units would vest); provided, further, that with respect to any awards subject to performance vesting requirements, the vesting of such awards shall in all events be subject to the satisfaction of the applicable performance goals; and

(iii) any then-vested options or stock appreciation rights of Executive (including any such awards vesting as a result of (ii) above) to acquire Company equity shall remain exercisable through the earlier of (A) the scheduled expiration date of such awards and (B) eighteen months following Executive's termination of employment; and

(iv) the Company shall pay Executive within thirty (30) days of the date of such termination or resignation in a lump sum in cash any Accrued Obligations (as defined in paragraph 1(f) below).

The payment to Executive of the severance benefits described in this Section 1(d) shall be subject to Executive's execution and non-revocation of a general release of the Company and its affiliates, in a form substantially similar to that used for similarly situated executives of the Company and its affiliates, such general release to be executed and promptly delivered to the Company (and in no event later than 21 days following Executive's termination of employment, or such longer period as may be required by applicable law) and Executive's compliance with the restrictive covenants set forth in Section 2 hereof. Such release shall make clear that Executive is not releasing his right to receive any termination benefits pursuant to this Section 1(d) above and/or under any equity incentive plan governing any outstanding equity award then held by Executive. Executive acknowledges and agrees that the severance benefits described in this Section 1(d) constitute good and valuable consideration for such release.

For purposes of this Agreement, “Good Reason” shall mean the occurrence of any of the following without Executive’s prior written consent: (A) the reduction in Executive’s Base Salary constituting a material diminution in Executive’s base compensation as determined for purposes of Section 409A and regulations thereunder, (B) a material diminution in Executive’s title, duties or level of responsibilities as compared to those in effect as of the Effective Date, excluding for this purpose any such change that is an isolated and inadvertent action not taken in bad faith and that is remedied by the Company promptly after receipt of notice thereof given by the Executive, or (C) the relocation of Executive’s principal place of employment to a location more than 50 miles from New York City; *provided*, *however*, that in no event shall Executive’s resignation be for “Good Reason” unless (x) an event or circumstance set forth in clauses (A)-(C) above shall have occurred and Executive provides the Company with written notice thereof within thirty (30) days after Executive has initial knowledge of the occurrence or existence of such event or circumstance, which notice specifically identifies the event or circumstance that Executive believes constitutes Good Reason, (y) the Company fails to correct the event or circumstance so identified within thirty (30) days after the receipt of such notice and (z) Executive resigns within ninety (90) days after the date of delivery of the notice referred to in (x) above.

Section 280G; Parachute Payments.

(a) If any payment or benefit Executive will or may receive from the Company or otherwise (a “280G Payment”) would (i) constitute a “parachute payment” within the meaning of Section 280G of the Code, and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the “Excise Tax”), then any such 280G Payment provided pursuant to this Agreement (a “Payment”) shall be equal to the Reduced Amount. The “Reduced Amount” shall be either (x) the largest portion of the Payment that would result in no portion of the Payment (after reduction) being subject to the Excise Tax or (y) the largest portion, up to and including the total, of the Payment, whichever amount (i.e., the amount determined by clause (x) or by clause (y)), after taking into account all applicable federal, state and local employment taxes, income taxes, and the Excise Tax (all computed at the highest applicable marginal rate), results in Executive’s receipt, on an after-tax basis, of the greater economic benefit notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a reduction in a Payment is required pursuant to the preceding sentence and the Reduced Amount is determined pursuant to clause (x) of the preceding sentence, the reduction shall occur in the manner (the “Reduction Method”) that results in the greatest economic benefit for Executive. If more than one method of reduction will result in the same economic benefit, the items so reduced will be reduced pro rata (the “Pro Rata Reduction Method”).

(b) Notwithstanding any provision of subsection (a) above to the contrary, if the Reduction Method or the Pro Rata Reduction Method would result in any portion of the Payment being subject to taxes pursuant to Section 409A that would not otherwise be subject to taxes pursuant to Section 409A, then the Reduction Method and/or the Pro Rata Reduction Method, as the case may be, shall be modified so as to avoid the imposition of taxes pursuant to Section 409A as follows: (i) as a first priority, the modification shall preserve to the greatest extent possible, the greatest economic benefit for Executive as determined on an after-tax basis; (ii) as a second priority, Payments that are contingent on future events (e.g., being terminated without Cause), shall be reduced (or eliminated) before Payments that are not contingent on future events; and (iii) as a third priority, Payments that are "deferred compensation" within the meaning of Section 409A shall be reduced (or eliminated) before Payments that are not deferred compensation within the meaning of Section 409A.

(c) Unless Executive and the Company agree on an alternative accounting firm or law firm, the accounting firm engaged by the Company for general tax compliance purposes as of the day prior to the effective date of the Change in Control transaction shall perform the foregoing calculations. If the accounting firm so engaged by the Company is serving as accountant or auditor for the individual, entity or group effecting the change in control transaction, the Company shall appoint a nationally recognized accounting or law firm to make the determinations required by this Section 0. The Company shall bear all expenses with respect to the determinations by such accounting or law firm required to be made hereunder. The Company shall use commercially reasonable efforts to cause the accounting or law firm engaged to make the determinations hereunder to provide its calculations, together with detailed supporting documentation, to Executive and the Company within 15 calendar days after the date on which Executive's right to a 280G Payment becomes reasonably likely to occur (if requested at that time by Executive or the Company) or such other time as requested by Executive or the Company.

(e) OFFSET. If Executive obtains other employment during the period of time in which the Company is required to make payments to Executive pursuant to Section 1(d)(i) above, the amount of any such remaining payments or benefits to be provided to Executive shall be reduced by the amount of compensation and benefits earned by Executive from such other employment through the end of such period. For purposes of this Section 1(e), Executive shall have an obligation to inform the Company regarding Executive's employment status following termination and during the period of time in which the Company is making payments to Executive under Section 1(d)(i) above.

(f) ACCRUED OBLIGATIONS. As used in this Agreement, "Accrued Obligations" shall mean the sum of (i) any portion of Executive's accrued but unpaid Base Salary through the date of death or termination of employment for any reason, as the case may be; (ii) any compensation previously earned but deferred by Executive (together with any interest or earnings thereon) that has not yet been paid and that is not otherwise to be paid at a later date pursuant to the executive deferred compensation plan of the Company, if any, and (iii) any reimbursements that Executive is entitled to receive under Section 3A(d)(i) of the Agreement.

(g) NOTICE OF NON-RENEWAL. If the Company delivers a Non-Renewal Notice to Executive then, provided Executive offers reasonable transition of his duties as may be requested by the Company (which such transition shall not extend beyond the then-current expiration date of the Term), effective as of Executive's separation from service from the Company, Executive shall have the same rights and obligations hereunder as if the Company had terminated Executive's employment without Cause.

2. <u>CONFIDENTIAL INFORMATION; NON-COMPETITION; NON-SOLICITATION; AND PROPRIETARY RIGHTS</u>.

(a) <u>CONFIDENTIALITY</u>. Executive acknowledges that, while employed by the Company, Executive will occupy a position of trust and confidence. The Company, its subsidiaries and/or affiliates shall provide Executive with "Confidential Information" as referred to below. Executive shall not, except as may be required to perform Executive's duties hereunder or as required by applicable law, without limitation in time, communicate, divulge, disseminate, disclose to others or otherwise use, whether directly or indirectly, any Confidential Information regarding the Company and/or any of its subsidiaries and/or affiliates.

"Confidential Information" shall mean information about the Company or any of its subsidiaries or affiliates, and their respective businesses, employees, consultants, contractors, clients and customers that is not disclosed by the Company or any of its subsidiaries or affiliates for financial reporting purposes or otherwise generally made available to the public (other than by Executive's breach of the terms hereof) and that was learned or developed by Executive in the course of employment by the Company or any of its subsidiaries or affiliates, including (without limitation) any proprietary knowledge, trade secrets, data, formulae, information and client and customer lists and all papers, resumes, and records (including computer records) of the documents containing such Confidential Information. Executive acknowledges that such Confidential Information is specialized, unique in nature and of great value to the Company and its subsidiaries or affiliates, and that such information gives the Company and its subsidiaries or affiliates a competitive advantage. Executive agrees to deliver or return to the Company, at the Company's request at any time or upon termination or expiration of Executive's employment or as soon thereafter as possible, all documents, computer tapes and disks, records, lists, data, drawings, prints, notes and written information (and all copies thereof) furnished by the Company and its subsidiaries or affiliates or prepared by Executive in the course of Executive's employment by the Company and its subsidiaries or affiliates. As used in this Agreement, "subsidiaries" and "affiliates" shall mean any company controlled by, controlling or under common control with the Company.

(b) <u>NON-COMPETITION</u>. In consideration of this Agreement, and other good and valuable consideration provided hereunder, the receipt and sufficiency of which are hereby acknowledged by Executive, Executive hereby agrees and covenants that, during Executive's employment hereunder and for a period of twelve (12) months thereafter (the "Restricted Period"), Executive shall not, without the prior written consent of the Company, directly or indirectly, engage in or become associated with a Competitive Activity.

For purposes of this Section 2(b), (i) a "Competitive Activity" means any business or other endeavor involving Similar Products if such business or endeavor is in a country (including the United States) in which the Company (or any of its businesses) provides or planned to provide during Executive's employment hereunder such Similar Products; (ii) "Similar Products" means any products or services that are the same or similar to any of the types of products or services that the Company (or any of its businesses) provides, has provided or planned to provide during Executive's employment hereunder; and (iii) Executive shall be considered to have become "associated with a Competitive Activity" if Executive becomes directly or indirectly involved as an owner, principal, employee, officer, director, independent contractor, representative, stockholder, financial backer, agent, partner, member, advisor, lender, consultant or in any other individual or representative capacity with any individual, partnership, corporation or other organization that is engaged in a Competitive Activity.

Executive acknowledges that Executive’s covenants under this Section 2(b) are a material inducement to the Company’s entering into this Agreement. Further, Executive acknowledges that the restrictions set forth in this provision are reasonable and not greater than necessary to protect and maintain the proprietary and other legitimate business interests of the Company, and that the enforcement of these restrictions would not prevent Executive from earning a livelihood.

Notwithstanding the foregoing, Executive may make and retain investments during the Restricted Period, for investment purposes only, in less than one percent (1%) of the outstanding capital stock of any publicly-traded corporation engaged in a Competitive Activity if the stock of such corporation is either listed on a national stock exchange or on the NASDAQ National Market System if Executive is not otherwise affiliated with such corporation. In addition, this Section 2(b) shall not be violated by Executive commencing employment with a subsidiary, division, or unit of any entity that engages in a Competitive Activity so long as Executive and such subsidiary, division, or unit does not engage in a business in the Competitive Activity, and so long as Executive does not violate the provisions of Section 2(a) during such employment. Executive acknowledges that Executive’s covenants under this Section 2(b) are a material inducement to the Company’s entering into this Agreement.

(c) NON-SOLICITATION OF EMPLOYEES. Executive recognizes that Executive will possess Confidential Information about other employees, consultants and contractors of the Company and its subsidiaries or affiliates relating to their education, experience, skills, abilities, compensation and benefits, and inter-personal relationships with suppliers to and customers of the Company and its subsidiaries or affiliates. Executive recognizes that the information Executive will possess about these other employees, consultants and contractors is not generally known, is of substantial value to the Company and its subsidiaries or affiliates in developing their respective businesses and in securing and retaining customers, and will be acquired by Executive because of Executive’s business position with the Company. Executive agrees that, during Executive’s employment hereunder and for a period of twelve (12) months thereafter, Executive will not, directly or indirectly, hire or solicit or recruit any employee of (i) the Company and/or (ii) its subsidiaries and/or affiliates with whom Executive has had direct contact during Executive’s employment hereunder, in each case, for the purpose of being employed by Executive or by any business, individual, partnership, firm, corporation or other entity on whose behalf Executive is acting as an agent, representative or employee and that Executive will not convey any such Confidential Information or trade secrets about employees of the Company or any of its subsidiaries or affiliates to any other person except within the scope of Executive’s duties hereunder.

(d) NON-SOLICITATION OF BUSINESS PARTNERS. During Executive’s employment hereunder, and for a period of twelve (12) months thereafter, Executive shall not, without the prior written consent of the Company, persuade or encourage any business partners or business affiliates of (i) the Company and/or (ii) any of its subsidiaries and/or affiliates with whom Executive has direct contact during his employment hereunder, in each case, to cease doing business with the Company and/or any of its subsidiaries and/or affiliates or to engage in any business competitive with the Company and/or its subsidiaries and/or affiliates.

(e) PROPRIETARY RIGHTS; ASSIGNMENT. All Employee Developments (defined below) shall be considered works made for hire by Executive for the Company or, as applicable, its subsidiaries or affiliates, and Executive agrees that all rights of any kind in any Employee Developments belong exclusively to the Company. In order to permit the Company to exploit such Employee Developments, Executive shall promptly and fully report all such Employee Developments to the Company. Except in furtherance of Executive's obligations as an employee of the Company, Executive shall not use or reproduce any portion of any record associated with any Employee Development without prior written consent of the Company or, as applicable, its subsidiaries or affiliates. Executive agrees that in the event actions of Executive are required to ensure that such rights belong to the Company under applicable laws, Executive will cooperate and take whatever such actions are reasonably requested by the Company, whether during or after the Term, and without the need for separate or additional compensation. "Employee Developments" means any idea, know-how, discovery, invention, design, method, technique, improvement, enhancement, development, computer program, machine, algorithm or other work of authorship, whether developed, conceived or reduced to practice during or following the period of employment, that (i) concerns or relates to the actual or anticipated business, research or development activities, or operations of the Company or any of its subsidiaries or affiliates, or (ii) results from or is suggested by any undertaking assigned to Executive or work performed by Executive for or on behalf of the Company or any of its subsidiaries or affiliates, whether created alone or with others, during or after working hours, or (iii) uses, incorporates or is based on Company equipment, supplies, facilities, trade secrets or inventions of any form or type. All Confidential Information and all Employee Developments are and shall remain the sole property of the Company or any of its subsidiaries or affiliates. Executive shall acquire no proprietary interest in any Confidential Information or Employee Developments developed or acquired during the Term. To the extent Executive may, by operation of law or otherwise, acquire any right, title or interest in or to any Confidential Information or Employee Development, Executive hereby assigns and covenants to assign to the Company all such proprietary rights without the need for a separate writing or additional compensation. Executive shall, both during and after the Term, upon the Company's request, promptly execute, acknowledge, and deliver to the Company all such assignments, confirmations of assignment, certificates, and instruments, and shall promptly perform such other acts, as the Company may from time to time in its discretion deem necessary or desirable to evidence, establish, maintain, perfect, enforce or defend the Company's rights in Confidential Information and Employee Developments.

(f) COMPLIANCE WITH POLICIES AND PROCEDURES. During the period that Executive is employed with the Company hereunder, Executive shall adhere to the policies and standards of professionalism set forth in the policies and procedures of the Company and IAC as they may exist from time to time.

(g) SURVIVAL OF PROVISIONS. The obligations contained in this Section 2 shall, to the extent provided in this Section 2, survive the termination or expiration of Executive's employment with the Company and, as applicable, shall be fully enforceable thereafter in accordance with the terms of this Agreement. If it is determined by a court of competent jurisdiction that any restriction in this Section 2 is excessive in duration or scope or is unreasonable or unenforceable under applicable law, it is the intention of the parties that such restriction may be modified or amended by the court to render it enforceable to the maximum extent permitted by applicable law.

3. ASSIGNMENT; SUCCESSORS. This Agreement is personal in its nature and none of the parties hereto shall, without the consent of the others, assign or transfer this Agreement or any rights or obligations hereunder; provided, that the Company may assign this Agreement to, or allow any of its obligations to be fulfilled by, or take actions through, any affiliate of the Company and, in the event of the merger, consolidation, transfer, or sale of all or substantially all of the assets of the Company (a "Transaction") with or to any other individual or entity, this Agreement shall, subject to the provisions hereof, be binding upon and inure to the benefit of such successor and such successor shall discharge and perform all the promises, covenants, duties, and obligations of the Company hereunder, and in the event of any such assignment or Transaction, all references herein to the "Company" shall refer to the Company's assignee or successor hereunder.

4. WITHHOLDING. The Company shall make such deductions and withhold such amounts from each payment and benefit made or provided to Executive hereunder, as may be required from time to time by applicable law, governmental regulation or order.

5. SECTION 409A OF THE INTERNAL REVENUE CODE.

(a) This Agreement is not intended to constitute a "nonqualified deferred compensation plan" within the meaning of Section 409A of the Internal Revenue Code of 1986, as amended, and the rules and regulations issued thereunder ("Section 409A"). It is intended that any amounts payable under this Agreement and the Company's and Executive's exercise of authority or discretion hereunder shall comply with and avoid the imputation of any tax, penalty or interest under Section 409A of the Code. This Agreement shall be construed and interpreted consistent with that intent. In no event shall the Company be required to pay Executive any "gross-up" or other payment with respect to any taxes or penalties imposed under Section 409A with respect to any benefit paid to Executive hereunder.

(b) For purposes of this Agreement, a "Separation from Service" occurs when Executive dies, retires or otherwise has a termination of employment with the Company that constitutes a "separation from service" within the meaning of Treasury Regulation Section 1.409A-1(h)(1), without regard to the optional alternative definitions available thereunder.

(c) If Executive is a "specified employee" within the meaning of Treasury Regulation Section 1.409A-1(i) as of the date of Executive's Separation from Service, Executive shall not be entitled to any payment or benefit pursuant to Section 1(d) that constitutes nonqualified deferred compensation under Section 409A until the earlier of (i) the date which is six (6) months after her Separation from Service for any reason other than death, or (ii) the date of Executive's death. The provisions of this paragraph shall only apply if, and to the extent, required to avoid the imputation of any tax, penalty or interest pursuant to Section 409A. Any amounts otherwise payable to Executive upon or in the six (6) month period following Executive's Separation from Service that are not so paid by reason of this Section 6(c) shall be paid (without interest) as soon as practicable (and in all events within thirty (30) days) after the date that is six (6) months after Executive’s Separation from Service (or, if earlier, as soon as practicable, and in all events within thirty (30) days, after the date of Executive’s death).

(d) To the extent that any reimbursement pursuant to this Agreement is taxable to Executive, Executive shall provide the Company with documentation of the related expenses promptly so as to facilitate the timing of the reimbursement payment contemplated by this paragraph, and any reimbursement payment due to Executive pursuant to such provision shall be paid to Executive on or before the last day of Executive’s taxable year following the taxable year in which the related expense was incurred. Such reimbursement obligations pursuant to this Agreement are not subject to liquidation or exchange for another benefit and the amount of such benefits that Executive receives in one taxable year shall not affect the amount of such benefits that Executive receives in any other taxable year.

(e) In no event shall the Company be required to pay Executive any “gross-up” or other payment with respect to any taxes or penalties imposed under Section 409A with respect to any benefit paid to Executive hereunder. The Company agrees to take any reasonable steps requested by Executive to avoid adverse tax consequences to Executive as a result of any benefit to Executive hereunder being subject to Section 409A, provided that Executive shall, if requested, reimburse the Company for any incremental costs (other than incidental costs) associated with taking such steps. All payments to be made upon a termination of employment under this Agreement may only be made upon a “separation from service” under Section 409A.

(f) For purposes of Section 409A, Executive’s right to receive any “installment” payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments.

6. HEADING REFERENCES. Section headings in this Agreement are included herein for convenience of reference only and shall not constitute a part of this Agreement for any other purpose. References to “this Agreement” or the use of the term “hereof” shall refer to these Standard Terms and Conditions and the Employment Agreement attached hereto, taken as a whole.

7. REMEDIES FOR BREACH. Executive expressly agrees and understands that Executive will notify the Company in writing of any alleged breach of this Agreement by the Company, and the Company will have thirty (30) days from receipt of Executive’s notice to cure any such breach. Executive expressly agrees and understands that in the event of any termination of Executive’s employment by the Company during the Term, the Company’s contractual obligations to Executive shall be fulfilled through compliance with its obligations under Section 1 of the Standard Terms and Conditions.

Executive expressly agrees and understands that the remedy at law for any breach by Executive of Section 2 of the Standard Terms and Conditions will be inadequate and that damages flowing from such breach are not usually susceptible to being measured in monetary terms. Accordingly, it is acknowledged that, upon Executive’s violation of any provision of such Section 2, the Company shall be entitled to obtain from any court of competent jurisdiction immediate injunctive relief and obtain a temporary order restraining any threatened or further breach as well as an equitable accounting of all profits or benefits arising out of such violation. Nothing shall be deemed to limit the Company's remedies at law or in equity for any breach by Executive of any of the provisions of this Agreement, including Section 2, which may be pursued by or available to the Company.

8. WAIVER; MODIFICATION. Failure to insist upon strict compliance with any of the terms, covenants, or conditions hereof shall not be deemed a waiver of such term, covenant, or condition, nor shall any waiver or relinquishment of, or failure to insist upon strict compliance with, any right or power hereunder at any one or more times be deemed a waiver or relinquishment of such right or power at any other time or times. This Agreement shall not be modified in any respect except by a writing executed by each party hereto.

9. SEVERABILITY. In the event that a court of competent jurisdiction determines that any portion of this Agreement is in violation of any law or public policy, only the portions of this Agreement that violate such law or public policy shall be stricken. All portions of this Agreement that do not violate any statute or public policy shall continue in full force and effect. Further, any court order striking any portion of this Agreement shall modify the stricken terms as narrowly as possible to give as much effect as possible to the intentions of the parties under this Agreement.

10. INDEMNIFICATION. The Company shall indemnify and hold Executive harmless for acts and omissions in Executive's capacity as an officer, director or employee of the Company to the maximum extent permitted under applicable law; provided, however, that neither the Company, nor any of its subsidiaries or affiliates shall indemnify Executive for any losses incurred by Executive as a result of acts described in Section 1(c) of this Agreement.

[The Signature Page Follows]

ACKNOWLEDGED AND AGREED:

Date:

Angi Inc.

/s/ Oisin Hanrahan
By: Oisin Hanrahan
Title: CEO

/s/ Dhanusha Sivajee
Dhanusha Sivajee

Exhibit A

The following sets forth terms that apply to the restricted stock unit awards approved by the Executive Compensation Committee.

Award Holder	Dhanusha Sivajee
Award Amount	$4,500,000 value of restricted stock units ("RSUs") under the Angi Inc. 2017 Stock and Annual Incentive Plan (the "Plan"), with the number of RSUs to be calculated by dividing $4,500,000 by the closing sale price for a share of the Company's Class A common stock on the Award Date (rounded down to the nearest whole share). Capitalized terms used (but not defined) in this Award Notice shall have the meanings set forth in the Plan.
Award Date	The date approved by the Executive Compensation Committee (the date on which the last director executes the written consent) or the Date of Hire, whichever is later.
Vest Start Date	Date of Hire
Vesting Schedule	Subject to Award Holder's continued employment with Angi Inc. or its subsidiaries, RSU award shall, subject to the provisions of the Plan, vest and become exercisable in four equal installments, with 1/4 vesting on each of the first, second, third and fourth anniversaries of your Vest Start Date.
Termination	Except as may be provided in Employment Agreement, all unvested RSUs shall be forfeited and canceled in their entirety upon such termination for any reason. In addition, upon termination for Cause or resignation in anticipation of being terminated for Cause, all RSUs shall be forfeited and canceled in their entirety upon such termination or resignation. In addition, if following any termination of employment for any reason, the Company becomes aware that during the two-year period prior to such termination there was an event or circumstance that constituted fraud (financial or otherwise) or that would have been grounds for termination for Cause that caused, or is reasonably likely to cause, meaningful damage (economic, reputational or otherwise) to the Company and/or any of its affiliates (the "Underlying Event"), then all RSUs that remain outstanding shall be canceled and forfeited in their entirety and if any portion of the RSUs vested after the Underlying Event, the Company shall be entitled to recover at any time within two years after such exercise any value received upon vesting.
Change in Control	Change in Control as defined in the Plan. 100% acceleration of vesting for all RSUs if, during the two-year period following a Change in Control, Award Holder's employment is terminated by the Company other than for Cause or Award Holder resigns for Good Reason (as such terms are defined in the Plan).

Impact of Corporate Transactions on Award	In the event of a Corporate Transaction or Share Change (as such terms are defined in the Plan), the Committee may and shall, respectively, adjust the Awards as it deems equitable and appropriate in accordance with the Plan. In the event of any other transaction that results in the common stock of the Company no longer being publicly traded, the Committee shall have the ability to adjust the Awards as it deems equitable and appropriate in a manner it determines in its sole discretion. In any such case, equitable and appropriate adjustments may include, without limitation: (a) the substitution of shares of Angi Class A common stock underlying the Awards with publicly-traded shares of the ultimate parent of the Company; or (b) the creation of a valuation and/or liquidity mechanism for the underlying shares of Angi Class A common stock underlying the awards which are no longer publicly traded.
Dividend Rights	No cash dividends will be paid on RSUs and/or on the shares of Angi Class A common stock underlying the RSUs. Stock dividends, distributions and extraordinary, significant non-recurring cash dividends may result in an adjustment to the number of RSUs, as determined by the Committee or the Board and as further provided by the Plan.
Form of Payout	Vested RSUs are settled in the form of shares of Angi Class A common stock.
Withholding Taxes	Upon vesting, RSUs are settled net of amounts necessary to cover withholding taxes, with shares of Angi Class A common stock withheld from vested awards.
Terms and Conditions:	Award Holder’s RSU award is subject to the related Terms and Conditions and to the Plan, which are incorporated herein by reference. Copies of these documents are also available upon request from Angi Inc. Legal.

Exhibit 31.1

Certification

I, Oisin Hanrahan, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended September 30, 2021 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: November 5, 2021

/s/ OISIN HANRAHAN
Oisin Hanrahan
Chief Executive Officer

Exhibit 31.2

Certification

I, Jeffrey W. Pedersen, certify that:

1. I have reviewed this quarterly report on Form 10-Q for the quarter ended September 30, 2021 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: November 5, 2021

/s/ JEFFREY W. PEDERSEN

Jeffrey W. Pedersen

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 September 30, 2021 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: November 5, 2021

/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, Jeffrey W. Pedersen, 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 September 30, 2021 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: November 5, 2021

/s/ JEFFREY W. PEDERSEN
Jeffrey W. Pedersen
Chief Financial Officer