REFINITIV

DELTA REPORT

10-Q

GRND - GRINDR INC.

10-Q - JUNE 30, 2024 COMPARED TO 10-Q - MARCH 31, 2024

The following comparison report has been automatically generated

TOTAL DELTAS	898
CHANGES	196
DELETIONS	296
ADDITIONS	406

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

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2024 June 30, 2024

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 number 001-39714

Grindr Inc.
(Exact name of registrant as specified in its charter)

Delaware	**92-1079067**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
PO Box 69176, 750 N. San Vicente Blvd., Suite RE 1400 West Hollywood, California	**90069**
(Address of Principal Executive Offices)	(Zip Code)

(310) 776-6680
Registrant's telephone number, including area code
N/A
(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $0.0001 par value per share	GRND	New York Stock Exchange
Warrants, each whole warrant exercisable for one share of Common Stock at an exercise price of $11.50 per share	GRND.WS	New York Stock Exchange

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 x 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 (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes x 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	x
Non-accelerated filer	☐	Smaller reporting company	x
		Emerging growth company	x

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 x

The registrant had 175,675,901 175,992,214 shares of common stock outstanding as of May 9, 2024 August 5, 2024.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Some of the statements contained in this Quarterly Report on Form 10-Q constitute forward-looking statements within the meaning of the federal securities laws. Forward-looking statements relate to expectations, beliefs, projections, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. These forward-looking statements include statements regarding our intentions, beliefs, current expectations or projections concerning, among other things, results of operations, financial condition, liquidity, prospects, growth, strategies and the markets in which we operate. In some cases, you can identify these forward-looking statements by the use of terminology such as "anticipates," "approximately," "believes," "continues," "could," "estimates," "expects," "goal," "intends," "may," "outlook," "plans," "potential," "predicts," "seeks," "should," "will" or the negative version of these words or other comparable words or phrases.

The forward-looking statements contained in this Quarterly Report on Form 10-Q reflect our current views about our business and future events and are subject to numerous known and unknown risks, uncertainties, assumptions and changes in circumstances that may cause actual results to differ materially from those expressed in any forward-looking statement. There are no guarantees that any transactions or events described will happen as described (or that they will happen at all). The following factors, among others, could cause actual results and future events to differ materially from those set forth in or contemplated by the forward-looking statements:

- our ability to retain existing users and add new users;

- the impact of the regulatory environment and complexities with compliance related to such environment, including maintaining compliance with privacy, data protection, and user safety laws and regulations;
- our ability to address privacy concerns and protect systems and infrastructure from cyber-attacks and prevent unauthorized data access;
- our success in retaining or recruiting our directors, officers, key employees, or other key personnel, and our success in managing any changes in such roles;
- our ability to respond to general economic conditions;
- competition in the dating and social networking products and services industry;
- our ability to adapt to changes in technology and user preferences in a timely and cost-effective manner;
- our ability to successfully adopt generative artificial intelligence processes and algorithms into our daily operations, including by deploying generative artificial intelligence and machine learning into our products and services;
- our dependence on the integrity of third-party systems and infrastructure;
- our ability to protect our intellectual property rights from unauthorized use by third parties;
- whether the concentration of our stock ownership and voting power limits our stockholders' ability to influence corporate matters; and
- the effects of macroeconomic and geopolitical events on our business, such as health epidemics, pandemics, natural disasters, and wars or other regional conflicts.

In addition, statements that "Grindr believes" or "we believe" and similar statements reflect our beliefs and opinions on the relevant subjects as of the date of any such statement. These statements are based upon information available to us as of the date they are made, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and such statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

While forward-looking statements reflect our good faith beliefs, they are not guarantees of future performance. Except to the extent required by applicable law, we are under no obligation (and expressly disclaim any such obligation) to update or revise our forward-looking statements whether as a result of new information, future events, or otherwise. For a further discussion of these and other factors that could cause our future results, performance, or transactions to differ significantly from those expressed in any forward-looking statement, please see the section titled "Risk*"Risk* *Factors"* included under Part I, Item 1A in our Annual Report on Form 10-K for the year ended December 31, 2023, as amended. Any forward-looking statement speaks only as of the date on which it is made, and you should not place undue reliance on any forward-looking statements, which are based only on information currently available to us (or to third parties making the forward-looking statements).

CERTAIN OPERATING AND FINANCIAL METRICS

In this Quarterly Report on Form 10-Q for the quarter ended March 31, 2024June 30, 2024, we refer to operating and financial metrics that our management team uses to evaluate our business. Our key operating measures include Paying Users, Average Paying Users, Average Direct Revenue per Average Paying User ("ARPPU"), Average Monthly Active Users ("Average MAUs"), Average Paying User Penetration, and Average Total Revenue Per User ("ARPU"). We define our key operating measures and how we calculate them in Item 2. the section titled *"Management's Discussion and Analysis of Financial Condition and Results of Operations—Operating and Financial Metrics." Metrics"* included under Part I, Item 2 in this Quarterly Report on Form 10-Q. We also refer to non-GAAP financial measures, including Adjusted EBITDA, and Adjusted EBITDA margin. margin, free cash flow, and free cash flow conversion. We describe how we calculate Adjusted EBITDA and Adjusted EBITDA margin these non-GAAP financial measures and provide a reconciliation reconciliations to net loss to Adjusted EBITDA the most comparable GAAP financial measures in Item 2. the section titled *"Management's Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measures." Measures"* included under Part I, Item 2 in this Quarterly Report on Form 10-Q.

PART I – FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements

Grindr Inc. and subsidiaries
Condensed Consolidated Balance Sheets (unaudited)
(in thousands, except share data)

	March 31,	December 31,			
	June 30,	December 31,			
	2024	2024	2023	2024	2023
Assets					
Current Assets					
Current Assets					
Current Assets					
Cash and cash equivalents					
Cash and cash equivalents					
Cash and cash equivalents					
Accounts receivable, net of allowance of $470 and $757, at March 31, 2024, and December 31, 2023, respectively					
Accounts receivable, net of allowance of $64 and $757, at June 30, 2024, and December 31, 2023, respectively					

Prepaid expenses		
Deferred charges		
Other current assets		
Total current assets		
Restricted cash		
Property and equipment, net		
Capitalized software development costs, net		
Intangible assets, net		
Goodwill		
Right-of-use assets		
Other assets		
Total assets		
Liabilities and Stockholders' Deficit		
Current Liabilities		
Current Liabilities		
Current Liabilities		
Accounts payable		
Accounts payable		
Accounts payable		
Accrued expenses and other current liabilities		
Current maturities of long-term debt, net		
Deferred revenue		
Total current liabilities		
Long-term debt, net		
Warrant liability		
Lease liability		
Deferred tax liability		
Other non-current liabilities		
Total liabilities		
Commitments and Contingencies (Note 14)	**Commitments and Contingencies (Note 14)**	**Commitments and Contingencies (Note 14)**
Stockholders' Deficit		
Preferred stock, par value $0.0001; 100,000,000 shares authorized; none issued and outstanding at March 31, 2024, and December 31, 2023, respectively		
Preferred stock, par value $0.0001; 100,000,000 shares authorized; none issued and outstanding at March 31, 2024, and December 31, 2023, respectively		
Preferred stock, par value $0.0001; 100,000,000 shares authorized; none issued and outstanding at March 31, 2024, and December 31, 2023, respectively		
Common stock, par value $0.0001; 1,000,000,000 shares authorized; 175,905,799 and 175,377,711 shares issued at March 31, 2024, and December 31, 2023, respectively; 175,391,283 and 175,020,471 outstanding at March 31, 2024, and December 31, 2023, respectively		
Preferred stock, par value $0.0001; 100,000,000 shares authorized; none issued and outstanding at June 30, 2024, and December 31, 2023, respectively		
Preferred stock, par value $0.0001; 100,000,000 shares authorized; none issued and outstanding at June 30, 2024, and December 31, 2023, respectively		
Preferred stock, par value $0.0001; 100,000,000 shares authorized; none issued and outstanding at June 30, 2024, and December 31, 2023, respectively		
Common stock, par value $0.0001; 1,000,000,000 shares authorized; 176,712,370 and 175,377,711 shares issued at June 30, 2024, and December 31, 2023, respectively; 175,953,103 and 175,020,471 outstanding at June 30, 2024, and December 31, 2023, respectively		
Treasury stock		
Additional paid-in capital		
Accumulated deficit		
Total stockholders' deficit		
Total liabilities and stockholders' deficit		

See accompanying notes to unaudited condensed consolidated financial statements.

Grindr Inc. and Subsidiaries
Condensed Consolidated Statements of Operations and Comprehensive Loss (unaudited)
(in thousands, except per share and share data)

	Three Months Ended March 31,						
		Three Months Ended June 30,		Six Months Ended June 30,			
	2024	2024	2023	2024	2023	2024	2023
Revenue							
Operating costs and expenses							
Cost of revenue (exclusive of depreciation and amortization shown separately below)							
Cost of revenue (exclusive of depreciation and amortization shown separately below)							
Cost of revenue (exclusive of depreciation and amortization shown separately below)							
Selling, general and administrative expense							
Product development expense							
Depreciation and amortization							
Total operating expenses							
Income from operations							
Other income (expense)							
Interest expense, net							
Interest expense, net							
Interest expense, net							
Other (expense) income, net							
Loss in fair value of warrant liability							
(Loss) gain in fair value of warrant liability							
Total other expense, net							
Net loss before income tax							
Income tax provision							
Net loss and comprehensive loss							
Net loss per share							
Net (loss) income before income tax							
Income tax provision (benefit)							
Net (loss) income and comprehensive (loss) income							
Net (loss) income per share							
Basic							
Basic							
Basic							
Diluted							
Weighted-average shares outstanding:							
Basic							
Basic							
Basic							
Diluted							

See accompanying notes to unaudited condensed consolidated financial statements.

Grindr Inc. and subsidiaries

Condensed Consolidated Statements of Stockholders' Deficit (unaudited)

(in thousands, except per share amounts and share data)

	Preferred Stock (Par value $0.0001)	Preferred Stock (Par value $0.0001)	Common Stock (Par value $0.0001)	Treasury Stock	Additional paid-in capital	Accumulated deficit	Total stockholders' deficit	Preferred Stock (Par value $0.0001)	Common Stock (Par value $0.0001)	Treasury Stock	Additional paid-in capital	Accumulated deficit	Total stockholders' deficit
	Shares												
Balance at December 31, 2022													
Balance at December 31, 2022													
Balance at December 31, 2022													
Net loss and comprehensive loss													
Interest on the promissory note to a member													
Repayment of promissory note to a member													
Payment of interest on promissory note to a member													
Stock-based compensation													
Vested restricted stock units													
Exercise of stock options													
Balance at March 31, 2023													
Net income and comprehensive income													
Stock-based compensation													
Vested restricted stock units													
Exercise of stock options													
Balance at June 30, 2023													

	Preferred Stock (Par value $0.0001)		Common Stock (Par value $0.0001)		Treasury Stock		Additional paid-in capital	Accumulated deficit	Total stockholders' deficit
	Shares	Amount	Shares	Amount	Shares	Amount			
Balance at December 31, 2023	—	$ —	175,377,711	$ 18	357,240	$ (2,154)	$ 44,655	$ (60,811)	$ (18,292)
Net loss and comprehensive loss	—	—	—	—	—	—	—	(9,406)	(9,406)
Stock-based compensation	—	—	—	—	—	—	6,259	—	6,259
Vested restricted stock units	—	—	363,793	—	—	—	—	—	—
Exercise of stock options	—	—	164,295	—	—	—	916	—	916
Repurchase of common stock for net settlement of equity awards	—	—	—	—	157,276	(1,494)	—	—	(1,494)
Balance at March 31, 2024	—	$ —	175,905,799	$ 18	514,516	$ (3,648)	$ 51,830	$ (70,217)	$ (22,017)

Grindr Inc. and subsidiaries

Condensed Consolidated Statements of Stockholders' Deficit (unaudited) (continued)

(in thousands, except per share amounts and share data)

	Preferred Stock (Par value $0.0001)		Common Stock (Par value $0.0001)		Treasury Stock		Additional paid-in capital	Accumulated deficit	Total stockholders' deficit
	Shares	Amount	Shares	Amount	Shares	Amount			
Balance at December 31, 2023	—	$ —	175,377,711	$ 18	357,240	$ (2,154)	$ 44,655	$ (60,811)	$ (18,292)
Net loss and comprehensive loss	—	—	—	—	—	—	—	(9,406)	(9,406)
Stock-based compensation	—	—	—	—	—	—	6,259	—	6,259

Vested restricted stock units	—	—	363,793	—	—	—	—	—	—
Exercise of stock options	—	—	164,295	—	—	—	916	—	916
Repurchase of common stock for net settlement of equity awards	—	—	—	—	157,276	(1,494)	—	—	(1,494)
Balance at March 31, 2024	—	$ —	175,905,799	$ 18	514,516	$ (3,648)	$ 51,830	$ (70,217)	$ (22,017)
Net loss and comprehensive loss	—	—	—	—	—	—	—	(22,424)	(22,424)
Stock-based compensation	—	—	—	—	—	—	4,363	—	4,363
Vested restricted stock units	—	—	570,442	—	—	—	—	—	—
Exercise of stock options	—	—	236,129	—	—	—	816	—	816
Repurchase of common stock for net settlement of equity awards	—	—	—	—	244,751	(2,484)	—	—	(2,484)
Balance at June 30, 2024	—	$ —	176,712,370	$ 18	759,267	$ (6,132)	$ 57,009	$ (92,641)	$ (41,746)

See accompanying notes to unaudited condensed consolidated financial statements.

Grindr Inc. and subsidiaries
Condensed Consolidated Statements of Cash Flows (unaudited)
(in thousands)

		Three Months Ended March 31,		Six Months Ended June 30,	
	2024	**2024**	**2023**	**2024**	**2023**
Operating activities					
Net loss and comprehensive loss					
Net loss and comprehensive loss					
Net loss and comprehensive loss					
Adjustments to reconcile net loss to net cash provided by operating activities:					
Stock-based compensation					
Stock-based compensation					
Stock-based compensation					
Loss in fair value of warrant liability					
Amortization of debt discount and issuance costs					
Interest income on promissory note from member					
Depreciation and amortization					
Provision for expected credit losses					
Deferred income taxes					
Non-cash lease expense					
Changes in operating assets and liabilities:					
Accounts receivable					
Accounts receivable					
Accounts receivable					
Prepaid expenses and deferred charges					
Other current assets					
Other assets					
Accounts payable					
Accrued expenses and other current liabilities					
Deferred revenue					
Lease liability					
Other liabilities					
Net cash provided by operating activities					

Investing activities	
Purchase of property and equipment	
Purchase of property and equipment	
Purchase of property and equipment	
Purchases of property and equipment	
Purchases of property and equipment	
Purchases of property and equipment	
Additions to capitalized software	
Net cash used in investing activities	
Financing activities	
Proceeds from the exercise of stock options	
Proceeds from the exercise of stock options	
Proceeds from the exercise of stock options	
Principal payments on debt	
Withholding taxes paid on stock-based compensation	
Transaction costs paid in connection with the Business Combination	
Proceeds from the repayment of promissory note to a member including interest	
Net cash (used in) provided by financing activities	
Net (decrease) increase in cash, cash equivalents and restricted cash	
Cash, cash equivalents and restricted cash, beginning of the period	
Cash, cash equivalents and restricted cash, end of the period	
Reconciliation of cash, cash equivalents and restricted cash	
Cash and cash equivalents	
Cash and cash equivalents	
Cash and cash equivalents	
Restricted cash	
Cash, cash equivalents and restricted cash	
Supplemental disclosure of cash flow information:	
Cash interest paid	
Cash interest paid	
Cash interest paid	
Income taxes paid	
Supplemental disclosure of non-cash investing activities:	
Capitalized software development costs accrued but not paid	
Capitalized software development costs accrued but not paid	
Capitalized software development costs accrued but not paid	
Supplemental disclosure of non-cash financing activities:	
Repurchase of common stock for net settlement of equity awards	
Repurchase of common stock for net settlement of equity awards	
Repurchase of common stock for net settlement of equity awards	

See accompanying notes to unaudited condensed consolidated financial statements.

Grindr Inc. and subsidiaries

Notes to Condensed Consolidated Financial Statements (unaudited)

(in thousands, except per share amounts and share data)

1. Nature of Business

Grindr Inc. (the “Company” or “Grindr”) is headquartered in West Hollywood, California, and has additional offices in the San Francisco Bay Area, Chicago, and New York City. The Company operates the Grindr platform, a global social network platform serving and addressing the needs of the gay, bisexual, transgender, and queer community. sexually explorative people around the world. The Grindr platform is available as an app through Apple's App Store and Google Play, as well as on the web. Play. The Company offers both a free, ad-supported service and a premium subscription version.

Grindr was originally incorporated in the Cayman Islands on July 27, 2020, under the name Tiga Acquisition Corp. ("Tiga"), a special-purpose acquisition company for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization, or engaging in any other similar business combination with one or more businesses or entities. On May 9, 2022, Grindr Group LLC ("Grindr Group") and its subsidiaries (Grindr Group together with its subsidiaries, "Legacy Grindr") entered into an Agreement and Plan of Merger (as amended on October 5, 2022, the "Merger Agreement") with Tiga, in which Grindr Group became a wholly owned subsidiary of Tiga (the "Business Combination"). On November 17, 2022, Tiga was redomiciled to the United States. Upon the closing of the Business Combination on November 18, 2022 (the "Closing"), Tiga was renamed to "Grindr Inc."

2. Summary of Significant Accounting Policies

Basis of Presentation and Consolidation

The Business Combination was accounted for as a reverse recapitalization under the accounting principles generally accepted in the United States of America ("U.S. GAAP"). Under this method of accounting, Tiga was treated as the acquired company for financial reporting purposes. This determination was primarily based on (i) the Legacy Grindr unitholders having a relative majority of the voting power of Grindr, (ii) Legacy Grindr unitholders having the ability to nominate the majority of the members of the board of directors of the Company (the "Board"), and (iii) Legacy Grindr senior management comprising the senior management roles of Grindr and being responsible for the Company's day-to-day operations and strategy. Accordingly, for accounting purposes, the financial statements of Grindr represent a continuation of the financial statements of Legacy Grindr with the Business Combination being treated as the equivalent of Legacy Grindr issuing shares for the net assets of Tiga, accompanied by a recapitalization. The net assets of Tiga were recognized as of the Closing at historical cost, with no goodwill or other intangible assets recorded. Operations prior to the Business Combination are presented as those of Legacy Grindr and the accumulated deficit of Legacy Grindr has been carried forward after Closing.

The accompanying unaudited condensed consolidated financial statements have been prepared in conformity with U.S. GAAP and applicable rules and regulations of the Securities and Exchange Commission ("SEC") regarding interim financial reporting. Certain information and disclosures normally included in the condensed consolidated financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations. These unaudited condensed consolidated financial statements should be read in conjunction with the audited financial statements and accompanying notes for the year ended December 31, 2023. The unaudited condensed consolidated financial statements are unaudited and have been prepared on a basis consistent with that used to prepare the audited annual consolidated financial statements and include, in the opinion of management, all adjustments, consisting of normal and recurring items, necessary for the fair statement of the condensed consolidated financial statements. The condensed consolidated financial statements include the accounts of the Company, and its wholly owned subsidiaries after elimination of intercompany transactions and balances. The operating results for the three and six months ended March 31, 2024 June 30, 2024, are not necessarily indicative of the results expected for the full year ending December 31, 2024.

Accounting Estimates

Management of the Company is required to make certain estimates, judgments, and assumptions during the preparation of its condensed consolidated financial statements in accordance with U.S. 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 useful lives and recoverability of property and equipment and definite-lived intangible assets; the recoverability of goodwill and indefinite-lived intangible assets; the carrying value of accounts receivable, including the determination of the allowance for credit losses; the fair value of

common stock warrant liabilities; valuation allowance for deferred tax assets; effective income tax rate; unrecognized tax benefits; legal contingencies; the incremental borrowing rate for the Company's leases; and the valuation of stock-based compensation, among others.

Segment Information

The Company operates as one segment. The Company's operating segments are identified according to how the performance of its business is managed and evaluated by its chief operating decision maker ("CODM"), the Company's Chief Executive Officer ("CEO"). Substantially all of the Company's long-lived assets are attributed to operations in the U.S.

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value maximize the use of observable inputs and minimize the use of unobservable inputs. The fair value hierarchy is based on three levels of inputs, of which the first two are considered observable and the last is considered unobservable:

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.

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.

Recurring Fair Value Measurements

The following methods and assumptions were used to estimate the fair value of each class of financial assets and liabilities for which it is practicable to estimate fair value:

- Money market funds and U.S. treasury bonds — The carrying amount of money market funds and U.S. treasury bonds approximates fair value and is classified within Level 1 because the fair value is determined through quoted market prices.
- Warrant liability — Public Warrants (as defined in Note 8) are classified within Level 1 as these securities are traded on an active public market. Private Warrants (as defined in Note 8) are classified within Level 2. For the periods presented, the Company utilized the value of the Public Warrants as an approximation of the value of the Private Warrants as they are substantially similar to the Public Warrants, but not directly traded or quoted on an active market.

The Company's remaining financial instruments that are measured at fair value on a recurring basis consist primarily of cash and cash equivalents, accounts receivable, accounts payable, and accrued expenses, and other current liabilities. The Company believes their carrying values are representative of their fair values due to their short-term maturities. The fair values of the Company's credit agreement balances as disclosed in Note 6 were measured based on prices quoted from a third-party financial institution.

Nonrecurring Fair Value Measurements

Assets acquired and liabilities assumed in business combinations are initially measured at fair value on the acquisition date on a nonrecurring basis using Level 3 inputs. The Company is required to measure certain assets at fair value on a nonrecurring basis after initial recognition. These include goodwill, intangible assets, and long-lived assets, which are measured at fair value on a nonrecurring basis as a result of impairment reviews. Impairment is assessed annually in the fourth quarter or more frequently if an event occurs or circumstances change that would more likely than not reduce the fair

value of the reporting unit or assets below the carrying value. The fair value of the reporting unit or asset group is determined primarily using cost and market approaches (Level 3).

Revenue Recognition

Revenue is recognized when or as a customer obtains control of promised services. The amount of revenue recognized reflects the consideration which the Company expects to be entitled to in exchange for these services.

The Company derives substantially all of its revenue from direct revenue and indirect revenue, each, as described below. As permitted under the practical expedient available under Accounting Standards Update ("ASU") 2014-09, 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 for the amount at which the Company has the right to invoice for services performed.

Direct Revenue

Direct revenue consists of subscription revenue. Subscription revenue is generated through the sale of subscriptions that are currently offered or renewed in one-week, one-month, three-month, six-month, and twelve-month lengths. Subscription revenue is initially deferred and is recognized using the straight-line method over the term of the applicable subscription period. Direct revenue also consists of premium add-on revenue generated through the sale of an add-on feature on a pay-per-use, or a-la-carte, basis. Premium features are activated upon purchase and are available for a short duration, generally, within one day. Revenue from premium add-ons is recognized upon purchase of the premium add-on. Direct revenue is recorded net of taxes, credits, and chargebacks. Customers pay in advance, primarily through mobile app stores, and, subject to certain conditions identified in the Company's terms and conditions, generally all purchases are final and nonrefundable.

Indirect Revenue

Indirect revenue consists of advertising revenue and other non-direct revenue. The Company has contractual relationships with advertising service providers and also directly with advertisers to display advertisements on the Grindr platform. For all advertising arrangements, the Company's performance obligation is to provide the inventory for advertisements to be displayed on the Grindr platform. For contracts made directly with advertisers, the Company is also obligated to serve the advertisements on the Grindr platform. Providing the advertising inventory and serving the advertisement is considered a single performance obligation, as the advertiser cannot benefit from the advertising space without its advertisements being displayed.

The pricing and terms for all advertising arrangements are governed by either a master contract or insertion order. The transaction price in advertising arrangements is generally the product of the number of advertising units delivered (e.g., impressions, offers completed, videos viewed, etc.) and the contractually agreed upon price per advertising unit. Further, for advertising transactions with advertising service providers, the contractually agreed upon price per advertising unit is generally based on the Company's revenue share or fixed revenue rate as stated in the contract. The number of advertising units delivered is determined at the end of each month, which resolves any uncertainty in the transaction price during the reporting period.

Accounts Receivable, net of allowance for credit losses

The majority of app users access the Company's services through mobile app stores. The Company evaluates the credit worthiness of these two mobile app stores on an ongoing basis and does not require collateral from these entities. Accounts receivable also include amounts billed and currently due from advertising customers. The Company maintains an allowance for credit losses to provide for the estimated amount of accounts receivable that will not be collected. The allowance for credit losses is based upon historical collection trends adjusted for economic conditions using reasonable and supportable forecasts.

The accounts receivable balances, net of allowances, were $35,733 $40,289 and $33,906 as of March 31, 2024 June 30, 2024, and December 31, 2023, respectively. The opening balance of accounts receivable, net of allowances, was $22,435 as of January 1, 2023.

(in thousands, except per share amounts and share data)

Contract Liabilities

Deferred revenue consists of advance payments that are received in advance of the Company's performance. The Company classifies subscription deferred revenue as current and recognizes revenue straight-line over the terms term of the applicable subscription period or expected completion of the performance obligation which range from one week to twelve months. The deferred revenue balances were $19,070 $19,322 and $19,181 as of March 31, 2024 June 30, 2024, and December 31, 2023, respectively. The opening balance of deferred revenue was $18,586 as of January 1, 2023.

For the three and six months ended March 31, June 30, 2024, the Company recognized revenue of $13,184 of r $3,435 and $16,619, respectively, evenue that was included in the deferred revenue balance as of December 31, 2023. For the three and six months ended March 31, June 30, 2023, the Company recognized revenue of $13,303 3,748 and of revenue $16,877, respectively, that was included in the deferred revenue balance as of December 31, 2022.

Disaggregation of Revenue

The following tables summarize revenue from contracts with customers for the three and six months ended March 31, 2024, June 30, 2024 and 2023:

	Three Months Ended March 31,						
		Three Months Ended June 30,		Six Months Ended June 30,			
	2024	2024	2023	2024	2023	2024	2023
Direct revenue							
Indirect revenue							
	$						

	Three Months Ended March 31,						
		Three Months Ended June 30,		Six Months Ended June 30,			
	2024	2024	2023	2024	2023	2024	2023
North America (1)							
Europe							
Rest of the world							
	$						

(1) North America includes revenue generated only from the U.S. and Canada.

During the three and six months ended March 31, 2024 June 30, 2024, and 2023, revenue generated from the U.S., the Company's country of domicile, amounted to $43,387 $47,865 and $33,236, $91,252, respectively. During the three and six months ended June 30, 2023, revenue generated from the U.S. amounted to $36,137 and $69,373, respectively.

Accounting Pronouncements

As an "emerging growth company," the Jumpstart Our Business Startups Act of 2012 ("JOBS Act") allows the Company to delay adoption of new or revised pronouncements applicable to public companies until such pronouncements are made applicable to private companies. The Company has elected to use the adoption dates applicable to private companies. As a result, the Company's financial statements may not be comparable to the financial statements of issuers who are required to comply with the effective date for new or revised accounting standards that are applicable to public companies.

Accounting Pronouncements Not Yet Adopted

In June 2022, the Financial Accounting Standards Board (" ("FASB") issued ASU 2022-03, Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions, which applies to all equity securities measured at fair value that are subject to contractual sale restrictions. This change prohibits entities from taking into account contractual restrictions on the sale of equity securities when estimating fair value and introduces required disclosures for such transactions. The standard will become effective for fiscal years beginning after December 15, 2024. Early adoption is permitted. The Company will assess any impact from the adoption of this guidance if such transactions occur in the future.

(in thousands, except per share amounts and share data)

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which requires public business entities that disclose information on their reportable segments to provide additional information on their significant expense categories and “other segment items,” which represent the difference between segment revenue less significant segment expense and a segment’s measure of profit or loss. A description of “other segment items” is also required. Further, certain segment related disclosures that were limited to annual disclosure are now required at interim periods. Finally, public business entities are required to disclose the title and position of their CODM and explain how the CODM uses the reported measures of profit or loss to assess segment performance. This guidance is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. The Company does not expect ASU 2023-07 to have a material impact on the financial statement and related disclosures.

In December 2023, the FASB issued ASU 2023-09, Improvements to Income Tax Disclosures (Topic 740), which requires more detailed income tax disclosures. The guidance requires entities to disclose disaggregated information about their effective tax rate reconciliation as well as expanded information on income taxes paid by jurisdiction. The disclosure requirements will be applied on a prospective basis, with the option to apply them retrospectively. The standard is effective for fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is evaluating the disclosure requirements related to the new standard.

3. Other Current Assets

Other current assets consist of the following:

		March 31, 2024	December 31, 2023
		June 30, 2024	December 31, 2023
Income tax receivable			
Cloud computing arrangements implementation costs			
Other current assets			
	$		

4. Promissory Note from a Member

On April 27, 2021, Catapult GP II LLC (“Catapult GP II”), a related party wherein certain members of Catapult GP II were executives of the Company, purchased 5,387,194 common units of Legacy Grindr which were converted to 7,385,233 shares of common stock of the Company upon the Closing. In conjunction with the common units purchased, the Company entered into a full recourse promissory note with Catapult GP II with a face value of $30,000 (the “Note”). The Note, including all unpaid interest, was to be repaid the earlier of (1) the tenth anniversary of the Note, (2) upon the completion of a liquidity event, or (3) upon completion of an initial public offering or a special-purpose acquisition company transaction. The Note accrued interest at 10% per annum on a straight-line basis.

The Note, including interest, was fully paid in the first quarter of 2023. The Note and the related accrued interest were reflected as a reduction to equity in the condensed consolidated statements of stockholders’ deficit.

5. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consist of the following:

	March 31, 2024	December 31, 2023
	June 30, 2024	December 31, 2023
Employee compensation and benefits		
Litigation-related funds received from escrow (see Note 14)		
Accrued interest payable		
Accrued professional service fees		
Employee compensation and benefits		
Lease liability, short-term		
Income and other taxes payable		
Accrued legal expense		
Accrued infrastructure expense		
Lease liability, short-term		
Liability-classified awards - KPI awards (see Note 9)		
Accrued interest payable		

Accrued interest payable	
Accrued interest payable	
Other accrued expenses	
	$

6. **Debt**

Total debt for the Company is comprised of the following:

		March 31, 2024	December 31, 2023
		June 30, 2024	December 31, 2023
Senior Term Loan Facility			
Senior Revolving Facility			
	318,650		
Less: unamortized debt issuance costs			
	301,100		
Less: unamortized debt issuance and discount costs			
Total debt			
Less: current maturities of long-term debt			
Long-term debt			

2023 Credit Agreement

On November 28, 2023, a wholly owned subsidiary of the Company, Grindr Capital LLC ("Grindr Capital"), as borrower, entered into a credit agreement (the "2023 Credit Agreement") with the Company and certain other wholly owned subsidiaries of the Company, as guarantors, JPMorgan Chase Bank, N.A., as administrative agent, and the other lenders party thereto. The 2023 Credit Agreement provides for (i) a $300,000 senior secured term loan facility ("Senior Term Loan Facility"), and (ii) $50,000 senior secured revolving credit facility ("Senior Revolving Facility," and together with the Senior Term Loan Facility, the "2023 Credit Facilities") (with a $15,000 letter of credit sublimit and a $10,000 swingline loan sublimit). Grindr Capital has the option to request that lenders increase the amount available under the Senior Revolving Facility by, or obtain incremental term loans of, up to $100,000, subject to the terms of the 2023 Credit Agreement and only if existing or new lenders choose to provide additional term or revolving commitments.

On November 28, 2023, Grindr Capital borrowed the full amount of the Senior Term Loan Facility and $44,400 under the Senior Revolving Facility. Proceeds from the initial drawings under the 2023 Credit Facilities and cash on hand were used to repay in full outstanding obligations under the Company's previous credit agreement and to pay fees, premiums, costs, and expenses, including fees payable in connection with the 2023 Credit Agreement. Unused commitments under the 2023 Credit Agreement as of March 31, 2024 June 30, 2024, amounted to $27,600. $38,400. As of March 31, 2024 June 30, 2024, and December 31, 2023, there were no swingline loans or letter of credit outstanding under the 2023 Credit Agreement.

Borrowings under the 2023 Credit Agreement (other than swingline loans) bear interest at a rate equal to either, at Grindr Capital's option, (i) the highest of the Prime Rate (as defined in the 2023 Credit Agreement), the Federal Funds Rate (as defined in the 2023 Credit Agreement) plus 0.50%, or one-month Term SOFR (as defined in the 2023 Credit Agreement) plus 1.00% (the "Alternate Base Rate"); or (ii) Term SOFR; in each case plus an applicable margin ranging

Agreement) plus 1.00% (the "Alternate Base Rate"); or (ii) Term SOFR; in each case plus an applicable margin ranging from 2.75% to 3.25% with respect to Term SOFR borrowings and 1.75% to 2.25% with respect to Alternate Base Rate borrowings. The interest rate in effect for 2023 Credit Agreement, other than swingline loans, as of March 31, 2024 June 30, 2024, and December 31, 2023 is 8.4% and 8.5%, respectively.

Swingline loans under the 2023 Credit Agreement bear interest at the Alternate Base Rate plus the applicable margin. The applicable margin will be based upon the total net leverage ratio (as defined in the 2023 Credit Agreement) of the Company.

Grindr Capital will also be required to pay a commitment fee for the unused portion of the Senior Revolving Facility, which will range from 0.375% to 0.50% per annum, depending on the total net leverage ratio of the Company. For the three and sixthree months ended March 31, June 30, 2024, the Company's commitment fee was not significant.

The Senior Term Loan Facility will amortize on a quarterly basis at 1.25% of the aggregate principal amount outstanding as of the initial closing date of the 2023 Credit Agreement, until the final maturity date on November 28, 2028. Any borrowing under the Senior Revolving Facility may be repaid, in whole or in part, at any time and from time to time, subject to prior notice and accompanied by accrued interest and break funding payments, and any amounts repaid may be reborrowed, in each case, until the maturity date on November 28, 2028.

Mandatory prepayments are required under the Senior Revolving Facility when borrowings and letter of credit usage exceed the aggregate revolving commitments of all lenders. Mandatory prepayments are also required in connection with (i) certain asset dispositions and casualty events, in each case, to the extent the proceeds of such dispositions or casualty events exceed certain individual and aggregate thresholds and are not reinvested, and (ii) unpermitted debt transactions. For the three and sixthree months ended March 31, June 30, 2024, the Company was not required to make any mandatory prepayments.

(in thousands, except per share amounts and share data)

The 2023 Credit Agreement contains certain customary events of default, and if an event of default has occurred and continues beyond any applicable cure period, all outstanding obligations under the 2023 Credit Agreement may be accelerated or the commitments may be terminated, amongst other remedies. Additionally, the lenders are not obligated to fund any new borrowing under the 2023 Credit Agreement while an event of default is continuing.

For the three and sixthree months ended March 31, June 30, 2024, the Company did not incur debt issuance costs in conjunction with the 2023 Credit Agreement. The amortization of such debt issuance costs is included in “Interest expense, net” on the condensed consolidated statements of operations and comprehensive loss.

Covenants

The 2023 Credit Agreement includes financial covenants, including the requirement for the Company to maintain (i) a total net leverage ratio no greater than a specified level, currently 4.00:1.00 prior to and through December 31, 2024, no greater than 3.50:1.00 prior to and through December 31, 2025 and no greater than 3.00:1.00 thereafter; and (ii) a fixed charge coverage ratio no less than 1.15:1.00 from March 31, 2024 and thereafter.

The 2023 Credit Agreement also contains certain customary restrictive covenants regarding indebtedness, liens, fundamental changes, investments, restricted payments, disposition of assets, transactions with affiliates, hedging transactions, certain prepayments of indebtedness, amendments to organizational documents and sale and leaseback transactions. At March 31, 2024 June 30, 2024 and December 31, 2023, the Company was in compliance with the financial covenants under the 2023 Credit Agreement.

Fair value

The fair values of the Company’s 2023 Credit Agreement balances were measured based on prices quoted from a third-party financial institution, which the Company classifies as a Level 2 input within the fair value hierarchy. The estimated fair value of the 2023 Credit Agreement balances as of March 31, 2024 June 30, 2024 and December 31, 2023 were $317,057 $299,595 and $342,678, respectively.

7. Leases

Company as a lessee

The Company has one two operating lease leases for office space. The space that have lease has an original lease period periods expiring in 2025 and 2026, each with an option to renew. Renewal options are not recognized as part of the right-of-use assets and lease liabilities as it was not reasonably certain at the lease commencement date dates that the Company would exercise this option either or both of these options to extend the leases. The Company has signed a third operating lease for office space. However, the Company has not taken possession of the office space and as such, no right-of use asset and lease liability has been recognized for this operating lease.

The Company elected certain practical expedients under ASC Topic 842, Leases, which allows for the combination of lease and non-lease components of lease payments in determining right-of-use assets and related lease liabilities. The Company also elected the short-term lease exception. Leases with an initial term of twelve months or less that do not include an option to purchase the underlying asset are not recorded on the condensed consolidated balance sheets and are expensed on a straight-line basis over the lease term.

Components of lease cost included in “Selling, general and administrative expenses” on the condensed consolidated statements of operations and comprehensive loss (loss) income are as follows:

	Three Months Ended March 31,						
		Three Months Ended June 30,		Six Months Ended June 30,			
	2024	2024	2023	2024	2023	2024	2023
Operating lease cost							
Short-term lease cost							
Sublease income							
Total lease cost							

Supplemental cash flow information related to the lease leases is as follows:

	Three Months Ended March 31,			Six Months Ended June 30,	
	2024	2024	2023	2024	2023
Cash paid for amounts included in the measurement of lease liabilities					
Right-of-use assets obtained in exchange for lease liabilities:					
New lease entered into during the year					
New lease entered into during the year					

New lease entered into during the year

Supplemental balance sheet information related to the lease leases as of March 31, 2024 June 30, 2024 and December 31, 2023 is as follows:

	March 31, 2024		December 31, 2023	
	June 30, 2024		December 31, 2023	
Assets:				
Right-of-use assets				
Right-of-use assets				
Right-of-use assets	$ 3,046	$ 3,362	$ 3,414	$3,362
Liabilities:				
Accrued expenses and other current liabilities				
Accrued expenses and other current liabilities				
Accrued expenses and other current liabilities	1,471	1,405	2,270	1,405
Lease liability, long-term portion / Lease liability, long-term portion	1,856	2,241	Lease liability, long-term portion 1,512	2,241
Total operating lease liabilities / Total operating lease liabilities	$ 3,327	$ 3,646	Total operating lease liabilities $ 3,782	$ 3,646
Weighted average remaining operating lease term (years) / Weighted average remaining operating lease term (years)	2.1	2.3	Weighted average remaining operating lease term (years) 1.7	2.3
Weighted average operating lease discount rate / Weighted average operating lease discount rate	11.41%	11.41%	Weighted average operating lease discount rate 5.07%	11.41%

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(in thousands, except per share amounts and share data)

The Company's lease does leases do not provide a readily determinable implicit discount rate. The Company estimates its incremental borrowing rate as the discount rate based on the information available at the lease commencement. commencements. Future maturities of lease liabilities as of March 31, 2024 June 30, 2024, are as follows:

Remainder of 2024	
2025	
2026	
Thereafter	
Thereafter	
Thereafter	
Total lease payments	
Less: imputed interest	
Total lease liabilities	

There were no leases with residual value guarantees or executed leases that had not yet commenced as of March 31, 2024 June 30, 2024.

Company as a lessor

The Company is a sublessor on two one operating leases lease that expire expires in May 2024 and April 2026.

Future non-cancelable rent payments from the Company's sublease tenants tenant as of March 31, 2024 June 30, 2024 were as follows:

Remainder of 2024	
2025	
2026	
Thereafter	
	$

8. Warrant Liabilities

In connection with Tiga's initial public offering, Tiga issued: (i) 18,560,000 private placement warrants ("Private Warrants") to its sponsor, Tiga Sponsor LLC (the "Sponsor"); and (ii) sold 13,800,000 public warrants. In connection with the reverse recapitalization treatment of the Business Combination, the Company effectively issued 37,360,000 warrants to purchase shares of Grindr's common stock, which included 13,800,000 public warrants, 18,560,000 Private Warrants, 2,500,000 redeemable warrants ("Forward Purchase Warrants") issued pursuant to the Second Amended and Restated Forward Purchase Agreement, dated May 9, 2022, by and between Tiga and the Sponsor ("FPA"), and 2,500,000 redeemable warrants issued pursuant to a backstop commitment under the FPA ("Backstop Warrants"). The Forward Purchase Warrants and the Backstop Warrants have the same terms and are in the same form as the public warrants (as such, will collectively be referred to as the "Public Warrants").

(in thousands, except per share amounts and share data)

The Public Warrants, which entitle the registered holder to purchase one share of the Company's common stock, have an exercise price of $11.50, became exercisable 30 days after the completion of the Business Combination, and are set to expire five years from the completion of the Business Combination, or earlier upon redemption.

Each Private Warrant entitles the registered holder to purchase one share of the Company's common stock. The Private Warrants also have an exercise price of $11.50 and became exercisable 30 days after the completion of the Business Combination. The Private Warrants are set to expire five years from the completion of the Business Combination, or earlier upon redemption.

The Private Warrants are identical to the Public Warrants underlying the shares sold in Tiga's initial public offering, except that they are subject to certain transfer and sale restrictions and are not optionally redeemable when the Company's common stock price is above $18.00 so long as they are held by the initial purchasers or their permitted transferees. Additionally, the Private Warrants are exercisable on a cashless basis. If the Private Warrants are held by someone other than the initial purchasers or their permitted transferees, the Private Warrants will be redeemable by the Company and exercisable by such holders on the same basis as the Public Warrants.

As of March 31, 2024 June 30, 2024 and December 31, 2023, the Public Warrants and Private Warrants remained outstanding and unexercised. As of March 31, 2024 June 30, 2024 and December 31, 2023, the Public Warrant Warrants and Private Warrants together were remeasured to fair value of $43,428 $121,420 and $42,874, $67,622, respectively. The change in fair value for the three months ended March 31, 2024 and 2023, was a loss of $18,680 and $15,317, respectively, recognized in the condensed consolidated statements of operations and comprehensive loss. (loss) income. For the three and six months ended June 30, 2024, a fair value loss of $35,118 and $53,798 was recognized, respectively. For the three and six months ended June 30, 2023, a fair value gain of $7,098 and loss of $8,219 was recognized, respectively.

9. Stock-based Compensation

Stock-based compensation expense is related to the grant of restricted units under the 2022 Equity Incentive Plan ("2022 Plan") and the grant of unit stock options under the 2020 Equity Incentive Plan ("2020 Plan").

2022 Plan

Executive Incentive Awards – Market condition awards

Certain restricted stock unit ("RSU") awards granted by the Company are subject to market conditions. These market condition awards are issued upon the achievement (at varying levels) of certain market capitalization thresholds. The Company has an obligation to issue a variable number of shares based on a fixed dollar value divided by the volume weighted-average price per share of the Company's common stock for a 90-day period preceding each market capitalization achievement date. These awards are liability-classified and require fair value remeasurement at the end of each reporting period. No market condition awards were granted, forfeited, or issued during the three and six months ended March 31, 2024 June 30, 2024.

The Company used the Monte Carlo simulation model to value the liability-classified award. awards. The key inputs into the Monte Carlo simulation as of March 31, 2024 June 30, 2024 and December 31, 2023 were as follows:

		March 31, 2024				December 31, 2023				
		June 30, 2024				December 31, 2023				
Expected term (in years)	Expected term (in years)	10.0		10.0		Expected term (in years)	10.0		10.0	
Expected stock price volatility (1)	Expected stock price volatility (1)	65.0	%	65.0	%	Expected stock price volatility (1)	65.0	%	65.0	%
Risk-free interest rate (2)	Risk-free interest rate (2)	4.1	%	3.8	%	Risk-free interest rate (2)	4.3	%	3.8	%
Expected dividend yield (3)	Expected dividend yield (3)	—	%	—	%	Expected dividend yield (3)	—	%	—	%

(1) Expected volatility is based on historical volatilities of a publicly traded peer group over a period equivalent to the expected term of the awards.

(2) The risk-free interest rate is based on the U.S. Treasury yield of treasury bonds with a maturity that approximates the expected term of the awards.

(3) The Company has not historically paid any cash dividends on its common stock.

Key Performance Indicator ("KPI") awards

KPI awards will be issued upon the satisfaction of certain KPIs as determined annually by the Board. The Company has an obligation to issue a variable number of shares based on a fixed dollar value divided by the volume weighted-average price per share of the Company's common stock for a 90-day period preceding the issue date. The issue date shall occur no later than 120 days after the end of the applicable year. These awards are liability-classified and require fair value remeasurement at the end of each reporting period. The fair value of the KPI awards is based on the fixed dollar amount that is probable of being paid.

During the fourth quarter of 2023, the KPIs and measurement framework related to 2023 KPI awards were approved and granted by the Company's Compensation Committee as it relates to the year ending December 31, 2023. As of December 31, 2023, such KPIs were achieved. A total of 247,898 shares were issued in the first quarter of 2024 with a total fair value of $2,350. Stock-based compensation expense of $2,062 related to the service provided through issuance date

(in thousands, except per share amounts and share data)

compensation expense was recorded in the first quarter of $2,062 related to the service provided through March 31, 2024 were recorded 2024 in “Selling, general and administrative expense” on the condensed consolidated statements of operations and comprehensive loss. (loss) income.

During the first quarter of 2024, the KPIs and measurement framework related to 2024 KPI awards were approved and granted by the Company’s Compensation Committee as it relates to the year ending December 31, 2024. As of March 31, 2024 June 30, 2024, the liability was measured based on a probability weighted approach and stock-based compensation expense of $91 related to the service provided through March 31, 2024, $986 was accrued and recorded in “Accrued expenses and other current “Other non-current liabilities” in the condensed consolidated balance sheet. For the three and six months ended June 30, 2024, stock-based compensation expense of $895 and $986, respectively, related to the service provided from the grant date through June 30, 2024 were recorded in “Selling, general and administrative expense” on the condensed consolidated statements of operations and comprehensive (loss) income.

No KPI awards were granted for the three months ended June 30, 2024. No KPI awards were forfeited during the three and six months ended March 31, 2024 June 30, 2024.

Time-based Awards Activity

A summary of the unvested time-based RSU activity during the three six months ended March 31, 2024 June 30, 2024, was as follows:

	Number of Shares	Number of Shares	Weighted Average Grant Date Fair Value	Number of Shares	Weighted Average Grant Date Fair Value
Outstanding at December 31, 2023					
Granted					
Vested					
Forfeited					
Outstanding at March 31, 2024					
Outstanding at June 30, 2024					

2020 Plan

Stock options

The following table summarizes the stock option activity for the three six months ended March 31, 2024 June 30, 2024:

	Number of Options	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Outstanding at December 31, 2023					
Exercised					
Forfeited or expired					
Outstanding at March 31, 2024					
Outstanding at June 30, 2024					

Stock-based compensation information

The following table summarizes stock-based compensation expenses for the three and six months ended March 31, 2024 June 30, 2024 and 2023:

	Three Months Ended March 31,	
	2024	2023
Selling, general and administrative expenses	$ 7,423	$ 3,061
Product development expenses	446	280
	$ 7,869	$ 3,341

Stock-based compensation expense that was capitalized as an asset was $32 and $54 for the three months ended March 31, 2024 and 2023, respectively.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Selling, general and administrative expenses	$ 6,917	$ 3,109	$ 14,340	$ 6,170
Product development expenses	$ 804	$ 496	1,250	$ 776

(in thousands, except per share amounts and share data)

	$ 7,721	$ 3,605	$ 15,590	$ 6,946

Stock-based compensation expense that was capitalized as an asset was $56 and $88 for the three and six months ended June 30, 2024, respectively. Stock-based compensation expense that was capitalized as an asset was $84 and $138 for the three and six months ended June 30, 2023, respectively.

10. Income Tax

In determining the quarterly provisions for income taxes, the Company uses the estimated annual effective tax rate applied to the actual year-to-date (loss) income, (loss), adjusted for discrete items arising in that quarter. In addition, the effect of changes in enacted tax laws or rates and tax status is recognized in the interim period in which the change occurs.

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

For the three and six months ended March 31, 2024 and 2023, June 30, 2024, the Company recorded an income tax provision of $2,680 $4,965 and $15,503, $7,645, respectively. For the three and six months ended June 30, 2023, the Company recorded an income tax benefit of $14,051 and an income tax provision of $1,452, respectively. The Company's annual estimated effective tax rate differs from the U.S. federal statutory rate of 21% because of primarily due to the nondeductible fair value adjustments on the change in the warrant liabilities and was also impacted by the change in valuation allowance, nondeductible officer compensation, the foreign derived intangible income deduction, and the research and development credit. Due to the ongoing market volatility of the fair value adjustments on the warrant liabilities, the adjustments are not estimable and as a result, the Company applied continues to apply the tax effect of the fair value adjustment to the warrant liabilities as a discrete item in the current quarter.

11. Net Loss Per Share

The following table sets forth the computation of basic and diluted loss per share:

	Three Months Ended March 31,						
		Three Months Ended June 30,		Six Months Ended June 30,			
	2024	2024	2023	2024	2023	2024	2023
Numerator:							
Net loss and comprehensive loss							
Net loss and comprehensive loss							
Net loss and comprehensive loss							
Net (loss) income and comprehensive (loss) income							
Net (loss) income and comprehensive (loss) income							
Net (loss) income and comprehensive (loss) income							
Denominator:							
Basic and diluted weighted average shares of common stock outstanding							
Basic and diluted weighted average shares of common stock outstanding							
Basic and diluted weighted average shares of common stock outstanding							
Basic weighted average shares of common stock outstanding							
Basic weighted average shares of common stock outstanding							
Basic weighted average shares of common stock outstanding							
Diluted effect of stock-based awards							
Diluted weighted average shares of common shares outstanding							
Net loss per share							
Net loss per share							
Net loss per share							
Net (loss) income per share							
Net (loss) income per share							
Net (loss) income per share							

Basic
Basic
Basic
Diluted

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The following table presents the potential shares that are excluded from the computation of diluted net loss per share and comprehensive loss per share for the periods presented because including them would have had an anti-dilutive effect:

	Three Months Ended March 31,	Three Months Ended June 30,		Six Months Ended June 30,			
	2024	2024	2023	2024	2023	2024	2023
Stock options issued under 2020 Plan							
Time-based RSUs							
Public and Private Warrants							
Public and Private Warrants							
Public and Private Warrants							

Shares issuable for the market condition awards and 2024 KPI awards (see Note 9) are not included in the table above, as the market condition criterion and 2024 KPI award targets have not yet been achieved. Such shares are therefore not included in the Company's calculation of basic or diluted net income per share.

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(in thousands, except per share amounts and share data)

12. Fair Value Measurements

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

	March 31, 2024					June 30, 2024			
	Total	Total	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
Assets:									
Money market funds									
Money market funds									
Money market funds									
Liabilities:									
Liabilities:									
Liabilities:									
Common stock warrant liabilities									
Common stock warrant liabilities									
Common stock warrant liabilities									

	December 31, 2023			
	Total	Level 1	Level 2	Level 3
Assets:				
Money market funds	$ 6,495	$ 6,495	$ —	$ —
U.S. treasury bonds	10,717	10,717	—	—
	$ 17,212	$ 17,212	$ —	$ —
Liabilities:				

(in thousands, except per share amounts and share data)

Common stock warrant liabilities	$ 67,622	$ 34,028	$ 33,594	$ —

Money market funds and U.S. treasury bonds

The money market funds and U.S. treasury bonds are classified within Level 1 as these securities are traded on an active public market.

Common stock warrant liabilities

The Private Warrants and Public Warrants were accounted for as a liability in accordance with ASC Topic 815, Derivatives and Hedging (see Note 8). The warrant liability was measured at fair value upon assumption and on a recurring basis, with changes in fair value presented in the condensed consolidated statements of operations and comprehensive loss.

The Company used Level 1 inputs for valuing the Public Warrants and Level 2 inputs for valuing the Private Warrants. The Private Warrants are substantially similar to the Public Warrants, but not directly traded or quoted on an active market.

The following table presents the changes in the fair value of the warrant liability:

	Public Warrants	Public Warrants	Private Warrants	Total Warrant Liability	Public Warrants	Private Warrants	Total Warrant Liability
Fair value as of December 31, 2023							
Change in fair value of warrant liability							
Fair value as of March 31, 2024							
Fair value as of June 30, 2024							

13. Related Parties

See Note 4 for information regarding related party transactions with Catapult GP II.

14. Commitments and Contingencies

Litigation

From time to time, the Company is subject to various legal proceedings and claims, either asserted or unasserted, that arise in the ordinary course of business. Litigation can be expensive and disruptive to normal business operations. Moreover, the results of complex legal proceedings are difficult to predict, and the Company's view of these matters may

change in the future as the litigation and events related thereto unfold. The Company expenses legal fees as incurred. The Company records a provision for contingent losses when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. As of March 31, 2024 June 30, 2024, amounts accrued for contingent losses were not material to its financial position.

Norway Matter

In January 2021, the Norwegian Data Protection Authority ("NDPA") sent Grindr LLC, a wholly owned subsidiary of the Company, an "Advance notification of an administrative fine" of 100,000 NOK (the equivalent of approximately $9,071 $9,393 using the exchange rate as of March 31, 2024 June 30, 2024) for an alleged infringement of the General Data Protection Regulation ("GDPR"). The NDPA alleged that (i) Grindr LLC disclosed personal data to third party third-party advertisers without a legal basis in violation of Article 6(1) GDPR and (ii) Grindr LLC disclosed special category personal data to third party third-party advertisers without a valid exemption from the prohibition in Article 9(1) GDPR. Grindr LLC contested the draft findings and fine.

In December 2021, the NDPA issued a reduced administrative fine against Grindr LLC in the amount of 65,000 NOK (the equivalent of approximately $5,896 $6,105 using the exchange rate as of March 31, 2024 June 30, 2024) Grindr LLC filed an appeal with the NDPA. On November 24, 2022, Grindr Group and Kunlun Grindr Holdings Limited ("Kunlun") entered into an escrow agreement providing for Grindr Group's access to $6,500 of funds for the total amount payable, if any, by Grindr LLC following Grindr LLC's appeal of the NDPA's decision to the NDPA and, as applicable to the Norwegian Privacy Appeals Board (the "NPAB").

On December 7, 2022, the NDPA upheld the reduced administrative fine against Grindr LLC and the appeal was sent to the NPAB for further consideration. On September 29, 2023, the NPAB issued its decision to uphold the NDPA's decision and fine of 65,000 NOK. On October 10, 2023, Grindr Group received $5,929 from the escrow account with Kunlun, (the equivalent of approximately 65,000 NOK using the exchange rate as of October 3, 2023). On October 27, 2023, Grindr LLC filed suit in Oslo District Court to overturn the NPAB's decision, including to eliminate the fine. Grindr participated in a hearing in March 2024 and is awaiting a decision from On July 1, 2024, the Oslo District Court. Court upheld the prior decision and ordered Grindr to pay the government attorneys fees of approximately $50. At this time Grindr is not able evaluating whether to reasonably estimate appeal or further contest the likelihood or amount of any fine that Grindr LLC may ultimately be required to pay. loss.

Israeli Class Action

In December 2020, Grindr LLC was named in a statement of claim and petition for certification of a class action in Israel (Israeli Central District Court). The statement of claims generally alleges that Grindr LLC violated users' privacy by sharing information with third parties without their explicit consent. The petitioner asserts several causes of action under Israeli law, including privacy breaches, unlawful enrichment, and negligence, as well as causes of action under California law, including privacy violations under the California Constitution and California common law, negligence, violation of the Unfair Competition Law, and unjust enrichment. The statement of claims seeks various forms of monetary, declaratory,

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and injunctive relief, in addition to certification as a class action. On December 22, 2022, Grindr LLC filed its response over the class certification, which opposes class certification and included both employee and expert opinions. The Plaintiff filed an amended complaint in April 2024. At this time it is too early to determine the likely outcome of this proceeding or whether the proceeding may ultimately have a material adverse effect on the Company's business, including because of the uncertainty of (i) whether Grindr LLC will incur a loss; (ii) if a loss is incurred, what the amount of that loss may be; and (iii) whether Grindr LLC may determine to appeal or further contest the loss.

UK Potential Group Action

On March 15, 2024, Grindr LLC received a letter from the a UK law firm Austen Hays Limited asserting that it represented a group of Grindr users from a period between 2018 and 2020 and alleging unlawful processing of their personal data and misuse of their private information in alleged breach of UK data protection laws and UK GDPR. On April 22, 2024, Austen Hays the UK law firm issued proceedings in the English Court, which have not yet been made public or served. At this time, this matter remains in its nascent stages, and it is too early to determine the likely outcome of this matter or whether the matter may ultimately have a material adverse effect on the Company's business, including because of the uncertainty of (i) whether Grindr LLC will incur a loss, (ii) if a loss is incurred, what the amount of that loss may be, and (iii) whether Grindr LLC may determine to appeal or further contest the loss.

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15. Subsequent Events

Except as described below, or as otherwise indicated in the footnotes, the Company has concluded that no events or transactions have occurred that require disclosure.

In April July 2024, the Company made a voluntary principal payment stockholders approved the amendment and restatement of $7,000 reducing the balance 2022 Plan to increase the number of shares reserved for issuance under the Senior Revolving Facility.

In April 2022 Plan by 2,860,300 shares from 13,764,400 shares to 16,624,700 shares (the "Amended 2022 Plan"). The Amended 2022 Plan became effective immediately upon stockholder approval at the Company's 2024 the Company entered into a lease agreement located in Chicago, Illinois, to provide for long-term office space in the area. The lease has an original lease period for 39 months with an option to renew. In April 2024, the Company also entered into a lease agreement located in San Francisco, California, to provide for a 13 months lease period. The Company is currently evaluating all the terms annual meeting of these lease agreements and their impact stockholders held on the condensed consolidated financial statements. July 19, 2024.

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with the unaudited condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q. In addition to the unaudited condensed consolidated financial information, the following discussion contains forward-looking statements that reflect our plans, estimates, beliefs and expectations that involve risks and uncertainties. Our actual results and the timing of events could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to these differences include those discussed below and elsewhere in this Quarterly Report on Form 10-Q, particularly in "Special Note Regarding Forward-Looking Statements."

Overview

Grindr Inc. ("'s ("Grindr" or the "Company") mission is to build the global Gayborhood in Your Pocket™Company") manages, and, operates through its success, to make a world where the lives of our global community are free, equal, and just. We manage and operate the Grindr platform, a global social network platform serving and addressing the needs of gay, bi, and sexually explorative people around the LGBTQ community. world. We had 13.7 14.1 million Average MAUs and 1,011 1,056 thousand Average Paying Users for the three months ended March 31, 2024 June 30, 2024, as compared to 12.8 million 13.1 million Average MAUs and 866 929 thousand Average Paying Users for the three months ended March 31, 2023June 30, 2023. We had 13.9 million Average MAUs and 1,033 thousand Average Paying Users for the six months ended June 30, 2024, as compared to 13.0 million Average MAUs and 898 thousand Average Paying Users for the six months ended June 30, 2023.

The Grindr platform includes a mobile application and a web-browser-based application. The Grindr mobile application is free to download and provides certain services and features to Grindr'sGrindr's users at no cost. We also offer a variety of additional controls and features for users who enroll in our premium subscriptionpaid subscriptions and add-on products, including access to our web application for Grindr XTRA and Grindr Unlimited. A substantial portion of our revenue is from direct revenue, representing 85.4%84.9% and 85.2% of total revenue for the three and six months ended March 31, 2024.June 30, 2024, respectively. Direct revenue is derived directly from users in the form of subscription fees, providing our users access to a variety of features for the period of their subscription, or in the form of add-ons for pay-per-use access to premium features. Leveraging strong brand awareness and our significant user network stemming from our first mover advantage in the LGBTQ social networking industry, our historical growth in number of users has been driven primarily by word-of-mouth referrals and other organic means. Through gayborhood expansion initiatives, we are developing new products for users to engage with the Grindr platform, which include new partnership-based digital versions of services typically found in physical gayborhoods. Our social impact division, Grindr for Equality, advances human rights, health, and safety for millions of LGBTQ people in partnership with organizations in every region of the world.

In addition to our revenue generated from subscription fees and premium add-ons, we also generate indirect revenue, representing 14.6%15.1% and 14.8% of total revenue for the three and six months ended March 31, 2024June 30, 2024, whichrespectively. Indirect revenue includes both first-party and third-party advertising. We provide advertisers with the opportunity to directly target and reach our community. Advertisers on our Grindr platform span across many different industries, including healthcare, entertainment, gaming, travel, and consumer goods. We offer our partners a diverse range of advertising opportunities, including in-app banners, full-screen interstitials, and other customized units, typically sold on a number of impressions basis. Additionally, we contract with a variety of third-party advertisement sales platforms to market and sell digital advertising inventory available on the Grindr platform. We will continue to evaluate opportunities to increase ad inventory with differentiated offerings.

While we have users in over 190 countries and territories, our core markets are currently North America and Europe, from which together we derived 84.4%84.6% and 85.0%85.1% of our total revenues for the threesix months ended March 31, 2024June 30, 2024 and 2023, respectively. We intend to grow our user base and revenues by continuing to introduce new and innovative products and services to all of our users and by providing products and services in targeted geographic regions outside of our current core market. We intend to focus on regions with a large number of potential users, favorable regulatory environments, and fast-growing economies. across the globe.

For the three months ended March 31, 2024June 30, 2024, and 2023, we generated $75.3 million$82.3 million and $61.5 million of revenue, respectively, and for the six months ended June 30, 2024, and 2023, we generated $157.7 million and $117.3 million of revenue, respectively, representing a period-over-period growth of 34.9%33.8% and 34.4% as compared to the same periodthree-month and six-month periods in 2023, respectively.

We had over 1,056 thousand and had 1,0111,033 thousand Average Paying Users which is 16.7% higher than our Average Paying Usersfor the three and six months ended June 30, 2024, respectively, representing period-over-period growth of 13.7% and 15.0% as compared to the three-month and six-month periods in the same period in 2023.

On average, profiles on our platform sent over 367.2476.5 million and 317.7 million330.8 million daily messages for the three months ended March 31, 2024June 30, 2024, and 2023, respectively, and 421.8 million and 324.3 million daily messages for the six months ended June 30, 2024, and 2023, respectively.

Certain Labor Matters

In July 2023, the Communications Workers of America AFL-CIO ("CWA") filed an election petition with the National Labor Relations Board ("NLRB") seeking to hold a representation election for certain categories of our employees. CWA subsequently filed with the NLRB a total of several unfair labor practice charges against us and requested injunctive relief under Sec. 10(j) of the National Labor Relations Act. Acting on the petition, the NLRB conducted a secret-ballot election in November and December 2023. As of the date of filing of this Quarterly Report on Form 10-Q, the NLRB has not yet completed the tallying of votes from the election nor has it ruled on the unfair labor practice charges.

Consolidated Results for Three Months Ended March 31, 2024June 30, 2024 and 2023

For the three months ended March 31, 2024June 30, 2024 and 2023, we generated:

- Revenue of $75.3 million$82.3 million and $55.8 million$61.5 million, respectively. The increase for the three months ended March 31, 2024June 30, 2024 compared to the three months ended March 31, 2023June 30, 2023 was $19.5 million$20.8 million, or 34.9%33.8%.

- Net loss of $9.4 million$22.4 million and $32.9 millionnet income of $22.3 million, respectively. This resulted in a net loss margin of 27.2% and a net income margin of 36.3%, respectively. The decrease for the three months ended March 31, 2024June 30, 2024 compared to the three months ended March 31, 2023June 30, 2023 was $23.5 million$44.7 million.

- Adjusted EBITDA of $36.9 million and $26.9 million, respectively. This resulted in an Adjusted EBITDA margin of 44.9% and 43.7%, respectively. The Adjusted EBITDA increase for the three months ended June 30, 2024 compared to the three months ended June 30, 2023 was $10.0 million, or 71.4%37.2%. See *"—Non-GAAP Financial Measures"* belowfor more details on the calculations and reconciliations.

Consolidated Results for Six Months Ended June 30, 2024 and 2023

For the six months ended June 30, 2024 and 2023, we generated:

- Revenue of $157.7 million and $117.3 million, respectively. The increase for the six months ended June 30, 2024 compared to the six months ended June 30, 2023 was $40.3 million, or 34.4%.

- Net loss of $31.8 million and $10.6 million, respectively. This resulted in a net loss margin of 12.5% 20.2% and 58.9% 9.0%, respectively. The net loss increase for the six months ended June 30, 2024 compared to the six months ended June 30, 2023 was $21.3 million, or 201.2%.

- Adjusted EBITDA of $31.6 million $68.6 million and $22.0 million $48.9 million, respectively. The increase for the three months ended March 31, 2024 compared to the three months ended March 31, 2023 was $9.6 million, or 43.6%. This resulted in an Adjusted EBITDA margin of 41.9% 43.5% and 39.4% 41.7%, respectively. The Adjusted EBITDA increase for the six months ended June 30, 2024 compared to the six months ended June 30, 2023 was $19.7 million, or 40.3%. See *"—Non-GAAP Financial Measures—Adjusted EBITDA" Measures"* below for more details on the calculations and reconciliations.

The Business Combination and Public Company Costs

On May 9, 2022, Grindr, Tiga Acquisition Corp. ("Tiga") and Tiga Merger Sub LLC, a Delaware limited liability company and direct and wholly-owned subsidiary of Tiga ("Merger Sub I") entered into that certain Agreement and Plan of Merger (the "Original Merger Agreement"), as amended by that certain First Amendment to Agreement and Plan of Merger, dated as of October 5, 2022, by and among Grindr, Tiga, Merger Sub I and Tiga Merger Sub II LLC, a Delaware limited liability company and direct and wholly-owned subsidiary of Tiga ("Merger Sub II") (together with the Original Merger Agreement, the "Merger Agreement") pursuant to which Grindr was merged with and into Merger Sub I, with Grindr as the surviving entity and a wholly owned subsidiary of Tiga (the "First Merger"), and promptly afterwards and as part of the same overall transaction as the First Merger, the merger of such surviving company with and into Merger Sub II, with Merger Sub II being the surviving entity and a wholly owned subsidiary of Tiga (the "Second Merger"), in accordance with the terms and conditions of the Merger Agreement. The transaction was completed on November 18, 2022 (the "Business Combination"). Grindr was deemed the accounting predecessor and the combined entity is the successor registrant with the Securities and Exchange Commission ("SEC"), meaning that Grindr's condensed consolidated financial statements for previous periods will be disclosed in Grindr's future periodic reports filed with the SEC.

While the legal acquirer in the Merger Agreement was Tiga, for financial accounting and reporting purposes under the accounting principles generally accepted in the United States of America ("U.S. GAAP"), Legacy Grindr was the accounting acquirer and the Business Combination was accounted for as a "reverse recapitalization." A reverse recapitalization (i.e., a capital transaction involving the issuance of stock by Tiga for the stock of Grindr) did not result in a new basis of accounting, and the consolidated financial statements of the combined entity represent the continuation of the

consolidated financial statements of Legacy Grindr in many respects. Accordingly, the consolidated assets, liabilities and results of operations of Legacy Grindr became the historical consolidated financial statements of Grindr, and Tiga's assets, liabilities, and results of operations were consolidated with Legacy Grindr beginning on the acquisition date. Operations prior to the Business Combination are presented as those of Legacy Grindr and will be presented as such in future reports. The net assets of Tiga were recognized at historical cost (which was consistent with carrying value), with no goodwill or other intangible assets recorded upon execution of the Business Combination.

As a consequence of the Business Combination, Grindr became the successor to an SEC-registered and NYSE-listed company, which required Grindr to hire additional personnel and implement procedures and processes to address public company regulatory requirements and customary practices. Grindr has incurred and expects to incur additional annual expenses as a public company for, among other things, directors' and officers' liability insurance, director fees and additional internal and external accounting, legal and administrative resources, including increased audit and legal fees. The Company is classified as an Emerging Growth Company, as defined under the Jumpstart Our Business Act (the "JOBS Act"), which was enacted on April 5, 2012. As a result of the Business Combination, the Company is provided certain disclosure and regulatory relief, provided by the SEC, as an Emerging Growth Company and Smaller Reporting Company.

Grindr's future results of consolidated operations and financial position may not be comparable to historical results as a result of the Business Combination.

How We Generate Revenue

We currently generate revenue from two revenue streams—Direct Revenue and Indirect Revenue, Revenue—both of which are driven by the Grindr platform. Direct Revenue is generated by our users who pay for subscriptions or add-ons to access premium features. Indirect Revenue is generated by third parties who pay us to advertise to our users.

Direct Revenue is driven by our subscription revenue and premium add-ons. Our current subscription offerings are Grindr XTRA and Grindr Unlimited. Our subscription revenue has grown through organic user acquisition and the viral network effects enabled by our brand and the quality of our platform. We utilize a freemium model to drive increased user acquisition, subscriber conversions, and monetization on the Grindr platform. We offer premium add-ons on a pay-per-use, or a-la-carte, basis, such as the ability to boost a user profile to the top of the cascade. By introducing subscription and premium add-on offerings, we continue to increase our Average Paying Users. For the three and six months ended March 31, 2024 and 2023, June 30, 2024, our Direct Revenue accounted for 85.4% 84.9% and 86.2% 85.2% of our total revenue, respectively. For the three and six months ended June 30, 2023, our Direct Revenue accounted for 86.4% and 86.3% of our total revenue, respectively.

Indirect Revenue primarily consists of revenue generated by third parties who pay us to advertise to our users. Our advertising offerings provide advertisers with the opportunity to target and directly reach the LGBTQ community, a group with significant global purchasing power and economic potential. We have attracted advertisers from a diverse array of industries, including healthcare, entertainment, gaming, travel, and consumer goods. We offer a diverse range of advertising opportunities to advertisers, such as in-app banners, full-screen interstitials, and other customized units, typically on a cost per mille ("CPM") basis. We contract with a variety of third-party ad advertising platforms to market and sell a portion of our digital and mobile advertising inventory available on the Grindr platform. We intend to continue to grow our Indirect Revenue through advertising, partnerships, and other non-direct initiatives. For the three and six months ended March 31, 2024 and 2023, June 30, 2024, our Indirect Revenue accounted for 14.6% 15.1% and 13.8% 14.8% of our total revenue, respectively. For the three and six months ended June 30, 2023, our Indirect Revenue accounted for 13.6% and 13.7% of our total revenue, respectively.

Operating and Financial Metrics

			Three Months Ended March 31,						
			Three Months Ended June 30,			Six Months Ended June 30,			
(in thousands, except ARPPU and ARPU)	(in thousands, except ARPPU and ARPU)	2024	2023	(in thousands, except ARPPU and ARPU)	2024	2023		2024	2023
Key Operating Metrics									
Average Paying Users									
Average Paying Users									
Average Paying Users									
Average Monthly Active Users ("Average MAUs")									
Average Paying User Penetration		7.5 %	7.1 %		7.4 %	6.9 %			
Average Direct Revenue per Average Paying User ("ARPPU")									
Average Monthly Active Users ("Average MAUs")		13,705	12,826						
Average Total Revenue per User ("ARPU")									

	Three Months Ended March 31,	
($ in thousands)	2024	2023
Key Financial and Non-GAAP Metrics(1)		
Revenue	$ 75,345	$ 55,809
Direct revenue	$ 64,378	$ 48,126
Indirect revenue	$ 10,967	$ 7,683
Net loss	$ (9,406)	$ (32,899)
Net loss margin	(12.5)%	(58.9)%
Adjusted EBITDA	$ 31,607	$ 21,999
Adjusted EBITDA Margin	41.9 %	39.4 %
Net cash provided by operating activities	$ 20,449	$ 8,501

	Three Months Ended June 30,		Six Months Ended June 30,	
($ in thousands)	2024	2023	2024	2023
Key Financial and Non-GAAP Metrics(1)				
Revenue	$ 82,345	$ 61,538	$ 157,690	$ 117,347
Direct revenue	$ 69,918	$ 53,185	$ 134,296	$ 101,311
Indirect revenue	$ 12,427	$ 8,353	$ 23,394	$ 16,036
Net (loss) income	$ (22,424)	$ 22,331	$ (31,830)	$ (10,568)
Net (loss) income margin	(27.2)%	36.3 %	(20.2)%	(9.0)%
Adjusted EBITDA	$ 36,945	$ 26,884	$ 68,552	$ 48,883
Adjusted EBITDA Margin	44.9 %	43.7 %	43.5 %	41.7 %
Net cash provided by operating activities	$ 15,850	$ 6,303	$ 36,299	$ 14,783
Operating cash flow conversion	(70.7)%	28.2 %	(114.0)%	(139.9)%
Free cash flow	$ 14,154	$ 5,220	$ 33,455	$ 12,208
Free cash flow conversion	38.3 %	19.4 %	48.8 %	25.0 %

(1) *See "—Non-GAAP Financial Measures" below for additional information and a reconciliation of net loss non-GAAP financial measures to Adjusted EBITDA and Adjusted EBITDA Margin. the most comparable GAAP financial measures.*

- **Average Paying Users.** A Paying User is a user that has purchased or renewed a Grindr subscription and/or purchased a premium add-on on the Grindr platform. We calculate Average Paying Users by adding up the number of Paying Users in each day and then dividing that number by the number of days in the relevant measurement period. A Paying User who is both a subscriber and an add-on purchaser in the same day will be counted as one Paying User. Duplicate Paying Users may exist if the same individual holds more than one Grindr subscription during the same period. We are focused on building new products and improving on existing ones to drive payer conversion. We believe Average Paying Users is a useful metric for assessing the health of our business.

- **ARPPU.** We calculate ARPPU based on Direct Revenue in any measurement period, divided by Average Paying Users in such a period divided by the number of months in the period. We believe ARPPU is a useful metric for assessing the growth of our business and future revenue trends.

- **Average MAUs.** A MAU Monthly Active User ("MAU") is a unique device that demonstrates activity on the Grindr platform during any given calendar month. Activity on the platform is defined as opening the app, chatting with another user, sending or receiving a chat, or viewing the cascade of other users. another person's profile. We also exclude devices where all with linked profiles have been banned for spam. We calculate Average MAUs as a monthly average, by counting the total number of MAUs in each calendar month and then dividing by the number of months in the relevant period. We use Average MAUs to measure the number of active users on our platform on a monthly basis. We believe Average MAUs is a useful metric for assessing the health of our business and our growth in users.

- **Average Paying User Penetration.** We calculate Average Paying User Penetration by dividing Average Paying Users by our Average MAUs for any measurement period. We believe Average Paying User Penetration is a useful metric for assessing the overall health of our business.

- **ARPPU.** We calculate Average Revenue Per Paid User ("ARPPU") based on Direct Revenue in any measurement period, divided by Average Paying Users in such a period and then divided by the number of months in the period. We believe ARPPU is a useful metric for assessing the growth of our business and future revenue trends.

- **ARPU.** We calculate ARPU Average Revenue Per User ("ARPU") based on total revenue in any measurement period, divided by our Average MAUs in such a period divided by the number of months in the period. We believe ARPU is a useful metric for assessing the growth of our business and future revenue trends.

Non-GAAP Profitability

We use Adjusted EBITDA, and Adjusted EBITDA margin, free cash flow, and free cash flow conversion, which are non-GAAP measures, to understand and evaluate our core operating performance. These non-GAAP financial measures, which may differ from similarly titled measures used by other companies, are presented to enhance investors' overall understanding of our financial performance and should not be considered a substitute for, or superior to, the financial information prepared and presented in accordance with U.S. GAAP.

Adjusted EBITDA and Adjusted EBITDA margin

Adjusted EBITDA adjusts for the impact of items that we do not consider indicative of the operational performance of our business. We define Adjusted EBITDA as net income (loss) excluding income tax provision; provision (benefit); interest expense, net; depreciation and amortization; stock-based compensation expense; transaction-related costs; gain (loss) in fair value of warrant liability; and severance expense, litigation-related costs, and other items, in each case, that are unrelated to our core ongoing business operations. Adjusted EBITDA Margin is calculated by dividing Adjusted EBITDA for a period by revenue for the same period.

See "— *Non-GAAP Financial Measures*" below for additional information and a reconciliation of net loss to Adjusted EBITDA and Adjusted EBITDA Margin.

Free Cash Flow and Free Cash Flow Conversion

We define free cash flow as net cash provided by (used in) operating activities less capitalized software, and purchases of property and equipment. Free cash flow conversion is calculated by dividing free cash flow for a period by Adjusted EBITDA for the same period.

See "— *Non-GAAP Financial Measures*" below for additional information and a reconciliation of net cash provided by operating activities and operating cash flow conversion to free cash flow and free cash flow conversion, respectively.

Key Factors Affecting Our Performance

Our results of operations and financial condition have been, and will continue to be, affected by a number of factors that present significant opportunities for us but also pose risks and challenges, including those discussed below and in the section titled *"Risk Factors"* included under Part I, "Item 1A. Risk Factors" Item 1A in our Annual Report on Form 10-K for the year ended December 31, 2023, as amended.

Growth in User Base and Paying Users

We acquire new users through investments in generating brand awareness as well as through word of mouth from existing users and others. mouth. We convert these users to Paying Users by offering premium features that increase the probability of developing meaningful connections, improve the user experience and provide more control over the experience, and the ability to have an ad-free experience. For the three months ended March 31, 2024 We had over 1,056 thousand and 2023, our 1,033 thousand Average Paying Users were 1,011 thousand for the three and 866 thousand, six months ended June 30, 2024, respectively, representing an increase period-over-period growth of 16.7% period-over-period. 13.7% and 15.0% as compared to the three-month and six-month periods in 2023, respectively. We grow Paying Users by acquiring new users and converting new and existing users to purchasers of one of our subscription plans and/or our premium add-on offerings. As we scale and our community grows larger, we are able to facilitate more meaningful interactions as a result of the wider selection of potential connections. This in turn increases our product value and can increase conversion to one of our paid products. Our revenue growth depends on growth in Paying Users. While we believe we are in the early days of our opportunity, at some point we may face challenges increasing our Paying Users, including competition from alternative products and services and lower adoption of certain product features.

Expansion into Under-Penetrated Markets

We are focused on growing our platform globally, including through investing in under-penetrated markets to increase subscribers and advertising revenue. Expanding our business in under-penetrated markets will require increased costs related to marketing, as well as localization of product features and services. Potential risks to our expansion into under-penetrated markets will include competition, and compliance with foreign laws and regulations. As we expand into certain under-penetrated markets, we may see an increase in users who prefer to access premium features through our add-on options rather than through our paid subscription packages and we might also see an increase in revenue from international markets, both of which could impact our ARPPU. We may also see a lower propensity for users to pay as we attempt to increase our market penetration in markets with additional competitors.

Growth in ARPPU

We continually work to develop new monetization features and improve existing features in order to increase adoption of premium add-ons and our subscription programs. Many variables will impact our ARPPU, including the number of Average Paying Users, paid product mix, the Paying Users geographic, geography, and the revenue generated from subscription versus premium add-on revenue. Our pricing is in local currency and may vary between markets. As foreign currency exchange rates change, foreign currency exchange risk related to transactions carried out in a currency other than the U.S. dollar could negatively impact revenue and distort year-over-year comparability of operating results. To the extent our ARPPU growth slows, our revenue growth will become increasingly dependent on our ability to increase our Average Paying Users.

Investing in Growth While Driving Long-Term Profitability

Key investment areas for us include increasing headcount to rebuild our team, enhancing team. Additionally, we are investing in areas that will enhance our platform and the value we provide our users, by harnessing which includes introducing new products, improving pricing and packaging, and localizing our products in international markets. We will also harness artificial intelligence and

machine learning, which we refer to as AI/ML, along with prioritizing security and privacy, and improving matching capabilities for successful connections.

Attracting and Retaining Talent

Our business relies on our ability to attract and retain talent, including, but not limited to, engineers, data scientists, product designers and product managers. As of March 31, 2024 June 30, 2024, we had 129 146 employees globally, 119 140 of which were full-time employees. We believe that many people want to work at a company committed to creating a world that is fair, equal, and just for the global LGBTQ community and that aligns with their personal values, and therefore our ability to recruit and retain talent is aided by our mission and brand reputation. We compete for talent within the technology industry.

Factors Affecting the Comparability of Our Results

Temporary variability and general advertising demand

Our ability to maintain consistently high advertiser demand for our platform can be affected by temporary trends in advertisers' appetites to engage with our users or our brand. For example, events that result in temporary positive or negative publicity for our company (even if unfounded) may play a significant role in our advertisers' desire to continue to advertise on our platform. Further, general economic conditions may lead to changes in advertising spending in general, which could have a significant impact on our results of operations. Such fluctuations in advertising demand are often unpredictable and likely temporary, but nevertheless could have a significant impact on the financial condition of our business.

Return-to-Office

In 2023 our leadership team announced a transition to a hybrid work model involving a multi-phase return-to-office plan ("RTO Plan") beginning in the fall of 2023. Our hybrid work model requires employees to work two days per week in offices where their respective teams are based. The RTO Plan provided employees with a one-time relocation package to support relocation if necessary, or separation packages for employees who chose not to relocate or participate in our RTO Plan. The RTO Plan has temporarily resulted in lower headcount resulting in a higher reliance on contractors and other services, higher severance expenses in 2023, and lower people related costs. During 2024 and 2025, we plan to scale the size of our team while supplementing our immediate capacity and product development needs with embedded contractors, particularly in supporting our engineering function.

International market pricing and changes in foreign exchange rates

The Grindr platform has MAUs in over 190 countries and territories. Our international revenue represents 42.4% 41.9% and 40.4% 42.1% of total revenue for the three and six months ended March 31, 2024 June 30, 2024, respectively, and 2023, 41.3% and 40.8% of total revenue for the three and six months ended June 30, 2023, respectively. We vary our pricing to align with relative value to local purchasing power and competitors. Our international business revenues are typically earns revenue earned in local currencies. In addition, some of the platforms we work with utilize internally generated foreign exchange rates that may differ from other foreign exchange rates, which could impact our results of operations.

Key Components of Our Results of Operations

Revenue

We currently generate revenue from two revenue streams—Direct Revenue and Indirect Revenue. Direct revenue is revenue generated by our users who pay for subscriptions or premium add-ons to access premium features. Indirect revenue is generated by third parties who pay us to advertise to our users. As we continue to expand our revenue streams, we anticipate increasing monetization from premium add-ons and subscription offerings, contributing to an increase in direct revenue over time, and increasing our advertising inventory, contributing to an increase in indirect revenue over time.

Direct Revenue. Direct revenue is reported gross of distribution fees for subscriptions and premium add-ons as we are the primary party obligated in our transactions with customers, and we act as the principal. Our subscription revenues are revenue is generated through the sale of subscriptions that are currently offered or renewed in one-week, one-month, three-month, six-month and twelve-month periods. Subscribers pay in advance through third-party platforms, including Apple, Google Play, and Stripe, according to our terms and conditions. Subscription revenues, net of taxes and chargebacks, are recognized ratably over the term of the subscription. Premium add-on revenue is generated through the sale of an add-on feature on a pay-per-use, or a-la-carte, basis. Premium features are activated upon purchase and are available for a short duration, generally, within one day. Revenue from premium add-ons is recognized upon purchase of the premium add-on. Direct revenue is recorded net of taxes, credits, and chargebacks. Customers pay in advance, primarily through mobile app stores, and, subject to certain conditions identified in the Company's terms and conditions, generally all purchases are final and nonrefundable.

Indirect Revenue. Indirect revenue primarily consists of revenue generated by third parties who pay us to advertise to our users. Our advertising operations provide advertisers with the opportunity to target and directly reach our community, a group with significant global purchasing power and economic potential. We have attracted advertisers from a diverse array of industries, including healthcare, entertainment, gaming, travel, entertainment, and consumer goods. We offer a diverse range of advertising opportunities to advertisers, such as in-app banners, full-screen interstitials, and other customized units, typically on a CPM basis. We also contract with a variety of third-party ad advertising platforms to market and sell a portion of our digital and mobile advertising inventory on the Grindr platform. In those cases, the Company does we do not have discretion to set pricing in its arrangements because it receives we receive a percentage of the amount the third-party ad platform charges the advertiser and it does we do not have a contractual relationship with the advertiser. Accordingly, the Company recognizes we recognize revenue related to third-party ad platforms on a net basis.

Cost of revenue and operating expenses

Cost of revenue. Cost of revenue consists primarily of the distribution fees we pay to Apple and Google, infrastructure costs associated with supporting the Grindr platform, which stem largely from our use of Amazon Web Services, and costs associated with content moderation, which involve ensuring that users are complying with our community standards.

Selling, general and administrative expenses. Selling, general and administrative expenses consists primarily of compensation and other employee-related costs, professional fees, sales and marketing expenditures, and general administrative expenses, including facilities, insurance, and information technology and infrastructure support. We plan to continue efforts to attract new users, retain existing users and increase monetization of both our new and existing users, which may result in increased sales and marketing expenses in future periods.

Product development expense. Product development expense consists primarily of employee-related and contractor costs for personnel engaged in the design, development, testing, enhancement of product offerings, and related technology, as well as and related software costs.

Depreciation and Amortization. Depreciation is primarily related to computers, equipment, furniture, fixtures, and leasehold improvements. Amortization is primarily related to capitalized software, acquired definite-lived intangible assets (customer relationships, technology, etc.).

Other income (expense)

Interest expense, net. Interest expense, net consists of interest expense incurred in connection with our long-term debt and revolving credit facility, net of interest income received on a promissory note to a member.

Other (expense) income, net. Other (expense) income, net consists of realized and unrealized exchange rate gains or losses.

Loss (Loss) gain in fair value of warrant liability liability.. Loss (Loss) gain in fair value of warrant liability represents the change in fair value of our public and private warrants. As the private warrants are substantially similar to the public warrants, all of the warrants are remeasured from the publicly traded quotes from the active market.

Income tax provision (benefit)

Income tax provision (benefit) represents the income tax expense associated with our operations based on the tax laws of the jurisdictions in which we operate. Our effective tax rates will vary depending on changes in the valuation of our deferred tax assets and liabilities, fluctuations in permanent differences, and changes in tax laws.

Results of Operations

Three and Six Months Ended March 31, 2024 June 30, 2024 Compared to Three and Six Months Ended March 31, 2023 June 30, 2023

		Three Months Ended March 31, Three Months Ended June 30,							Six Months Ended June 30,					
($ in thousands)	**($ in thousands)**	**2024**		**% of Total Revenue**	**2023**		**% of Total Revenue**	**($ in thousands)**	**2024**		**% of Total Revenue**	**2023**		**% o Tota Rever**
Revenue	**Revenue**	$ 75,345	100.0	100.0 %	$ 55,809	100.0	100.0 %	**Revenue**	$82,345	100.0	100.0 %	$61,538	100.0	
Operating costs and expenses														
Cost of revenue (exclusive of depreciation and amortization shown separately below)														
Cost of revenue (exclusive of depreciation and amortization shown separately below)														
Cost of revenue (exclusive of depreciation and amortization shown separately below)		19,620	26.0	26.0 %	14,815	26.5	26.5 %		20,999	25.5	25.5 %	16,110	26.2	
Selling, general and administrative expense	Selling, general and administrative expense	26,609	35.3	35.3 %	18,945	33.9	33.9 %	Selling, general and administrative expense	24,802	30.1	30.1 %	17,158	27.9	
Product development expense	Product development expense	5,741	7.6	7.6 %	5,506	9.9	9.9 %	Product development expense	7,754	9.4	9.4 %	6,200	10.1	
Depreciation and amortization	Depreciation and amortization	4,119	5.5	5.5 %	7,952	14.2	14.2 %	Depreciation and amortization	4,235	5.1	5.1 %	8,140	13.2	
Total operating expenses	**Total operating expenses**	56,089	74.4	74.4 %	47,218	84.6	84.6 %	**Total operating expenses**	57,790	70.2	70.2 %	47,608	77.4	
Income from operations	**Income from operations**	19,256	25.6	25.6 %	8,591	15.4	15.4 %	**Income from operations**	24,555	29.8	29.8 %	13,930	22.6	
Other income (expense)														
Interest expense, net														
Interest expense, net														
Interest expense, net		(7,185)	(9.5)	(9.5)%	(10,793)	(19.3)	(19.3) %		(6,669)	(8.1)	(8.1) %	(12,917)	(21.0)	
Other (expense) income, net	Other (expense) income, net	(117)	(0.2)	(0.2)%	123	0.2	0.2 %	Other (expense) income, net	(227)	(0.3)	(0.3) %	169	0.3	
Loss in fair value of warrant liability														
Loss in fair value of warrant liability														
Loss in fair value of warrant liability		(18,680)		(24.8) %	(15,317)		(27.4) %							
(Loss) gain in fair value of warrant liability														
(Loss) gain in fair value of warrant liability														
(Loss) gain in fair value of warrant liability		(35,118)		(42.6) %	7,098		11.5 %		(53,798)		(34.1)%	(8,219)		

Total other expense, net	**Total other expense, net**	(25,982)	(34.5)	(34.5)%	(25,987)	(46.6)	(46.6)	%	**Total other expense, net**	(42,014)	(51.0)	(51.0)	%	(5,650)	(9.2)
Net loss before income tax		(6,726)	(8.9)	%	(17,396)	(31.2)	%								
Income tax provision		2,680	3.6	%	15,503	27.8	%								
Net loss and comprehensive loss		$ (9,406)	(12.5)	%	$(32,899)	(58.9)	%								
Net loss per share															
Net (loss) income before income tax		(17,459)	(21.2)	%	8,280	13.5	%			(24,185)		(15.3)%		(9,116)	
Income tax provision (benefit)		4,965	6.0	%	(14,051)	(22.8)	%			7,645		4.8 %		1,452	
Net (loss) income and comprehensive (loss) income		$(22,424)	(27.2)	%	$ 22,331	36.3	%			$(31,830)		(20.2)%		$ (10,568)	
Net (loss) income per share															

Revenue

Revenue for the three months ended March 31, 2024 June 30, 2024 and 2023, was $75.3 million $82.3 million and $55.8 million $61.5 million, respectively. The $19.5 million increase or 34.9%, in revenue for the three months ended March 31, 2024 June 30, 2024, compared to the three months ended March 31, 2023 June 30, 2023 was $20.8 million, or 33.8%.

For the three months ended June 30, 2024 and 2023, direct revenue was primarily driven by an $69.9 million and $53.2 million, respectively. The increase in direct revenue of $16.3 million $16.7 million, or 33.9%, from $48.1 million to $64.4 million. The increase in direct revenue 31.4% was driven by the period-over-period year-over-year increases in both ARPPU of $2.73 $3.00 and in Average Paying Users of 145 thousand, 127 thousand. Year-over-year growth for both ARPPU and Averaging Paying Users is largely as a result of rolling out Weeklies, our weekly XTRA and weekly Unlimited subscription offering, offerings, to all of our users worldwide, as well as a result of the continued growth MAU growth. Weekly XTRA was introduced late in the second quarter of MAUs. 2023 and weekly Unlimited was introduced late in the first quarter of 2024. Introducing our shorter duration Weeklies products gave our users a lower priced option options for both XTRA product with a shorter duration. and Unlimited subscriptions. ARPPU increased by 14.7% 15.7%, or $2.73, $3.00, to $21.25 $22.08 for the three months ended March 31, 2024 June 30, 2024, from $18.52 $19.08 for the three months ended March 31, 2023 June 30, 2023. Our ARPPU increased mainly as a result of improved product mix with higher revenue generated by subscription products with higher average monthly price and an increase in the price of Boost, which enables a user to boost their profile to the top of the cascade. price. We expect ARPPU to fluctuate in the near-term as we continue to test different subscription options across different price points and focus on generating more Paying Users. For the three months ended March 31, 2024 June 30, 2024, Average Paying Users increased by 145 127 thousand, from 866 929 thousand for the three months ended March 31, 2023 June 30, 2023, to 1,011 1,056 thousand for the three months ended March 31, 2024 June 30, 2024. Average Paying Users increased year-over-year driven by the launch of our Weeklies XTRA subscription. The increase in Indirect Revenue of $3.3 million, or 42.9%, from $7.7 million for

For the three months ended March 31, 2023 June 30, 2024 and 2023, indirect revenue was $12.4 million and $8.4 million, to $11.0 million for the three months ended March 31, 2024 respectively. The increase in indirect revenue of $4.0 million, or 47.6% was primarily driven by an increase growth in banner and interstitial supply. revenue from third-party advertising platforms.

Revenue from North America increased by $10.7 $12.2 million, or 30.7% 32.2%, for the three months ended March 31, 2024 June 30, 2024, to $45.5 million $50.1 million as compared to $34.8 million $37.9 million for the three months ended March 31, 2023 June 30, 2023. During this same period, revenue from Europe increased by $5.5 $5.2 million, or 43.6% 35.6%, to $18.1 million $19.7 million in the three months ended March 31, 2024 June 30, 2024, as compared to $12.6 million $14.5 million in the three months ended March 31, 2023 June 30, 2023. Revenue from the remainder of the world increased by $3.4 million, or 37.7%, to $12.5 million in the three months ended June 30, 2024, as compared to $9.1 million in the three months ended June 30, 2023.

$3.3 Revenue for the six months ended June 30, 2024 and 2023, was $157.7 million and $117.3 million, respectively. The increase in revenue for the six months ended June 30, 2024, compared to the six months ended June 30, 2023 was $40.4 million increase, or 34.4%.

For the six months ended June 30, 2024 and 2023, direct revenue was $134.3 million and $101.3 million, respectively. The increase in direct revenue of $33.0 million, or 32.6% was driven by the year-over-year increase in ARPPU of $2.86 and in Average Paying Users of 135 thousand. Year-over-year growth for both ARPPU and Averaging Paying Users is largely a result of rolling out Weeklies, our weekly XTRA and weekly Unlimited subscription offerings, to all of our users worldwide, as well as a result of the continued MAU growth. Weekly XTRA was introduced late in the second quarter of 2023 and weekly Unlimited was introduced late in the first quarter of 2024. Introducing our shorter duration Weeklies products gave our users lower priced options for both XTRA and Unlimited subscriptions. ARPPU increased by 15.2%, or $2.86, to $21.67 for the six months ended June 30, 2024, from $18.81 for the six months ended June 30, 2023. Our ARPPU increased mainly as a result of improved product mix with higher revenue from subscription products with higher average monthly price. We expect ARPPU to fluctuate in the near-term as we continue to test different subscription options across different price points and focus on generating more Paying Users. For the six months ended June 30, 2024, Average Paying Users increased by 135 thousand, from 898 thousand for the six months ended June 30, 2023, to 1,033 thousand for the six months ended June 30, 2024.

For the six months ended June 30, 2024 and 2023, indirect revenue was $23.4 million and $16.0 million, respectively. The increase in indirect revenue of $7.4 million, or 46.3% was primarily driven by growth in revenue from third-party advertising platforms.

Revenue from North America increased by $22.9 million, or 39.8% 31.5%, for the six months ended June 30, 2024, to $11.7 million $95.6 million as compared to $72.7 million for the six months ended June 30, 2023. During this same period, revenue from Europe increased by $10.7 million, or 39.3%, to $37.8 million in the three six months ended March 31, 2024 June 30, 2024, as compared to $8.4 million $27.1 million in the three six months ended March 31, 2023 June 30, 2023. Revenue from the remainder of the world increased by $6.8 million, or 38.7%, to $24.3 million in the six months ended June 30, 2024, as compared to $17.5 million in the six months ended June 30, 2023.

Cost of revenue

Cost of revenue for the three months ended March 31, 2024 June 30, 2024 and 2023, was $19.6 million $21.0 million and $14.8 million $16.1 million, respectively. The $4.8 million $4.9 million increase, or 32.4% 30.4%, was primarily due to growth in distribution fees of $3.8 million $3.9 million (consistent with direct revenue growth), and increased infrastructure costs of $1.0 million $1.2 million.

Cost of revenue for the six months ended June 30, 2024 and 2023, was $40.6 million and $30.9 million, respectively. The $9.7 million increase, or 31.4%, was primarily due to growth in distribution fees of $7.8 million (consistent with direct revenue growth), and increased infrastructure costs of $2.2 million.

Selling, general and administrative expense

Selling, general and administrative expense for the three months ended March 31, 2024 June 30, 2024 and 2023, was $26.6 million $24.8 million and $18.9 million $17.2 million, respectively. The $7.7 million $7.6 million increase, or 40.7% 44.2%, was primarily due to increases higher personnel related expenses of $6.8 million, including an increase of $3.9 million in stock-based compensation expense, of $4.4 million, primarily related to executive incentive awards, $1.6 million and an increase of $2.2 million in employee compensation. There is also an increase of $1.3 million in marketing expenses, and an increase of $0.7 million in contractor expenses to support scaling the size of our team back to early 2023 levels.

Selling, general and administrative expense for the six months ended June 30, 2024 and 2023, was $51.4 million and $36.1 million, respectively. The $15.3 million increase, or 42.4%, was primarily due to higher personnel related expenses of $11.1 million, including an increase of $8.2 million in stock-based compensation expense, primarily related to additional contractors executive incentive awards, and other services an increase of $2.9 million in employee compensation. There is also an increase of $2.5 million in contractor expenses to support the company while scaling the size of our team back to early 2023 levels and $1.0 million an increase of $2.3 million in marketing expense. expenses.

Product development expense

Product development expense for the three months ended March 31, 2024 June 30, 2024 and 2023, was $5.7 million $7.8 million and $5.5 $6.2 million, respectively. There was The $1.6 million increase, or 25.8% is primarily related to a $1.7 million increase in contractor fees to support the engineering function after while scaling the RTO Plan. size of our team back to early 2023 levels.

Product development expense for the six months ended June 30, 2024 and 2023, was $13.5 million and $11.7 million, respectively. The $1.8 million increase, or 15.4% was primarily related to a $3.0 million increase in contractor fees to support the engineering function while scaling the size of our team back to early 2023 levels. This was partially offset by a $1.5 million $1.8 million decline in salaries and employee personnel related expenses from due to lower headcount.

Depreciation and amortization

Depreciation and amortization for the three months ended March 31, 2024 June 30, 2024 and 2023, was $4.1 million $4.2 million and $8.0 $8.1 million, respectively. The $3.9 million decrease, or 48.8% 48.1%, was primarily due to acquired intangibles amortization from an acquisition in June 2020. There was a $3.1 million $2.3 million decrease due to technology intangibles that had a three-year useful life which were fully amortized in the second quarter of 2023, and a $1.1 million decrease due to customer relationship intangibles that were amortized under an accelerated amortization schedule, with higher amounts expensed in 2023.

Depreciation and amortization for the six months ended June 30, 2024 and 2023, was $8.4 million and $16.1 million, respectively. The $7.7 million decrease, or 47.8%, was primarily due to acquired intangibles amortization from an acquisition in June 2020. There was a $5.3 million decrease due to technology intangibles that had a three-year useful life which were fully amortized in the second quarter of 2023, and a $2.2 million decrease due to customer relationship intangibles that were amortized under an accelerated amortization schedule, with higher amounts expensed in 2023.

Interest expense, net

Interest expense, net for the three months ended March 31, 2024 June 30, 2024 and 2023, was $7.2 million $6.7 million and $10.8 $12.9 million, respectively. The $3.6 million $6.2 million decrease, or 33.3% 48.1%, was primarily due to lower debt balances and lower interest rates under the 2023 Credit Agreement entered into in November 2023.

Interest expense, net for the six months ended June 30, 2024 and 2023, was $13.9 million and $23.7 million, respectively. The $9.8 million decrease, or 41.4%, was primarily due to lower debt balances and lower interest rates under the 2023 Credit Agreement entered into in November 2023.

Other (expense) income, net

Other (expense), income, net for the three months ended March 31, 2024 June 30, 2024 and 2023, was expense of $0.1 million $0.2 million and income of $0.1 $0.2 million, respectively.

Loss Other (expense), income, net for the six months ended June 30, 2024 and 2023, was expense of $0.3 million and income of $0.3 million, respectively.

(Loss) gain in fair value of warrant liability

Loss (Loss) gain in fair value of warrant liability represents the change in the fair value of certain our public and private placement warrants public warrants and warrants originally issued to certain equity holders of Legacy Grindr (collectively, the (the "Warrants") between measurement dates. each reporting period. The Warrants remained unexercised and were remeasured to fair value of $86.3 million $121.4 million as of March 31, 2024 June 30, 2024, because of the increase in our public warrant price, as compared to December 31, 2023, resulting in a loss for the three and six months ended June 30, 2024 of $18.7 million $35.1 million and $53.8 million, respectively. For the three and six months ended June 30, 2023, we recognized a gain of $7.1 million and a loss of $8.2 million, respectively, related to the change in our public warrant price between reporting periods.

Income tax provision (benefit)

Income tax provision (benefit) for the three months ended March 31, 2024.

Income tax provision

Income tax provision for the three months ended March 31, 2024 June 30, 2024 and 2023, was $2.7 million a provision of $5.0 million and $15.5 a benefit of $14.1 million, respectively. The $12.8 million decrease, $19.1 million change, or 82.6% 135.5%, was primarily due to changes in the mark-to-market warrant liability adjustment, comparable quarters income and changes in the computed annual effective tax rate, including changes in the forecast of income, the Section 162(m) officer compensation, foreign derived intangible income deduction, and research and development credits.

Income tax provision (benefit) for the six months ended June 30, 2024 and 2023, was $7.6 million and $1.5 million, respectively. The $6.1 million increase, or 406.7%, was primarily due to changes in year over year quarter to date income, and changes in the valuation allowance. computed annual effective tax rate, including changes in the forecast of income, the Section 162(m) officer compensation, foreign derived intangible income deduction, and research and development credits.

Our effective tax rates in fiscal 2024 and future periods may fluctuate, as a result of changes in our forecasts where losses cannot be benefited due to the existence of valuation allowances on our deferred tax assets; changes in actual results versus our estimates; or changes in tax laws, regulations, accounting principles, or interpretations thereof.

Net (loss) income

Net (loss) income for the three months ended June 30, 2024 and 2023 was a loss of $22.4 million and an income of $22.3 million, respectively. The change of $44.7 million is mainly due to a $42.2 million difference in the change in fair value of warrant liability, $19.1 million change in income tax provision (benefit); partially offset by a $10.7 million increase in income from operations and a $6.2 million decrease in interest expense, as discussed above.

Net loss for the three six months ended March 31, 2024 June 30, 2024 and 2023 was $9.4 million $31.8 million and $32.9 $10.6 million, respectively. Net loss decreased by $23.5 million $21.2 million is mainly due to an $45.6 million increase in revenue loss in fair value of warrant liability, and decrease a $6.1 million increase in income tax provision provision; partially offset by a $21.3 million increase in income from operations and a $9.8 million decrease in interest expense, as discussed above.

Non-GAAP Financial Measures

To supplement our condensed consolidated financial statements, which are prepared and presented in accordance with U.S. GAAP, we use Adjusted EBITDA, and Adjusted EBITDA margin, free cash flow, and free cash flow conversion as described below, to understand and evaluate our core operating performance. These non-GAAP financial measures, which may differ from similarly titled measures used by other companies, are presented to enhance investors' overall understanding of our financial performance and should not be considered a substitute for, or superior to, the financial information prepared and presented in accordance with U.S. GAAP.

Adjusted EBITDA and Adjusted EBITDA Margin

Adjusted EBITDA adjusts for the impact of items that we do not consider indicative of the operational performance of our business. We define Adjusted EBITDA as net income (loss) excluding income tax provision; provision (benefit); interest expense, net; depreciation and amortization; stock-based compensation expense; transaction-related costs; gain (loss) in fair value of warrant liability; and severance expense, litigation-related costs, and other items, in each case, that are unrelated to our core ongoing business operations. Adjusted EBITDA Margin is calculated by dividing Adjusted EBITDA for a period by revenue for the same period.

Our management uses this measure internally to evaluate the performance of our business and this measure is one of the primary metrics by which management and other employees are compensated. We exclude the above items as some are non-cash in nature and others may not be representative of normal operating results. While we believe that Adjusted EBITDA and Adjusted EBITDA Margin are useful in evaluating our business, this information should be considered as supplemental in nature and is not meant as a substitute for the related financial information prepared and presented in accordance with U.S. GAAP.

The following table presents Free Cash Flow and Free Cash Flow Conversion

We define free cash flow as net cash provided by (used in) operating activities less capitalized software and purchases of property and equipment. Free cash flow is an indicator of liquidity that provides information to our management and investors about the reconciliation amount of net loss cash generated from operations, after capitalized software development costs and purchases of property and equipment, that can be used to repay debt obligations and/or for strategic initiatives. Free cash flow conversion is calculated by dividing free cash flow for a period by Adjusted EBITDA for the same period. Free cash flow and free cash flow conversion do not represent our residual cash flow available for discretionary purposes and does not reflect our future contractual commitments.

The following table reconciles our non-GAAP financial measures to the most comparable GAAP financial measures for the three and six months ended March 31, 2024 June 30, 2024 and 2023.

Three Months

Ended

March 31,

		Three Months Ended June 30,			Six Months Ended June 30,			
($ in thousands)	($ in thousands)	2024	2023	($ in thousands)	2024	2023	2024	2023
Reconciliation of net loss to Adjusted EBITDA								
Net loss								
Net loss								
Net loss								
Reconciliation of net (loss) income to Adjusted EBITDA								
Net (loss) income								
Net (loss) income								
Net (loss) income								
Interest expense, net								
Income tax provision								
Income tax provision (benefit)								
Depreciation and amortization								
Litigation-related costs (1)								
Litigation-related costs (1)								
Litigation-related costs (1)								
Stock-based compensation expense								
Severance expense (2)								
Change in fair value of warrant liability (3)								
Change in fair value of warrant liability (3)								
Change in fair value of warrant liability (3)								
Other (4)								
Adjusted EBITDA								
Revenue								
Net loss margin		(12.5)%	(58.9) %					
Net (loss) income margin		(27.2)%	36.3 %		(20.2)%	(9.0)%		
Adjusted EBITDA Margin	Adjusted EBITDA Margin	41.9 %	39.4 %	Adjusted EBITDA Margin	44.9 %	43.7 %	43.5 %	41.7 %
Net cash provided by operating activities								
Net cash provided by operating activities								
Net cash provided by operating activities								
Less:								
Capitalized development software costs and purchases of property and equipment								
Capitalized development software costs and purchases of property and equipment								
Capitalized development software costs and purchases of property and equipment								
Free cash flow								
Operating cash flow conversion (5)		(70.7)%	28.2 %		(114.0)%	(139.9)%		
Free cash flow conversion		38.3 %	19.4 %		48.8 %	25.0 %		

(1) Litigation-related costs primarily represent external legal fees associated with outstanding litigation or regulatory matters, including fees incurred in connection with the potential Norwegian Data Protection Authority fine and CWA unionization.

(2) Severance expense relates to severance incurred for employees who elected not to relocate or participate in our RTO Plan and other severance arrangements.

(3) Change in fair value of warrant liability relates to the Warrants that were remeasured as of March 31, 2024, due to the increase in our public warrant price since December 31, 2023. June 30, 2024 and 2023.

(4) Other represents other costs that are unrelated to our core ongoing business operations.

(5) Operating cash flow conversion represents net cash provided by (used in) operating activities as a percentage of net income (loss).

Liquidity and Capital Resources

Cash Flows for the Three Six Months Ended March 31, 2024 June 30, 2024 and 2023

The following table summarizes our total cash and cash equivalents:

($ in thousands)	($ in thousands)	Three Months Ended March 31, 2024		2023	($ in thousands)	Six Months Ended June 30, 2024		2023
Cash, and cash equivalents, including restricted cash (as of the end of period)								
Net cash provided by (used in):								
Operating activities								
Operating activities								
Operating activities								
Investing activities								
Financing activities								
Net change in cash and cash equivalents								

Cash flows provided by operating activities

Net cash provided by operating activities is primarily dependent on our revenues and is affected by timing of receipts from subscription and advertising sales. It is also dependent on managing our operating expenses, such as salaries and employee-related costs, selling and marketing expenses, and other general and administrative expenses. We expect to maintain strong operating cash flows given our historical performance. We will continue to try to invest in the right resources to support longer term profitable growth. Our operating cash flows should continue to cover our operating and financing costs.

During the three six months ended March 31, 2024 June 30, 2024, our operations provided $20.4 $36.3 million of cash, which was primarily attributable to our net loss, adjusted for non-cash items, including $18.7 million which include $53.8 million in loss in fair value of warrant liability, $4.1 stock-based compensation of $15.6 million, and $8.4 million in depreciation and amortization, and stock-based compensation of $7.9 million, partially offset by a decrease in net working capital of $1.0 $9.3 million, primarily from a $1.5 million $5.7 million increase in account receivables due to increase in direct revenue and indirect revenue during the year.

During the three six months ended March 31, 2023 June 30, 2023, our operations provided $8.5 $14.8 million of cash, which was primarily attributable to our net loss, of $32.9 million, adjusted for non-cash items, including $8.0 which include $16.1 million in depreciation and amortization, and $15.3 million $8.2 million in loss in the fair value change in warrant liability and increase $4.2 million in other non-cash adjustments, partially offset by a decrease in net working capital of $16.3 $3.2 million, primarily from $22.0 million increase in accrued expenses and other current liabilities due to timing of payments, offset by a $6.3 million $9.2 million increase in account receivables due to increase in direct revenue and indirect revenue during the period. year.

Cash flows used in investing activities

Net cash used in investing activities for the three six months ended March 31, 2024 June 30, 2024, consisted primarily of additions to capitalized software of $1.0 million $2.5 million.

Net cash used in investing activities for the three six months ended March 31, 2023, June 30, 2023 consisted primarily of additions to capitalized software of $1.5 million $2.5 million.

Cash flows (used in) provided by financing activities

Net cash used in financing activities for the three six months ended March 31, 2024 June 30, 2024, consisted primarily of principal payments of debt of $25.8 million and $43.3 million, payments to tax authorities for employee equity awards of $1.3 million. $3.9 million, net of $1.7 million in proceeds from the exercise of employee stock options.

Net cash provided by financing activities for the three six months ended March 31, 2023 June 30, 2023 consisted primarily of $19.4 million in proceeds from the repayment of a promissory note to a member of Legacy Grindr and related interest, (see Note 4 to the unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for additional information), $1.0 million and $1.7 million in proceeds from the exercise of employee stock options, net of $1.1 million partially offset by $18.7 million related to the principal payments paydown of our long-term debt.

Sources of Liquidity

Since our inception, we have financed our operations and capital expenditures primarily through cash flows generated by operations, borrowings under our credit facilities, and the sale of equity. To the extent existing cash, investments, and cash from operations are not sufficient to fund future activities, we may need to raise additional funds. We may seek to

raise additional funds through equity, equity-linked, or debt financings. If we raise additional funds through the incurrence of additional indebtedness, such indebtedness may have rights that are senior to holders of our equity securities and could contain additional covenants that restrict operations, including our ability to raise additional capital. Any additional equity financing may be dilutive to existing stockholders. We may also enter into investment or acquisition transactions in the future, which could require us to seek additional equity financing, incur indebtedness, or use cash resources.

As of March 31, 2024 June 30, 2024, we had cash and cash equivalents of $21.5 million $16.3 million. We believe that our cash and cash equivalents, cash flows generated by operations, and borrowings under our revolving credit facility will be sufficient to meet our working capital and capital expenditure needs for the next twelve months.

Senior Secured Credit Facility

See Note 6 to our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for additional information.

In November 2023, we refinanced our existing credit facility with a new $300.0 million term loan and $50.0 million revolving credit facility. We entered into a credit agreement with JPMorgan Chase Bank, N.A., as the administrative agent, and other lenders party thereto (the "2023 Credit Agreement") that governs the term loan and revolving credit facility. We borrowed the full amount of the $300.0 million term loan and $44.4 million under the revolving credit facility upon closing

of the new credit agreement and used the proceeds and cash on hand to repay in full all outstanding obligations under, and terminate, our prior credit agreement with Fortress Credit Corp. As of May 9, 2024 August 5, 2024, $296.3 million $289.5 million was outstanding under the term loan and $15.4 million $11.6 million was outstanding under the revolving credit facility. In January 2024, April 2024, and April June 2024, we repaid $22.0 million, $7.0 million, and $7.0 million $3.8 million, respectively, under our revolving credit facility. We have the option to request that lenders increase the amount available under the revolving credit facility by, or obtain incremental term loans of, up to $100.0 million, subject to the terms of the 2023 Credit Agreement and only if existing or new lenders choose to provide additional term or revolving commitments.

Our wholly owned subsidiary, Grindr Capital LLC, is the borrower under the 2023 Credit Agreement and all obligations of Grindr Capital LLC under the 2023 Credit Agreement are guaranteed by Grindr Inc. and, subject to certain limited exceptions, our wholly owned domestic subsidiaries and are secured by substantially all of the assets of Grindr Inc., Grindr Capital LLC, and the guarantor subsidiaries.

Borrowings under our the 2023 Credit Agreement (other than swingline loans) bear interest at a rate equal to either, at our option, (i) the highest of the Prime Rate (as defined in the 2023 Credit Agreement), the Federal Funds Rate (as defined in the 2023 Credit Agreement) plus 0.50%, or one-month Term SOFR (as defined in the 2023 Credit Agreement) plus 1.00% (the "Alternate Base Rate"); or (ii) Term SOFR; SOFR, in each case, plus an applicable margin ranging from 2.75% to 3.25% with respect to Term SOFR borrowings and 1.75% to 2.25% with respect to Alternate Base Rate borrowings. The applicable margin will be based upon our total net consolidated leverage ratio. Swingline loans under the 2023 Credit Agreement bear interest at the Alternate Base Rate plus the applicable margin. We are also required to pay a commitment fee for the unused portion of the revolving credit facility, which will range from 0.375% to 0.50% per annum, depending on our total consolidated net leverage ratio.

The term loan will amortize on a quarterly basis at 1.25% of the aggregate principal amount outstanding as of the initial closing date of the 2023 Credit Agreement, until the final maturity date on November 28, 2028. Any borrowings under the revolving credit facility may be repaid, in whole or in part, at any time and from time to time without any other premium or penalty, and any amounts repaid under the revolving credit facility may be reborrowed, in each case, until the maturity date on November 28, 2028.

Mandatory prepayments are required under the revolving credit facility when borrowings and letter of credit usage exceed the aggregate revolving commitments of all lenders. Mandatory prepayments are also required under the term loan in connection with (i) certain asset dispositions and casualty events, in each case, to the extent the proceeds of such dispositions or casualty events exceed certain individual and aggregate thresholds and are not reinvested, and (ii) unpermitted debt transactions. For the three and six months ended March 31, 2024 June 30, 2024, we were not required to make any mandatory repayments.

The 2023 Credit Agreement requires compliance with certain financial covenants including a maximum total net leverage ratio and minimum fixed charge coverage ratio. The 2023 Credit Agreement also contains customary restrictive covenants regarding indebtedness, liens, fundamental changes, investments, restricted payments, disposition of assets, transactions with affiliates, hedging transactions, certain prepayments of indebtedness, amendments to organizational documents, and sale and leaseback transactions. The 2023 Credit Agreement contains certain customary events of default. If an event of default has occurred and continues beyond any applicable cure period, all outstanding obligations under the

2023 Credit Agreement may be accelerated or the commitments may be terminated, amongst other remedies. Additionally, the lenders are not obligated to fund any new borrowing under the 2023 Credit Agreement while an event of default is continuing.

Uses of Cash

Contractual obligations and other uses of cash

Our principal commitments have not materially changed from our Annual Report on Form 10-K for the year ended December 31, 2023, which consist of obligations under the 2023 Credit Agreement, operating leases for office space, and our payments for the use of cloud services. In addition, we are subject to pending legal proceedings from time to time, including a potential Norwegian Data Protection Authority fine. See Note 6, Note 7 and Note 14 to our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for additional information.

Critical Accounting Policies and Estimates

We have based our estimates on historical experience and on various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Due to the inherent uncertainty involved in making these estimates, actual results reported in future periods could differ from our estimates.

There have been no material changes to our discussion of critical accounting estimates from those set forth in our Annual Report on Form 10-K for the year ended December 31, 2023.

Recently Issued and Adopted Accounting Pronouncements

For a discussion of recent accounting pronouncements, see Note 2 to our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for additional information.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are a smaller reporting company as defined by Item 10 of Regulation S-K and are not required to provide the information otherwise required under this item.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) are controls and other procedures that are designed with the objective of ensuring that information required to be disclosed in our reports filed under the Exchange Act is recorded, processed, summarized, and reported within the time period specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed with the objective of ensuring that such information required to be disclosed in reports we file or submit under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures, as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that as of March 31, 2024 June 30, 2024, our disclosure controls and procedures were not effective at a reasonable assurance level as a result of the material weakness that existed in our payroll processes as of March 31, 2024 June 30, 2024, as discussed in "Item 9A. Controls and Procedures — Management's Report on Internal Control Over Financial Reporting" in our Annual Report on Form 10-K for the year ended December 31, 2023, as amended.

Remediation Plan

We are in the process As of developing a plan to remediate the material weakness indicated above June 30, 2024, we have designed and will be implementing additional implemented controls and processes to remediate the material weakness. weakness indicated above. The material weakness will not be considered remediated until management designs and implements effective controls that operate for a sufficient period of time and management has concluded, through testing, that these controls are effective.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) during the most recent fiscal quarter 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

In the ordinary course of business, we are involved in various claims, lawsuits, government investigations, settlements and proceedings relating to our operations. Although the results of the claims, lawsuits, government investigations, and proceedings in which we are involved cannot be predicted with certainty, we do not believe the final outcome of certain matters will have a material adverse effect on our business, financial condition, or results of operations, other than those proceedings for which it is too early to determine the materiality and probability of outcome. Information relating to various commitments and contingencies is described in Note 14 to our unaudited condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

In the future, we may be subject to additional legal proceedings, the scope and severity of which is unknown and which could adversely affect our business. In addition, from time to time, others may assert claims against us and we may assert claims and legal proceedings against other parties, including in the form of letters and other forms of communication.

The results of any current or future legal proceedings cannot be predicted with certainty and, regardless of the outcome, can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors.

Item 1A. Risk Factors

Other than the risk factors below, there There have been no material changes from the risk factors previously disclosed in "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023, as amended.

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

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None. Trading Arrangements

During the Company's last fiscal quarter, certain of the Company's directors and officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted or terminated the contracts, instructions or written plans for the purchase or sale of the Company's securities as set forth in the table below:

Name and Position	Action	Adoption/Termination Date	Type of Trading Arrangement: Rule 10b5-1(1)	Type of Trading Arrangement: Non-Rule 10b5-1(2)	Total Shares of Common Stock to be Sold(3)	Expiration Date
Nathan Richardson, Director	Adoption	05/15/2024	X		25,485	12/31/2025
Kye Chen, Chief Accounting Officer	Adoption	06/07/2024	X		82,291(4)	12/06/2025

(1) Contract, instruction or written plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act.

(2) "Non-Rule 10b5-1 trading arrangement" as defined in Item 408(c) of Regulation S-K under the Exchange Act.

(3) Represents the maximum number of shares that may be sold pursuant to the Rule 10b5-1 arrangement. The actual number of shares sold will be dependent on the satisfaction of certain conditions as set forth in the written plan.

(4) Includes 55,312 shares of common stock subject to restricted stock units ("RSUs") previously granted to Ms. Chen that may vest and be released on or prior to December 6, 2025. The actual number of shares that will be released to Ms. Chen in respect of such RSUs and sold pursuant to the Rule 10b5-1 trading arrangement will be net of the number of shares withheld by the Company to cover tax withholding obligations arising from the vesting of such RSUs and is not yet determinable.

Item 6. Exhibits

The following is a list of all exhibits filed or furnished as part of this report:

Exhibit No.	Description	Form	File Number	ExhibitsExhibit	Filing Date
3.1**	Restated Certificate of Incorporation of Grindr Inc., dated November 18, 2022.	Form S-1/A	333-268782	3.1	February 9, 2023
3.2**	Bylaws of Grindr Inc., dated November 18, 2022.	Form 8-K	001-39714	3.2	November 23, 2022
10.1**	Amended and Restated Grindr Inc. 2022 Equity Incentive Plan and forms of award agreement thereunder	Form 8-K	001-39714	10.1	July 25, 2024
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				
32.1***	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				
101.INS 101.SCH	XBRL Instance Taxonomy Extension Schema Document				
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document				
101.SCH	XBRL Taxonomy Extension Schema Document				
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document				
101.LAB	XBRL Taxonomy Extension Labels Linkbase Document				
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document				
104	Cover Page Interactive Data File (formatted page formatted as inline XBRL and contained in Exhibit 101)101				

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* Filed herewith.

** Previously filed.

*** Furnished herewith and not deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and shall not be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act (whether made before or after the date of the Annual this Quarterly Report on Form 10-K, as amended) 10-Q), irrespective of any general incorporation language contained in such filing.

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 in the City of West Hollywood, State of California, on May 10, August 8, 2024.

GRINDR INC.

By:

/s/ Vandana Mehta-Krantz

Vandana Mehta-Krantz

Chief Financial Officer

(Principal Financial Officer and Duly Authorized Signatory)

Exhibit 31.1

CERTIFICATIONS

I, George Arison, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Grindr 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.

Date: May 10, 2024 August 8, 2024

/s/ George Arison

George Arison
Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATIONS

I, Vandana Mehta-Krantz, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Grindr 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.

Date: May 10, 2024 August 8, 2024

/s/ Vandana Mehta-Krantz

Vandana Mehta-Krantz
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

CERTIFICATION

Pursuant to the requirement set forth in Rule 13a-14(b) of the Securities Exchange Act of 1934, as amended, (the "Exchange Act") and Section 1350 of Chapter 63 of Title 18 of the United States Code (18 U.S.C. §1350), George Arison, Chief Executive Officer of Grindr Inc. (the "Company"), and Vandana Mehta-Krantz, Chief Financial Officer of the Company, each hereby certifies that, to the best of their knowledge:

1. The Company's Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2024 June 30, 2024, to which this Certification is attached as Exhibit 32.1 (the "Quarterly Report"), fully complies with the requirements of Section 13(a) or Section 15(d) of the Exchange Act; and

2. The information contained in the Quarterly Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

In Witness Whereof, the undersigned have set their hands hereto as of May 10, 2024 August 8, 2024.

/s/ George Arison	/s/ Vandana Mehta-Krantz
George Arison Chief Executive Officer *(Principal Executive Officer)*	Vandana Mehta-Krantz Chief Financial Officer *(Principal Financial Officer)*

This certification accompanies the Form 10-Q to which it relates, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of Grindr Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-Q), irrespective of any general incorporation language contained in such filing.

DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

REFINITIV