UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

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

For the Quarterly Period Ended March 31, 2022

OR

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

For the Transition period from to

Commission file number: 001-35444

YELP INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware	**20-1854266**
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

350 Mission Street, 10th Floor
San Francisco, California 94105

(Address of principal executive offices) (Zip Code)

(415) 908-3801

(Registrant's Telephone Number, Including Area Code)

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, par value $0.000001 per share	YELP	New York Stock Exchange LLC

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§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 ☑ No ☐

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

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

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

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

As of April 29, 2022, there were 70,859,229 shares outstanding of the registrant's common stock, par value $0.000001 per share.

YELP INC.
QUARTERLY REPORT ON FORM 10-Q
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Unless the context suggests otherwise, references in this Quarterly Report on Form 10-Q (the "Quarterly Report") to "Yelp," the "Company," "we," "us" and "our" refer to Yelp Inc. and, where appropriate, its subsidiaries.

Unless the context otherwise indicates, where we refer in this Quarterly Report to our "mobile application" or "mobile app," we refer to all of our applications for mobile-enabled devices; references to our "mobile platform" refer to both our mobile app and the versions of our website that are optimized for mobile-based browsers. Similarly, references to our "website" refer to versions of our website dedicated to both desktop- and mobile-based browsers, as well as the U.S. and international versions of our website.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report contains forward-looking statements that involve risks, uncertainties and assumptions that, if they never materialize or prove incorrect, could cause our results to differ materially from those expressed or implied by such forward-looking statements. All statements contained in this Quarterly Report that are not purely historical, including statements regarding our future results of operations or financial condition, business strategy and plans, and objectives of management for future operations, are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Forward-looking statements may include, but are not limited to, statements about:

- our financial performance, including our revenue, operating expenses and margins, as well as our ability to regain or maintain profitability;
- our ability to maintain and expand our advertiser base;
- our strategic initiatives to support revenue growth and margin expansion;
- our investment plans and priorities, including planned investments in product development, marketing and our sales channels, as well as our ability to execute against those priorities and the results thereof;
- our ability to operate with a primarily distributed workforce as well as the benefits and costs thereof;
- trends and expectations regarding customer and revenue retention;
- trends and expectations regarding our key metrics, including consumer traffic and engagement and the opportunity they present for growth;
- our liquidity and working capital requirements; and
- our plans with respect to our stock repurchase program.

Forward-looking statements are often identified by the use of words such as, but not limited to, "anticipate," "believe," "can," "continue," "could," "estimate," "expect," "intend," "may," "might," "plan," "project," "seek," "should," "target," "will," "would" and similar expressions or variations intended to identify forward-looking statements.

These statements are based on the beliefs and assumptions of our management, which are in turn based on information currently available to management. Such forward-looking statements are subject to risks, uncertainties and other important factors that could cause actual results and the timing of certain events to differ materially from future results expressed or implied by such forward-looking statements. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Quarterly Report may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

Factors that could cause or contribute to such differences include, but are not limited to, those discussed in the section titled "*Risk Factors*" included under Part I, Item 1A in our Annual Report on Form 10-K for the year ended December 31, 2021 (the "Annual Report") and elsewhere in this Quarterly Report, such as:

- fluctuations in the number of COVID-19 cases, vaccination rates in the United States, any reimposition of pandemic-related business and travel restrictions, the emergence of COVID-19 variants and related public health and consumer responses, and the pace of economic recovery in local economies and the United States generally;
- our ability to maintain and expand our advertiser base, particularly as many businesses continue to face macroeconomic challenges, including labor and supply chain difficulties;
- our ability to execute on our strategic initiatives and the effectiveness thereof;
- our ability to hire, retain, motivate and effectively manage well-qualified employees in a primarily remote work environment;
- our ability to maintain and increase user engagement on our platform, including our ability to generate, maintain and recommend sufficient content that consumers find relevant, helpful and reliable;
- our reliance on third-party service providers and strategic partners;

- our reliance on search engines and application marketplaces, certain providers of which offer products and services that compete directly with our products;
- our ability to maintain the uninterrupted and proper operation of our technology and network infrastructure;
- actual or perceived security breaches as well as errors, vulnerabilities or defects in our software or in products of third-party providers;
- our ability to generate sufficient revenue to regain or maintain profitability, particularly in light of our limited operating history in an evolving industry, significant ongoing investments in our strategic initiatives, and the ongoing impact of the COVID-19 pandemic and macroeconomic challenges;
- our ability to accurately forecast revenue and appropriately plan expenses;
- our ability to operate effectively on mobile devices and other platforms beyond desktop computers;
- our actual or perceived failure to comply with laws and regulations applicable to our business;
- our ability to maintain, protect and enhance the Yelp brand and manage negative publicity that may arise; and
- our ability to successfully manage any strategic opportunities, including the acquisition and integration of any new businesses, solutions or technologies, as well as our ability to monetize the acquired products.

Furthermore, such forward-looking statements speak only as of the date of this report. Except as required by law, we undertake no obligation to update any forward-looking statements to reflect events or circumstances after the date of such statements.

NOTE REGARDING METRICS

We review a number of performance metrics to evaluate our business, measure our performance, identify trends in our business, prepare financial projections and make strategic decisions. Please see the section titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Metrics*" in this Quarterly Report and in our Annual Report for information on how we define our key metrics. Unless otherwise stated, these metrics do not include metrics from subscription products or our business-owner products.

While our metrics are based on what we believe to be reasonable calculations, there are inherent challenges in measuring usage across our large user base. Certain of our performance metrics, including the number of unique devices accessing our mobile app, ad clicks, average cost-per-click and active claimed local business locations, are tracked with internal company tools, which are not independently verified by any third party and have a number of limitations. For example, our metrics may be affected by mobile applications that automatically contact our servers for regular updates with no discernible user action involved; this activity can cause our system to count the device associated with the app as an app unique device in a given period. Although we take steps to exclude such activity and, as a result, do not believe it has had a material impact on our reported metrics, our efforts may not successfully account for all such activity.

Our metrics that are calculated based on data from third parties — the number of desktop and mobile website unique visitors — are subject to similar limitations. Our third-party providers periodically encounter difficulties in providing accurate data for such metrics as a result of a variety of factors, including human and software errors. In addition, because these traffic metrics are tracked based on unique cookie identifiers, an individual who accesses our website from multiple devices with different cookies may be counted as multiple unique visitors, and multiple individuals who access our website from a shared device with a single cookie may be counted as a single unique visitor. As a result, the calculations of our unique visitors may not accurately reflect the number of people actually visiting our website.

Our measures of traffic and other key metrics may also differ from estimates published by third parties (other than those whose data we use to calculate such metrics) or from similar metrics of our competitors. We are continually seeking to improve our ability to measure these key metrics, and regularly review our processes to assess potential improvements to their accuracy. From time to time, we may discover inaccuracies in our metrics or make adjustments to improve their accuracy, including adjustments that may result in the recalculation of our historical metrics. We believe that any such inaccuracies or adjustments are immaterial unless otherwise stated.

PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

YELP INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)
(Unaudited)

	March 31, 2022	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	$ 465,121	$ 479,783
Accounts receivable (net of allowance for doubtful accounts of $8,201 and $7,153 at March 31, 2022 and December 31, 2021, respectively)	111,762	107,358
Prepaid expenses and other current assets	60,458	57,536
Total current assets	637,341	644,677
Property, equipment and software, net	83,138	83,857
Operating lease right-of-use assets	132,029	140,785
Goodwill	104,317	105,128
Intangibles, net	10,020	10,673
Restricted cash	794	858
Other non-current assets	77,267	64,550
Total assets	$ 1,044,906	$ 1,050,528
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 146,283	$ 119,620
Operating lease liabilities — current	41,130	40,237
Deferred revenue	8,218	4,156
Total current liabilities	195,631	164,013
Operating lease liabilities — long-term	117,398	127,979
Other long-term liabilities	7,528	7,218
Total liabilities	320,557	299,210
Commitments and contingencies (Note 11)		
Stockholders' equity:		
Common stock, $0.000001 par value — 200,000 shares authorized, 71,641 shares issued and 71,559 shares outstanding at March 31, 2022, and 72,171 shares issued and outstanding at December 31, 2021	—	—
Additional paid-in capital	1,547,337	1,522,572
Treasury stock	(2,886)	—
Accumulated other comprehensive loss	(11,903)	(11,090)
Accumulated deficit	(808,199)	(760,164)
Total stockholders' equity	724,349	751,318
Total liabilities and stockholders' equity	$ 1,044,906	$ 1,050,528

See Notes to Condensed Consolidated Financial Statements.

YELP INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)
(Unaudited)

	Three Months Ended March 31,	
	2022	**2021**
Net revenue	$ 276,628	$ 232,096
Costs and expenses:		
Cost of revenue (exclusive of depreciation and amortization shown separately below)	23,429	14,874
Sales and marketing	126,097	112,909
Product development	80,685	67,992
General and administrative	39,383	31,861
Depreciation and amortization	11,490	13,083
Restructuring	—	20
Total costs and expenses	281,084	240,739
Loss from operations	(4,456)	(8,643)
Other income, net	929	705
Loss before income taxes	(3,527)	(7,938)
Benefit from income taxes	(2,612)	(2,142)
Net loss attributable to common stockholders	$ (915)	$ (5,796)
Net loss per share attributable to common stockholders		
Basic	$ (0.01)	$ (0.08)
Diluted	$ (0.01)	$ (0.08)
Weighted-average shares used to compute net loss per share attributable to common stockholders		
Basic	71,639	75,245
Diluted	71,639	75,245

See Notes to Condensed Consolidated Financial Statements.

YELP INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(In thousands)
(Unaudited)

	Three Months Ended March 31,	
	2022	**2021**
Net loss	$ (915)	$ (5,796)
Other comprehensive loss:		
Foreign currency translation adjustments, net of tax	(813)	(2,752)
Other comprehensive loss	(813)	(2,752)
Comprehensive loss	$ (1,728)	$ (8,548)

See Notes to Condensed Consolidated Financial Statements.

YELP INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands)
(Unaudited)

	Common Stock		Additional Paid-In Capital	Treasury Stock	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount					
Balance as of December 31, 2020	75,371	$ —	$ 1,398,248	$ (2,964)	$ (6,807)	$ (533,943)	$ 854,534
Issuance of common stock upon exercises of employee stock options	524	—	6,049	—	—	—	6,049
Issuance of common stock upon vesting of restricted stock units ("RSUs")	670	—	—	—	—	—	—
Stock-based compensation (inclusive of capitalized stock-based compensation)	—	—	41,519	—	—	—	41,519
Shares withheld related to net share settlement of equity awards	—	—	(16,926)	—	—	—	(16,926)
Repurchases of common stock	—	—	—	(49,528)	—	—	(49,528)
Retirement of common stock	(1,412)	—	—	49,179	—	(49,179)	—
Foreign currency adjustments, net of tax	—	—	—	—	(2,752)	—	(2,752)
Net loss	—	—	—	—	—	(5,796)	(5,796)
Balance as of March 31, 2021	75,153	$ —	$ 1,428,890	$ (3,313)	$ (9,559)	$ (588,918)	$ 827,100
Balance as of December 31, 2021	72,171	$ —	$ 1,522,572	$ —	$ (11,090)	$ (760,164)	$ 751,318
Issuance of common stock upon exercises of employee stock options	27	—	588	—	—	—	588
Issuance of common stock upon vesting of RSUs	825	—	—	—	—	—	—
Stock-based compensation (inclusive of capitalized stock-based compensation)	—	—	42,767	—	—	—	42,767
Shares withheld related to net share settlement of equity awards	—	—	(18,590)	—	—	—	(18,590)
Repurchases of common stock	—	—	—	(50,006)	—	—	(50,006)
Retirement of common stock	(1,382)	—	—	47,120	—	(47,120)	—
Foreign currency adjustments, net of tax	—	—	—	—	(813)	—	(813)
Net loss	—	—	—	—	—	(915)	(915)
Balance as of March 31, 2022	71,641	$ —	$ 1,547,337	$ (2,886)	$ (11,903)	$ (808,199)	$ 724,349

See Notes to Condensed Consolidated Financial Statements.

YELP INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(Unaudited)

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Operating Activities		
Net loss	$ (915)	$ (5,796)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	11,490	13,083
Provision for doubtful accounts	7,562	3,289
Stock-based compensation	41,060	39,245
Noncash lease cost	8,453	10,779
Deferred income taxes	(11,074)	(2,406)
Amortization of deferred cost	4,039	3,401
Other adjustments, net	248	14
Changes in operating assets and liabilities:		
Accounts receivable	(11,968)	(3,639)
Prepaid expenses and other assets	(7,494)	491
Operating lease liabilities	(9,492)	(6,871)
Accounts payable, accrued liabilities and other liabilities	27,994	7,341
Net cash provided by operating activities	59,903	58,931
Investing Activities		
Purchases of property, equipment and software	(6,636)	(6,005)
Other investing activities	61	29
Net cash used in investing activities	(6,575)	(5,976)
Financing Activities		
Proceeds from issuance of common stock for employee stock-based plans	540	6,049
Taxes paid related to the net share settlement of equity awards	(18,487)	(16,803)
Repurchases of common stock	(50,006)	(49,528)
Net cash used in financing activities	(67,953)	(60,282)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(101)	68
Change in cash, cash equivalents and restricted cash	(14,726)	(7,259)
Cash, cash equivalents and restricted cash — Beginning of period	480,641	596,540
Cash, cash equivalents and restricted cash — End of period	$ 465,915	$ 589,281
Supplemental Disclosures of Other Cash Flow Information		
Refunds received for income taxes, net	$ (1,005)	$ (704)
Supplemental Disclosures of Noncash Investing and Financing Activities		
Purchases of property, equipment and software recorded in accounts payable and accrued liabilities	$ 3,178	$ 1,242
Tax liabilities related to equity awards included in accounts payable and accrued liabilities	$ 5	$ 43
Operating lease right-of-use assets obtained in exchange for new operating lease liabilities	$ —	$ 4,497
Repurchases of common stock recorded in accounts payable and accrued liabilities	$ 2,656	$ 2,041

See Notes to Condensed Consolidated Financial Statements.

YELP INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

1. DESCRIPTION OF BUSINESS AND BASIS FOR PRESENTATION

Yelp Inc. was incorporated in Delaware on September 3, 2004. Except where specifically noted or the context otherwise requires, the use of terms such as the "Company" and "Yelp" in these Notes to Condensed Consolidated Financial Statements refers to Yelp Inc. and its subsidiaries.

Yelp is a trusted local resource for consumers and a partner in success for businesses of all sizes. Consumers trust Yelp for its extensive ratings and reviews of businesses across a broad range of categories, while businesses advertise on Yelp to reach its large audience of purchase-oriented and generally affluent consumers.

Basis of Presentation

The accompanying interim condensed consolidated financial statements are unaudited. These unaudited interim condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") and the applicable rules and regulations of the U.S. Securities and Exchange Commission ("SEC") regarding interim financial reporting. Certain information and note disclosures normally included in the financial statements prepared in accordance with GAAP have been condensed or omitted pursuant to such rules and regulations. Accordingly, these unaudited interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements contained in the Annual Report.

The unaudited condensed consolidated balance sheet as of December 31, 2021 included herein was derived from the audited consolidated financial statements as of that date, but does not include all disclosures required by GAAP, including certain notes to the financial statements. The unaudited interim condensed consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements. Certain prior period amounts have been reclassified to conform to the current period presentation, including reclassifying amortization of deferred costs to a separate line item within the condensed consolidated statement of cash flows.

In the opinion of management, the accompanying unaudited condensed consolidated financial statements include all adjustments of a normally recurring nature necessary for the fair presentation of the interim periods presented.

Principles of Consolidation

These unaudited interim condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated upon consolidation.

Use of Estimates

The preparation of the Company’s unaudited interim condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of income and expenses during the reporting period. These estimates are based on information available as of the date of the condensed consolidated financial statements; therefore, actual results could differ from management’s estimates due to the uncertainty of the extent of the impacts of macroeconomic conditions and other factors.

Significant Accounting Policies

There have been no material changes to the Company's significant accounting policies from those described in the Annual Report.

2. CASH, CASH EQUIVALENTS AND RESTRICTED CASH

Cash, cash equivalents and restricted cash as of March 31, 2022 and December 31, 2021 consisted of the following (in thousands):

	March 31, 2022	December 31, 2021
Cash	$ 74,694	$ 89,407
Cash equivalents	390,427	390,376
Total cash and cash equivalents	$ 465,121	$ 479,783
Restricted cash	794	858
Total cash, cash equivalents and restricted cash	$ 465,915	$ 480,641

3. FAIR VALUE MEASUREMENTS

The Company’s investments in money market accounts are recorded as cash equivalents at fair value on the condensed consolidated balance sheets.

The accounting guidance for fair value measurements prioritizes the inputs used in measuring fair value in the following hierarchy:

Level 1—Observable inputs, such as quoted prices in active markets,

Level 2—Inputs other than quoted prices in active markets that are observable either directly or indirectly, or

Level 3—Unobservable inputs in which there are little or no market data, which require the Company to develop its own assumptions.

This hierarchy requires the Company to use observable market data, when available, to minimize the use of unobservable inputs when determining fair value. The Company’s money market funds are classified within Level 1 of the fair value hierarchy because they are valued using quoted prices in active markets. The Company's certificates of deposit are classified within Level 2 of the fair value hierarchy because they have been valued using inputs other than quoted prices in active markets that are observable directly or indirectly.

The following table represents the fair value of the Company’s financial instruments, including those measured at fair value on a recurring basis, as of March 31, 2022 and December 31, 2021 (in thousands):

	March 31, 2022				December 31, 2021			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Cash equivalents:								
Money market funds	$ 390,427	$ —	$ —	$ 390,427	$ 390,376	$ —	$ —	$ 390,376
Other investments:								
Certificates of deposit	—	10,000	—	10,000	—	10,000	—	10,000
Total cash equivalents and other investments	$ 390,427	$ 10,000	$ —	$ 400,427	$ 390,376	$ 10,000	$ —	$ 400,376

The certificates of deposit are reflected in prepaid expenses and other current assets on the condensed consolidated balance sheets as of March 31, 2022 and December 31, 2021.

4. PREPAID EXPENSES AND OTHER CURRENT ASSETS

Prepaid expenses and other current assets as of March 31, 2022 and December 31, 2021 consisted of the following (in thousands):

	March 31, 2022	December 31, 2021
Prepaid expenses	$ 15,811	$ 13,480
Certificates of deposit	10,000	10,000
Other current assets	34,647	34,056
Total prepaid expenses and other current assets	$ 60,458	$ 57,536

Prepaid expenses included $0.6 million of short-term capitalized implementation costs related to cloud computing arrangements that are service contracts. The long-term portion of capitalized cloud computing implementation costs of $0.9 million are included in other non-current assets. The Company recorded an immaterial amount of amortization expense during the three months ended March 31, 2022 related to capitalized implementation costs. As of March 31, 2022, other current assets primarily consisted of non-trade receivables and deferred costs related to unsettled share repurchases.

5. PROPERTY, EQUIPMENT AND SOFTWARE, NET

Property, equipment and software, net as of March 31, 2022 and December 31, 2021 consisted of the following (in thousands):

	March 31, 2022	December 31, 2021
Capitalized website and internal-use software development costs	$ 209,685	$ 202,169
Leasehold improvements	60,559	59,190
Computer equipment	48,802	48,264
Furniture and fixtures	12,277	12,573
Telecommunication	4,950	4,953
Software	1,703	1,703
Total	337,976	328,852
Less accumulated depreciation and amortization	(254,838)	(244,995)
Property, equipment and software, net	$ 83,138	$ 83,857

Depreciation and amortization expense related to property, equipment and software was $10.8 million and $12.4 million for the three months ended March 31, 2022 and 2021, respectively.

6. GOODWILL AND INTANGIBLE ASSETS

The Company's goodwill is the result of its acquisitions of other businesses and represents the excess of purchase consideration over the fair value of assets acquired and liabilities assumed. The Company performed its annual goodwill impairment analysis as of August 31, 2021 and concluded that goodwill was not impaired, as the fair value of the reporting unit exceeded its carrying value.

The changes in carrying amount of goodwill during the three months ended March 31, 2022 were as follows (in thousands):

Balance as of December 31, 2021	$ 105,128
Effect of currency translation	(811)
Balance as of March 31, 2022	$ 104,317

Intangible assets that were not fully amortized as of March 31, 2022 and December 31, 2021 consisted of the following (dollars in thousands):

	March 31, 2022			
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Weighted Average Remaining Life
Business relationships	$ 9,918	$ (5,019)	$ 4,899	6.9 years
Developed technology	7,709	(7,709)	—	0.0 years
Licensing agreements	6,129	(1,022)	5,107	7.9 years
Domains and data licenses	2,869	(2,855)	14	1.3 years
Total	$ 26,625	$ (16,605)	$ 10,020	

	December 31, 2021			
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Weighted Average Remaining Life
Business relationships	$ 9,918	$ (4,786)	$ 5,132	7.1 years
Developed technology	7,709	(7,453)	256	0.2 years
Licensing agreements	6,129	(860)	5,269	8.2 years
Domain and data licenses	2,869	(2,853)	16	1.5 years
Total	$ 26,625	$ (15,952)	$ 10,673	

Amortization expense was $0.7 million in each of the three months ended March 31, 2022 and 2021.

As of March 31, 2022, estimated future amortization expenses were as follows (in thousands):

Remainder of 2022	$ 1,023
2023	1,359
2024	1,353
2025	1,353
2026	1,353
2027	1,353
Thereafter	2,226
Total amortization	$ 10,020

7. LEASES

The components of lease cost, net for the three months ended March 31, 2022 and 2021 were as follows (in thousands):

	Three Months Ended March 31,	
	2022	2021
Operating lease cost	$ 10,667	$ 13,763
Short-term lease cost (12 months or less)	254	137
Sublease income	(2,777)	(1,628)
Total lease cost, net	$ 8,144	$ 12,272

The Company's leases and subleases do not include any variable lease payments, residual value guarantees, related-party leases, or restrictions or covenants that would limit or prevent the Company from exercising its right to obtain substantially all of the economic benefits from use of the respective assets during the lease term.

Supplemental cash flow information related to leases for the three months ended March 31, 2022 and 2021 was as follows (in thousands):

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows from operating leases	$ 11,899	$ 9,590

As of March 31, 2022, maturities of lease liabilities were as follows (in thousands):

Remainder of 2022	$ 36,515
2023	45,566
2024	42,840
2025	22,300
2026	7,365
2027	6,554
Thereafter	16,653
Total minimum lease payments	177,793
Less imputed interest	(19,265)
Present value of lease liabilities	$ 158,528

As of March 31, 2022 and December 31, 2021, the weighted-average remaining lease terms and weighted-average discount rates were as follows:

	March 31, 2022	December 31, 2021
Weighted-average remaining lease term (years) — operating leases	4.6	4.8
Weighted-average discount rate — operating leases	5.3 %	5.4 %

8. OTHER NON-CURRENT ASSETS

Other non-current assets as of March 31, 2022 and December 31, 2021 consisted of the following (in thousands):

	March 31, 2022	December 31, 2021
Deferred tax assets	$ 51,668	$ 40,606
Deferred contract costs	19,093	16,931
Other non-current assets	6,506	7,013
Total other non-current assets	$ 77,267	$ 64,550

Deferred contract costs as of March 31, 2022 and December 31, 2021, and changes in deferred contract costs during the three months ended March 31, 2022, were as follows (in thousands):

	Three Months Ended March 31, 2022
Balance, beginning of period	$ 16,931
Add: costs deferred on new contracts	6,180
Less: amortization recorded in sales and marketing expenses	(4,018)
Balance, end of period	$ 19,093

9. CONTRACT BALANCES

The changes in the allowance for doubtful accounts during the three months ended March 31, 2022 and 2021 were as follows (in thousands):

	Three Months Ended March 31, 2022	Three Months Ended March 31, 2021
Balance, beginning of period	$ 7,153	$ 11,559
Add: provision for doubtful accounts	7,562	3,289
Less: write-offs, net of recoveries	(6,514)	(5,168)
Balance, end of period	$ 8,201	$ 9,680

The net increase in the allowance for doubtful accounts in the three months ended March 31, 2022 was primarily related to an anticipated increase in customer delinquencies due to an increase in both advertisers and customer spend during the three month period. The net decrease in the allowance for doubtful accounts in the three months ended March 31, 2021 was primarily a result of a reduction in expected customer delinquencies as collection rates improved. In calculating the allowance for doubtful accounts as of March 31, 2022 and 2021, the Company considered expectations of probable credit losses, including probable credit losses associated with the COVID-19 pandemic, based on observed trends in cancellations, observed changes in the credit risk of specific customers, the impact of anticipated closures and bankruptcies using forecasted economic indicators in addition to historical experience and loss patterns during periods of macroeconomic uncertainty.

Contract liabilities consist of deferred revenue, which is recorded on the condensed consolidated balance sheets when the Company has received consideration, or has the right to receive consideration, in advance of transferring the performance obligations under the contract to the customer.

The changes in deferred revenue during the three months ended March 31, 2022 were as follows (in thousands):

	Three Months Ended March 31, 2022
Balance, beginning of period	$ 4,156
Less: recognition of deferred revenue from beginning balance	(2,905)
Add: net increase in current period contract liabilities	6,967
Balance, end of period	$ 8,218

The majority of the deferred revenue balance as of March 31, 2022 is expected to be recognized as revenue in the subsequent three-month period ending June 30, 2022. An immaterial amount of long-term deferred revenue is included in other long-term liabilities as of March 31, 2022. No other contract assets or liabilities were recorded on the Company's condensed consolidated balance sheets as of March 31, 2022 and December 31, 2021.

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities as of March 31, 2022 and December 31, 2021 consisted of the following (in thousands):

	March 31, 2022	December 31, 2021
Accounts payable	$ 11,386	$ 16,127
Employee-related liabilities	68,153	50,132
Accrued sales and marketing expenses	8,595	5,455
Accrued cost of revenue	9,092	9,537
Accrued legal settlements	26,000	26,037
Other accrued liabilities	23,057	12,332
Total accounts payable and accrued liabilities	$ 146,283	$ 119,620

As of March 31, 2022, other accrued liabilities primarily consisted of income taxes payable, accrued costs related to unsettled share repurchases and accrued workplace costs.

11. COMMITMENTS AND CONTINGENCIES

Legal Proceedings—In January 2018, a putative class action lawsuit alleging violations of the federal securities laws was filed in the U.S. District Court for the Northern District of California, naming as defendants the Company and certain of its officers (the "Securities Class Action"). The complaint, which the plaintiff amended on June 25, 2018, alleges violations of the Securities Exchange Act of 1934, as amended, by the Company and its officers for allegedly making materially false and misleading statements regarding its business and operations on February 9, 2017. The plaintiff seeks unspecified monetary damages and other relief. On November 27, 2018, the Court granted in part and denied in part the defendants' motion to dismiss. On October 22, 2019, the Court approved a stipulation to certify a class in this action and, on September 9, 2021, it denied the defendants' motion for summary judgment. The case was scheduled for trial to begin on February 7, 2022. However, on December 3, 2021, the defendants reached a preliminary agreement with the plaintiff to settle this matter for $22.25 million, which payment the Company expects to be funded by defendants' insurers. The proposed settlement would resolve all claims asserted against all defendants in the Securities Class Action without any liability or wrongdoing attributed to them. The plaintiff submitted the proposed settlement to the Court for preliminary approval on April 21, 2022.

On December 2, 2021, the Company reached a preliminary agreement to settle a pending stockholder derivative lawsuit (the "Derivative Action") asserting claims against certain current and former officers, and naming the Company as a nominal defendant, which arose out of the same facts as the Securities Class Action and is pending before the same Court in the U.S. District Court for the Northern District of California. The proposed settlement would resolve all claims asserted against all defendants in the Derivative Action without any liability or wrongdoing attributed to them personally or to the Company. Under the terms of the proposed settlement, the Company's board of directors would adopt and implement certain corporate governance modifications and the Company would receive $18.0 million of insurance proceeds, of which the Company has agreed to pay $3.75 million to the plaintiff's attorneys as fees. The plaintiff submitted the proposed settlement to the Court for preliminary approval on January 28, 2022.

The Company assesses, in conjunction with its legal counsel, the need to record a liability for litigation and contingencies, which it will accrue when it believes a loss is probable and the amount can be reasonably estimated. While the proposed settlement terms for both the Securities Class Action and the Derivative Action are subject to Court approval, the Company believes the loss for both are probable and the payment amounts described above, which total $26.0 million, represent reasonable estimates of loss contingencies. The Company also believes that the anticipated insurance proceeds related to each action described above, which also total $26.0 million, are probable and represent reasonable estimates for loss recovery. Accordingly, the Company recorded a $26.0 million accrual for loss contingency within accounts payable and accrued liabilities as well as a $26.0 million receivable for loss recovery within prepaid expenses and other current assets on its condensed consolidated balance sheets as of March 31, 2022 and December 31, 2021.

The Company is subject to other legal proceedings arising in the ordinary course of business. Although the results of litigation and claims cannot be predicted with certainty, the Company currently does not believe that the final outcome of any of these other matters will have a material effect on the Company's business, financial position, results of operations or cash flows.

Indemnification Agreements—In the ordinary course of business, the Company may provide indemnifications of varying scope and terms to customers, vendors, lessors, business partners and other parties with respect to certain matters, including, but not limited to, losses arising out of breach of such agreements, services to be provided by the Company or from intellectual property infringement claims made by third parties.

In addition, the Company has entered into indemnification agreements with directors and certain officers and employees that will require the Company to, among other things, indemnify them against certain liabilities that may arise by reason of their status or service as directors, officers or employees.

While the outcome of claims cannot be predicted with certainty, the Company does not believe that the outcome of any claims under the indemnification arrangements will have a material effect on the Company's business, financial position, results of operations or cash flows.

Revolving Credit Facility—The Company is a party to a Credit Agreement with Wells Fargo Bank, National Association (the "Credit Agreement"), which provides for a three-year, $75.0 million senior unsecured revolving credit facility including a letter of credit sub-limit of $25.0 million. As of March 31, 2022, the Company had $21.5 million of letters of credit under the sub-limit related to lease agreements for certain office locations, which are required to be maintained and issued to the landlords of each facility, and $53.5 million remained available under the revolving credit facility as of this date. The Company was in compliance with all covenants associated with the credit facility and there were no loans outstanding under the Credit Agreement as of March 31, 2022. For additional information on the terms of the Credit Agreement, including fees payable by the Company, financial covenants, events of default and other limitations, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources*" included under Part II, Item 7 in our Annual Report.

got12. STOCKHOLDERS' EQUITY

The following table presents the number of shares authorized and issued as of the dates indicated (in thousands):

	March 31, 2022		December 31, 2021	
	Shares Authorized	**Shares Issued**	**Shares Authorized**	**Shares Issued**
Stockholders' equity:				
Common stock, $0.000001 par value	200,000	71,641	200,000	72,171
Undesignated preferred stock	10,000	—	10,000	—

Stock Repurchase Program

As of March 31, 2022, the Company's board of directors had authorized it to repurchase up to an aggregate of $1.2 billion of its outstanding common stock, $181.7 million of which remained available as of March 31, 2022. The Company may purchase shares at management's discretion in the open market, in privately negotiated transactions, in transactions structured through investment banking institutions, or a combination of the foregoing.

During the three months ended March 31, 2022, the Company repurchased on the open market 1,464,614 shares for an aggregate purchase price of $50.0 million and retired 1,382,078 shares. As of March 31, 2022, the Company had a treasury stock balance of 82,536 shares, which were excluded from its outstanding share count as of such date and subsequently retired in April 2022.

During the three months ended March 31, 2021, the Company repurchased on the open market 1,401,000 shares for an aggregate purchase price of $49.5 million and retired 1,412,188 shares. As of March 31, 2021, the Company had a treasury stock balance of 87,830 shares, which were excluded from its outstanding share count as of such date and subsequently retired in April 2021.

Equity Incentive Plans

Stock Options

Stock options are granted at a price per share not less than the fair value of a share of the Company's common stock on the grant date. Options generally vest over a four-year period, on one of two schedules: (a) 25% vesting at the end of one year and the remaining shares vesting monthly thereafter or (b) ratably on a monthly basis. Options granted are generally exercisable for contractual terms of up to 10 years. The Company issues new shares when stock options are exercised.

A summary of stock option activity for the three months ended March 31, 2022 is as follows:

	Number of Shares (in thousands)	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding at December 31, 2021	3,979	$ 32.59	4.4	$ 24,580
Exercised	(27)	22.45		
Canceled	(14)	11.68		
Outstanding at March 31, 2022	3,938	$ 32.68	4.2	$ 19,264
Options vested and exercisable at March 31, 2022	3,693	$ 32.49	4.0	$ 19,000

Aggregate intrinsic value represents the difference between the closing price of the Company’s common stock as quoted on the New York Stock Exchange on a given date and the exercise price of outstanding, in-the-money options. The total intrinsic value of options exercised was approximately $0.3 million and $11.1 million for the three months ended March 31, 2022 and 2021, respectively.

There were no options granted during the three months ended March 31, 2022 and 2021.

As of March 31, 2022, total unrecognized compensation costs related to nonvested stock options were approximately $3.7 million, which the Company expects to recognize over a weighted-average time period of 1.7 years.

RSUs

RSUs generally vest over a four-year period, on one of two schedules: (a) 25% vesting at the end of one year and the remaining vesting quarterly thereafter or (b) ratably on a quarterly basis.

RSUs also include performance-based restricted stock units ("PRSUs"), which are subject to either (a) a market condition or (b) the achievement of performance goals. PRSUs may also be subject to a time-based vesting schedule of quarterly over four years (the "Time-Based Vesting Schedule"). For PRSUs subject to a market condition, the Company recognizes expense from the date of grant. For PRSUs subject to performance goals, the Company recognizes expense when it is probable that the performance condition will be achieved.

The Company granted PRSUs subject to market conditions in 2019 and 2022. The shares underlying each PRSU award granted in 2019 will be eligible to vest only if the average closing price of the Company's common stock equals or exceeds $45.3125 over any 60-day trading period during the four years following the grant date of February 7, 2019. If this market condition is met, the shares underlying each PRSU award will vest according to the Time-Based Vesting Schedule. Any shares subject to the PRSUs that have met the Time-Based Vesting Schedule at the time the market condition is achieved will fully vest as of such date; thereafter, any remaining nonvested shares subject to the PRSUs will continue vesting solely according to the Time-Based Vesting Schedule, subject to the applicable employee's continued service as of each such vesting date.

The shares underlying each PRSU award granted in 2022 that is subject to market conditions vest based on the relative performance of the Company's total stockholder return ("TSR") over a three-year period. A percentage of the target number of shares underlying each award, ranging from zero to 200%, will vest based on the percentile rank of the Company's TSR relative to that of the other companies in the Russell 2000 Index over the period beginning January 1, 2022 and ending December 31, 2024. The Company’s TSR, as well as the TSR of the other companies in the Russell 2000 Index, will be calculated based on the average closing price of each company's stock over the last 20 trading days of the performance period compared to the average closing price over the first 20 trading days of the performance period. Any shares that become eligible to vest based on the Company's level of achievement of the market goal will fully vest on or following certification of the Company's performance on February 20, 2025 or, if certification occurs following such date, March 15, 2025, subject to the applicable employee's continued service as of such vesting date.

For PRSUs subject to performance goals, a percentage of the target number of shares, ranging from zero to 200%, will become eligible to vest based on the Company's level of achievement of certain financial targets, subject to the Time-Based Vesting Schedule. The shares subject to performance goals become eligible to vest once the achievement against the financial targets is known, which will be no later than March of the following year. On the quarterly vest date immediately following such determination (or a vest date otherwise specified in the agreement), the eligible shares, if any, will vest to the extent that the employee has met the Time-Based Vesting Schedule as of such date. Thereafter, the eligible shares will continue to vest in accordance with the Time-Based Vesting Schedule, subject to the applicable employee's continued service as of each such vesting date. The Company performed an analysis as of March 31, 2022 to assess the probability of achievement of the PRSU financial targets and, as a result, recorded compensation costs in the three months ended March 31, 2022 for the PRSUs that it expected to vest.

As the PRSU activity during the three months ended March 31, 2022 was not material, it is presented together with the RSU activity in the table below. A summary of RSU and PRSU activity for the three months ended March 31, 2022 is as follows (in thousands, except per share amounts):

	Number of Shares	Weighted-Average Grant Date Fair Value
Nonvested at December 31, 2021	10,016	$ 32.39
Granted	4,818	36.06
Vested[1]	(1,371)	33.80
Canceled	(728)	32.93
Nonvested at March 31, 2022	12,735	$ 33.59

[1] Includes 545,701 shares that vested but were not issued due to net share settlement for payment of employee taxes.

The aggregate fair value as of the vest date of RSUs and PRSUs that vested during the three months ended March 31, 2022 and 2021 was $46.7 million and $42.1 million, respectively. As of March 31, 2022, the Company had approximately $403.4 million of unrecognized stock-based compensation expense related to RSUs and PRSUs, which it expects to recognize over the remaining weighted-average vesting period of approximately 2.8 years.

Employee Stock Purchase Plan

The Employee Stock Purchase Plan ("ESPP") allows eligible employees to purchase shares of the Company’s common stock at a discount through payroll deductions of up to 15% of their eligible compensation, subject to any plan limitations, during designated offering periods. At the end of each offering period, employees are able to purchase shares at 85% of the fair market value of the Company’s common stock on the last day of the offering period, based on the closing sales price of the Company's common stock as quoted on the New York Stock Exchange on such date.

There were no shares purchased by employees under the ESPP in the three months ended March 31, 2022 or 2021. The Company recognized stock-based compensation expense related to the ESPP of $0.8 million in each of the three months ended March 31, 2022 and 2021.

Stock-Based Compensation

The following table summarizes the effects of stock-based compensation expense related to stock-based awards in the condensed consolidated statements of operations during the periods presented (in thousands):

	Three Months Ended March 31,	
	2022	2021
Cost of revenue	$ 1,305	$ 1,108
Sales and marketing	8,655	8,397
Product development	23,125	20,753
General and administrative	7,975	8,987
Total stock-based compensation recorded to loss before income taxes	41,060	39,245
Benefit from income taxes	(9,138)	(10,065)
Total stock-based compensation recorded to net loss	$ 31,922	$ 29,180

During the three months ended March 31, 2022 and 2021, the Company capitalized $2.5 million and $2.8 million, respectively, of stock-based compensation expense as website development costs and, to a lesser extent, implementation costs incurred related to cloud computing arrangements that are service contracts.

13. OTHER INCOME, NET

Other income, net for the three months ended March 31, 2022 and 2021 consisted of the following (in thousands):

	Three Months Ended March 31,	
	2022	2021
Interest income (expense), net	$ 22	$ (18)
Transaction gain on foreign exchange, net	71	257
Other non-operating income, net	836	466
Other income, net	$ 929	$ 705

14. INCOME TAXES

The Company is subject to income taxes in the United States as well as other tax jurisdictions in which it conducts business. Earnings from non-U.S. activities are subject to local country income taxes. The benefit from income taxes for the three months ended March 31, 2022 was $2.6 million, which was due to $1.6 million of U.S. federal, state and foreign benefit from income taxes, and $1.0 million of net discrete tax benefit primarily related to stock-based compensation. The benefit from income taxes for the three months ended March 31, 2021 was $2.1 million, which was due to $1.8 million of U.S. federal, state and foreign income tax expense, offset by $3.9 million of net discrete tax benefit.

Accounting for income taxes for interim periods generally requires the provision for income taxes to be determined by applying an estimate of the annual effective tax rate for the full fiscal year to income or loss before income taxes, excluding unusual or infrequently occurring discrete items, for the reporting period. For the three months ended March 31, 2022, the difference between the effective tax rate and the federal statutory tax rate primarily related to stock-based compensation and the inclusion of global intangible low-taxed income ("GILTI"), offset by tax credits. As currently enacted, beginning in 2022, the Tax Cuts and Jobs Act (the "Tax Act") requires taxpayers to capitalize research and development expenses with amortization periods over five and fifteen years, which is expected to increase the amount of the Company's GILTI. For the three months ended March 31, 2021, the difference between the effective tax rate and the federal statutory tax rate primarily related to tax credits, offset by non-deductible expenses.

As of March 31, 2022, the total amount of gross unrecognized tax benefits was $55.3 million, $28.1 million of which was subject to a full valuation allowance and would not affect the Company’s effective tax rate if recognized. In the three months ended March 31, 2022, the Company recorded an immaterial amount of interest and penalties.

As of March 31, 2022, the Company estimated that it had accumulated undistributed earnings generated by its foreign subsidiaries of approximately $11.7 million. Any taxes due with respect to such earnings or the excess of the amount for financial reporting over the tax basis of the Company's foreign investments would generally be limited to foreign and state taxes. The Company has not recognized a deferred tax liability related to unremitted foreign earnings, as it intends to indefinitely reinvest these earnings, and expects future U.S. cash generation to be sufficient to meet future U.S. cash needs.

In addition, the Company is subject to the continuous examination of its income tax returns by the Internal Revenue Service and other tax authorities. The Company’s federal and state income tax returns for tax years subsequent to 2003 remain open to examination. In the Company’s foreign jurisdictions — Canada, Germany, Ireland and the United Kingdom — the tax years subsequent to 2016 remain open to examination. The Company regularly assesses the likelihood of adverse outcomes resulting from examinations to determine the adequacy of its provision for income taxes and monitors the progress of ongoing discussions with tax authorities and the impact, if any, of the expected expiration of the statute of limitations in various taxing jurisdictions. The Company believes that an adequate provision has been made for any adjustments that may result from tax examinations. However, the outcome of tax audits cannot be predicted with certainty. If any issues addressed in the Company’s tax audits are resolved in a manner not consistent with management’s expectations, the Company could be required to adjust its provision for income taxes in the period such resolution occurs. As of March 31, 2022, although the timing of the resolution or closure of audits is not certain, the Company believes it is reasonably possible that its unrecognized tax benefits could be reduced by $0.9 million over the next 12 months.

15. NET LOSS PER SHARE

Basic net loss per share is computed using the weighted-average number of outstanding shares of common stock during the period. Diluted net loss per share is computed using the weighted-average number of outstanding shares of common stock and, when dilutive, potential shares of common stock outstanding during the period. Potential common shares consist of the incremental shares of common stock issuable upon the exercise of stock options, shares issuable upon the vesting of RSUs (including PRSUs) and, to a lesser extent, purchase rights related to the ESPP.

The following table presents the calculation of basic and diluted net loss per share for the periods presented (in thousands, except per share data):

	Three Months Ended March 31,	
	2022	2021
Basic net loss per share:		
Net loss	$ (915)	$ (5,796)
Shares used in computation:		
Weighted-average common shares outstanding	71,639	75,245
Basic net loss per share attributable to common stockholders	$ (0.01)	$ (0.08)

	Three Months Ended March 31,	
	2022	2021
Diluted net loss per share:		
Net loss	$ (915)	$ (5,796)
Shares used in computation:		
Weighted-average common shares outstanding	71,639	75,245
Diluted net loss per share attributable to common stockholders	$ (0.01)	$ (0.08)

The following stock-based instruments were excluded from the calculation of diluted net loss per share because their effect would have been anti-dilutive for the periods presented (in thousands):

	Three Months Ended March 31,	
	2022	2021
Stock options	3,938	4,089
RSUs	12,735	12,199
ESPP	226	213

16. INFORMATION ABOUT REVENUE AND GEOGRAPHIC AREAS

The Company considers operating segments to be components of the Company for which separate financial information is available and evaluated regularly by the Company’s chief operating decision maker in deciding how to allocate resources and in assessing performance. The chief operating decision maker for the Company is the chief executive officer. The chief executive officer reviews financial information presented on a consolidated basis, accompanied by information about revenue by product line and geographic region for purposes of allocating resources and evaluating financial performance.

The Company has determined that it has a single operating and reporting segment. When the Company communicates results externally, it disaggregates net revenue into major product lines and primary geographical markets, which is based on the billing address of the customer. The disaggregation of net revenue by major product lines is based on the type of service provided and also aligns with the timing of revenue recognition for each. To reflect the Company's strategic focus on creating differentiated experiences for its Services categories and Restaurants, Retail & Other categories, the Company further disaggregates advertising revenue to reflect these two high-level category groupings. The Services categories consist of the following businesses: home, local, auto, professional, pets, events, real estate and financial services. The Restaurants, Retail & Other categories consist of the following businesses: restaurants, shopping, beauty & fitness, health and other.

Net Revenue

The following table presents the Company's net revenue by major product line (and by category for advertising revenue) for the periods presented (in thousands):

	Three Months Ended March 31,	
	2022	2021
Net revenue by product:		
Advertising revenue by category[(1)]:		
Services	$ 160,263	$ 140,687
Restaurants, Retail & Other	102,974	81,300
Advertising	263,237	221,987
Transactions	3,180	3,804
Other	10,211	6,305
Total net revenue	$ 276,628	$ 232,096

[(1)] Advertising revenue by category in 2022 reflects an updated method of disaggregation. Prior-period amounts have not been updated as it is impracticable to do so, given certain historical information was not available.

During the three months ended March 31, 2022 and 2021, no individual customer accounted for 10% or more of consolidated net revenue.

As a result of the COVID-19 pandemic, the Company considered whether there was any impact to the manner in which revenue is recognized, in particular with respect to the collectability criteria for recognizing revenue from contracts with customers. The Company did not change the manner in which it recognizes revenue as a result of that assessment.

The Company offered a number of relief incentives to advertising and other revenue customers most impacted by the COVID-19 pandemic totaling $0.3 million and $2.2 million during the three months ended March 31, 2022 and 2021, respectively. These incentives were primarily in the form of waived subscription and advertising fees. The Company accounted for these incentives as price concessions and reduced net revenue recognized in the three months ended March 31, 2022 and 2021 accordingly.

The following table presents the Company's net revenue by major geographic region for the periods presented (in thousands):

	Three Months Ended March 31,	
	2022	2021
United States	$ 274,644	$ 229,995
All other countries	1,984	2,101
Total net revenue	$ 276,628	$ 232,096

Long-Lived Assets

The following table presents the Company's long-lived assets by major geographic region for the periods presented (in thousands):

	March 31, 2022	December 31, 2021
United States	$ 77,992	$ 79,027
All other countries	5,146	4,830
Total long-lived assets	$ 83,138	$ 83,857

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 our condensed consolidated financial statements and related notes appearing elsewhere in this Quarterly Report. This discussion contains forward-looking statements that reflect our plans, estimates and beliefs, and involve risks and uncertainties. Our actual results and the timing of certain events could differ materially from those anticipated in these forward-looking statements as a result of several factors, including those discussed in the section titled "Risk Factors" included under Part I, Item 1A in our Annual Report. See "Special Note Regarding Forward-Looking Statements" in this Quarterly Report.

Overview

As one of the best known internet brands in the United States, Yelp is a trusted local resource for consumers and a partner in success for businesses of all sizes. Consumers trust us for our more than 220 million ratings and reviews of businesses across a broad range of categories, while businesses advertise with us to reach our large audience of purchase-oriented and generally affluent consumers. We believe our ability to provide value to both consumers and businesses not only fulfills our mission to connect consumers with great local businesses, but also positions us well in the local, digital advertising market in the United States.

We generate substantially all of our revenue from the sale of performance-based advertising products, which our advertising platform matches to individual consumers through auctions priced on a cost-per-click ("CPC") basis. In the three months ended March 31, 2022, our net revenue was $276.6 million, up 19% from the three months ended March 31, 2021, and we recorded net loss of $0.9 million and adjusted EBITDA of $48.1 million. For information on how we define and calculate adjusted EBITDA, and a reconciliation of this non-GAAP financial measure to net income (loss), see "*Non-GAAP Financial Measures*" below.

In the first quarter of 2022, our strategic investments in product and marketing drove further progress on our revenue growth initiatives:

- *Grow quality leads and monetization in Services*. We continued working to drive more high-quality leads to Services businesses in the first quarter, including through enhancements to Request-a-Quote. Product improvements to reduce friction in the Request-a-Quote flow and better match consumers with the right businesses for their projects drove increases in both the number of submitted projects and consumer response rates following their implementation in the first quarter, and contributed to advertising revenue from Services businesses increasing 14% year over year and 38% from the first quarter of 2019.
- *Drive sales through the most efficient channels*. Revenue from our Self-serve and Multi-location channels reached 46% of advertising revenue in the first quarter. Marketing investments and product improvements to the claim and ads purchase flows contributed to record Self-serve customer acquisition, which, together with continued strength in retention, resulted in advertising revenue from our Self-serve channel increasing by more than 30% year over year to reach a new record. Our Multi-location channel also gained momentum in the first quarter; revenue from this channel increased 35% year over year and paying advertising locations reached its highest quarterly level since the COVID-19 pandemic began in the first quarter of 2020.
- *Deliver more value to advertisers*. Ad clicks increased by 4% year over year while Average CPC increased by 17% year over year. Growth in average CPC outpaced growth in ad clicks due to higher advertising demand than consumer engagement, particularly in Services. We believe this dynamic was driven by a combination of macroeconomic conditions, including inflation. Despite this, the first quarter marked another record in our retention rate for non-term advertiser budgets, demonstrating our continued ability to deliver more relevant, high-quality ad clicks to advertisers as we work to improve the efficiency of our ad system to better match consumers with the right advertisers.
- *Enhance the consumer experience*. With an increased focus on consumer experience, we are investing in various product and marketing initiatives designed to expand Yelp's trusted content and drive targeted user engagement and growth. In the first quarter, we expanded the public health inspection information available on our platform, introduced new eco-friendly business attributes to help consumers make more informed decisions and entered into a new data licensing partnership that extends the reach of our content to Uber riders. With a view to bringing the user experience on our Android app to parity with the iOS experience, we significantly improved the map view search experience on the Android app and executed backend improvements, resulting in a 20% increase in Android ad clicks following their implementation in March 2022.

As a result of the structural improvements to our business and continued expense management, our strong revenue performance in the first quarter benefited our bottom line: net loss improved year over year to $0.9 million and adjusted EBITDA increased 10% year over year to $48.1 million, even as we continued our strategic investments in product and marketing. We expect net revenue to increase sequentially in the second quarter and plan to further invest in our growth initiatives; accordingly, we expect second quarter adjusted EBITDA to be approximately flat with the first quarter.

Key Metrics

We regularly review a number of metrics, including the key metrics set forth below, to evaluate our business, measure our performance, identify trends in our business, prepare financial projections and make strategic decisions.

Ad Clicks

Ad clicks represent user interactions with our pay-for-performance advertising products, including clicks on advertisements on our website and mobile app, clicks on syndicated advertisements on third-party platforms and Request-a-Quote submissions. Ad clicks include only user interactions that we are able to track directly, and therefore do not include user interactions with ads sold through our advertising partnerships. We do not expect the exclusion of such user interactions to materially affect this metric.

Because we generate revenue primarily from the sale of performance-based ads, our ability to increase our revenue depends largely on our ability to increase ad clicks. We report the year-over-year percentage change in ad clicks on a quarterly basis as a measure of our success in monetizing more of our consumer traffic and delivering more value to advertisers.

The following table presents year-over-year changes in our ad clicks for the periods indicated (expressed as a percentage):

	Three Months Ended March 31,	
	2022	2021
Ad Clicks	4%	(8)%

Average CPC

We define average CPC as revenue from our performance-based ad products — excluding certain revenue adjustments that do not impact the outcome of an auction for an individual ad click, such as refunds, as well as revenue from our advertising partnerships — divided by the total number of ad clicks for a given three-month period.

Average CPC, when viewed together with ad clicks, provides important insight into the value we deliver to advertisers, which we believe is a significant factor in our ability to retain both revenue and customers. For example, a positive change in ad clicks for a given three-month period combined with lower growth or a negative change in average CPC over the same period would indicate that we delivered more ad clicks at lower prices, thereby delivering more value to our advertisers; we would typically expect this to have a positive impact on retention. Although growth in average CPC outpaced growth in ad clicks in the three months ended March 31, 2022, we continued to have a high retention rate of non-term advertisers' budgets during the quarter. This dynamic was due to higher advertising demand than consumer engagement, particularly in Services, which we believe was driven by a combination of macro conditions, including inflation. We expect these complex macroeconomic conditions to continue to cause volatility in these metrics in the near term. We believe that average CPC and ad clicks together reflect one of the largest dynamics affecting our advertising revenue performance.

The following table presents year-over-year changes in our average CPC for the periods indicated (expressed as a percentage):

	Three Months Ended March 31,	
	2022	2021
Average CPC	17%	(3)%

Advertising Revenue by Category

Our advertising revenue comprises revenue from the sale of our advertising products, including the resale of our advertising products by partners and syndicated ads appearing on third-party platforms.

To reflect our strategic focus on creating two differentiated experiences on Yelp, we provide a quarterly breakdown of our advertising revenue attributable to businesses in two high-level category groupings: Services and Restaurants, Retail & Other.

Our Services categories consist of home, local, auto, professional, pets, events, real estate and financial services. Our Restaurants, Retail & Other categories consist of restaurants, shopping, beauty & fitness, health and other.

Advertising revenue by category for the three months ended March 31, 2022 reflects our updated methodology for determining the business category with which advertising revenue is associated based on the business category of each advertising location rather than the business category of the business account that paid for the advertising. While business locations associated with a single payment account are generally part of the same business, they may offer a variety or a combination of services that differ by location; accordingly, we believe our updated methodology provides a more precise breakdown of our advertising revenue between our Services and Restaurants, Retail & Other categories.

The categorization of business locations can change over time and historical business categories for individual business locations are not available; as a result, it is impracticable to apply our updated methodology to prior-year amounts based on the business categorizations in effect during the prior-year period. However, applying our updated methodology to the three months ended March 31, 2021 based on the current business categories of the associated advertising locations does not result in a materially different breakdown than previously reported for such periods. Due to the differences between the types of business categories comprising our Services and Restaurants, Retail & Other categories, we do not believe a significant number of businesses are re-categorized such that they move from one high-level category grouping to the other, and so do not believe the result would be materially different based on the then-current categorizations.

The following table presents our advertising revenue by category for the periods indicated (in thousands, except percentages):

	Three Months Ended March 31,		
	2022	**2021**	**% Change**
Services	$ 160,263	$ 140,687	14%
Restaurants, Retail & Other	102,974	81,300	27%
Total Advertising Revenue	$ 263,237	$ 221,987	19%

Paying Advertising Locations By Category

Paying advertising locations comprise all business locations associated with a business account from which we recognized advertising revenue in a given month, excluding business accounts that purchased advertising through partner programs other than Yelp Ads Certified Partners, averaged over a given three-month period. We also provide a breakdown of paying advertising locations between our Services categories and Restaurants, Retail & Other categories.

We provide our paying advertising locations on a quarterly basis as a measure of the reach and scale of our business; however, this metric may exhibit short-term volatility as a result of factors such as seasonality and macroeconomic conditions. For example, macroeconomic factors, such as ongoing concerns about COVID-19 and its variants as well as labor and supply chain challenges, have had a predominant negative impact on Restaurants, Retail & Other paying advertising locations in recent quarters. Short-term fluctuations in paying advertising locations may also reflect the acquisition or loss of single advertising accounts associated with large numbers of locations, or the pausing/restarting of advertising campaigns by such multi-location advertisers.

The following table presents the number of paying advertising locations by category during the periods indicated (in thousands, except percentages):

	Three Months Ended March 31,		
	2022	**2021**	**% Change**
Services	223	224	—%
Restaurants, Retail & Other	323	279	16%
Total Paying Advertising Locations	546	503	9%

Critical Accounting Policies and Estimates

Our condensed consolidated financial statements are prepared in accordance with accounting principles generally accepted in the United States ("GAAP"). The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses and related disclosures. We evaluate our estimates and assumptions on an ongoing basis. Our estimates and assumptions are based on historical experience and various other assumptions that we believe to be reasonable under the circumstances. Our actual results could differ from those estimates. Due to macroeconomic conditions and other factors, certain estimates and assumptions have required and may continue to require increased judgment and carry a higher degree of variability and volatility. As events continue to evolve and additional information becomes available, these estimates may materially change in future periods.

We believe that the assumptions and estimates associated with revenue recognition, website and internal-use software development costs, the incremental borrowing rate used with respect to leases, business combinations, allowance for doubtful accounts, income taxes and stock-based compensation expense have the greatest potential impact on our consolidated financial statements. There have been no material changes to our critical accounting policies and estimates from those disclosed in our Annual Report.

Results of Operations

The following table sets forth our results of operations for the periods indicated (in thousands, except percentages). The period-to-period comparison of financial results is not necessarily indicative of the results of operations to be anticipated for the full year 2022 or any future period.

	Three Months Ended March 31,			
	2022	2021	$ Change	% Change[1]
Condensed Consolidated Statements of Operations Data:				
Net revenue by product:				
Advertising revenue by category[2]:				
Services	$ 160,263	$ 140,687	$ 19,576	14 %
Restaurants, Retail & Other	102,974	81,300	21,674	27 %
Advertising	263,237	221,987	41,250	19 %
Transactions	3,180	3,804	(624)	(16)%
Other	10,211	6,305	3,906	62 %
Total net revenue	276,628	232,096	44,532	19 %
Costs and expenses:				
Cost of revenue (exclusive of depreciation and amortization shown separately below)	23,429	14,874	8,555	58 %
Sales and marketing	126,097	112,909	13,188	12 %
Product development	80,685	67,992	12,693	19 %
General and administrative	39,383	31,861	7,522	24 %
Depreciation and amortization	11,490	13,083	(1,593)	(12)%
Restructuring	—	20	(20)	(100)%
Total costs and expenses	281,084	240,739	40,345	17 %
Loss from operations	(4,456)	(8,643)	4,187	(48)%
Other income, net	929	705	224	32 %
Loss before income taxes	(3,527)	(7,938)	4,411	(56)%
Benefit from income taxes	(2,612)	(2,142)	(470)	22 %
Net loss	$ (915)	$ (5,796)	$ 4,881	(84)%

(1) Percentage changes are calculated based on rounded numbers and may not recalculate exactly due to rounding.

(2) Please refer to "*—Key Metrics—Ad Revenue by Category*" for information on a methodology change adopted in 2021.

Three Months Ended March 31, 2022 and 2021

Net Revenue

Advertising. We generate advertising revenue from the sale of our advertising products — including enhanced listing pages and performance and impression-based advertising in search results and elsewhere on our platform — to businesses of all sizes, from single-location local businesses to multi-location national businesses. Advertising revenue also includes revenue generated from the resale of our advertising products by certain partners and monetization of remnant advertising inventory through third-party ad networks. We present advertising revenue on a disaggregated basis for our high-level category groupings, Services and Restaurants, Retail & Other.

Advertising revenue for the three months ended March 31, 2022 increased compared to the prior-year period primarily due to higher customer spend as a result of an improved retention rate of non-term advertisers' budgets and higher average revenue per location, as well as an increase in paying advertising locations in our Restaurants, Retail & Other categories. Paying advertising locations in Restaurants, Retail & Other increased as these businesses were able to operate at a greater capacity than the prior-year period.

Transactions. We generate revenue from various transactions with consumers, primarily through our partnership integrations, which are mainly revenue-sharing arrangements that provide consumers with the ability to complete food ordering and delivery transactions through third parties directly on Yelp. We earn a fee for acting as an agent for transactions placed through these integrations, which we record on a net basis and include in revenue upon completion of a transaction.

Transactions revenue for the three months ended March 31, 2022 decreased compared to the prior-year period primarily due to a lower volume of food takeout and delivery orders as restaurants' dine-in capacity was greater than in the prior-year period. The decrease was partially offset by an increase in the per-order transaction fee that we receive from Grubhub following the renewal of our partnership in March 2022.

Other Revenue. We generate revenue through our subscription services, including our Yelp Reservations and Yelp Guest Manager products. We also generate revenue through our Yelp Knowledge and Yelp Fusion programs, which provide access to Yelp data for a fee, as well as other non-advertising partnerships.

Other revenue for the three months ended March 31, 2022 increased compared to the prior-year period, primarily reflecting higher revenue from the continued growth of our Yelp Fusion program. The increase also reflects lower COVID-19 relief incentives — mainly in the form of waived subscription fees — for our subscription product customers in the current-year period.

Trends and Uncertainties of Net Revenue. In contrast to historical seasonal trends, net revenue increased slightly in the three months ended March 31, 2022 compared to the three months ended December 31, 2021 due to increased advertiser demand and the continued execution of our strategic initiatives. We anticipate net revenue in the three months ending June 30, 2022 to increase from the first quarter of 2022.

Costs and Expenses

Cost of Revenue (exclusive of depreciation and amortization). Our cost of revenue consists primarily of credit card processing fees and website infrastructure expense, which includes website hosting costs and employee costs (including stock-based compensation expense) for the infrastructure teams responsible for operating our website and mobile app, and excludes depreciation and amortization expense. Cost of revenue also includes third-party advertising fulfillment costs.

Cost of revenue for the three months ended March 31, 2022 increased compared to the prior-year period, primarily due to:

- an increase in website infrastructure expense of $4.1 million as a result of higher traffic;
- an increase in advertising fulfillment costs of $3.2 million, primarily driven by the expansion of Yelp Audiences; and
- an increase in merchant credit card fees of $0.9 million due to a higher volume of transactions associated with the increase in advertising revenue.

We expect cost of revenue to increase on an absolute dollar basis in 2022 compared to 2021.

Sales and Marketing. Our sales and marketing expenses primarily consist of employee costs (including sales commission and stock-based compensation expenses) for our sales and marketing employees. Sales and marketing expenses also include business and consumer acquisition marketing, community management, as well as allocated workplace and other supporting overhead costs.

Sales and marketing expenses for the three months ended March 31, 2022 increased compared to the prior-year period due to:

- an increase in marketing and advertising costs of $8.3 million, primarily reflecting our investment in consumer marketing; and
- an increase of $7.5 million in employee costs due to higher average sales headcount as compared with the prior-year period.

These increases were partially offset by a decrease in allocated workplace operating costs of $2.6 million due to reductions in our amount of leased office space, which began at the end of the first quarter of 2021 and continued throughout the remainder of the year.

We expect sales and marketing expenses to continue to increase in 2022 compared to 2021 as we hire across our sales and marketing teams and invest in marketing initiatives. However, we expect sales and marketing expenses to decrease as a percentage of net revenue in 2022 compared to 2021 as the composition of our sales force shifts toward more tenured and multi-location sales reps.

Product Development. Our product development expenses primarily consist of employee costs (including stock-based compensation expense, net of capitalized employee costs associated with capitalized website and internal-use software development) for our engineers, product management and corporate infrastructure employees. In addition, product development expenses include allocated workplace and other supporting overhead costs.

Product development expenses for the three months ended March 31, 2022 increased compared to the prior-year period primarily due to an increase in employee costs of $13.0 million, which includes bonuses and stock-based compensation, reflecting higher average headcount.

We expect product development expenses to increase in 2022 compared to 2021 as we expand our product and engineering teams and invest to support our product initiatives, but decrease as a percentage of net revenue as our distributed operations provide leverage.

General and Administrative. Our general and administrative expenses primarily consist of employee costs (including stock-based compensation expense) for our executive, finance, user operations, legal, people operations and other administrative employees. Our general and administrative expenses also include our provision for doubtful accounts, consulting costs, as well as workplace and other supporting overhead costs.

General and administrative expenses for the three months ended March 31, 2022 increased compared to the prior-year period primarily due to an increase of $4.3 million in our provision for doubtful accounts as a result of the increase in advertising revenue and an increase in employee costs of $3.2 million due to higher average headcount.

We expect general and administrative expenses to increase in 2022 compared to 2021 due to increased headcount to support business growth and an increase in provision for bad debt as a result of continued macroeconomic challenges, partially offset by savings from our office space reductions as we continue to operate on a distributed basis. We expect general and administrative expenses as a percentage of net revenue to remain relatively consistent in 2022 compared to 2021.

Depreciation and Amortization. Depreciation and amortization expense primarily consists of depreciation on computer equipment, software, leasehold improvements, capitalized website and software development costs, and amortization of purchased intangible assets.

Depreciation and amortization expense for the three months ended March 31, 2022 decreased compared to the prior-year period, primarily due to decreases in depreciation of leasehold improvements from asset retirements related to lease terminations and expirations that have occurred since prior year.

Other Income, Net

Other income, net consists primarily of the interest income earned on our cash, cash equivalents and previously held marketable securities, the portion of our sublease income in excess of our lease cost, amortization of debt issuance costs, credit facility fees and foreign exchange gains and losses.

Other income, net for the three months ended March 31, 2022 increased compared to the prior-year period, primarily due to increases in tax incentives related to research and development activity in the United Kingdom.

Benefit from Income Taxes

Benefit from income taxes consists of: federal and state income taxes in the United States and income taxes in certain foreign jurisdictions; deferred income taxes reflecting the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes; and the realization of net operating loss carryforwards.

The increase in benefit from income taxes for the three months ended March 31, 2022 compared to the prior-year period was primarily due to the positive annual effective tax rate estimated for 2022 applied to a quarterly loss, compared to a negative annual effective tax rate for 2021 applied to a larger quarterly loss in the year-ago period, offset by a decrease in year-to-date excess tax benefits from stock-based compensation in the current period.

As of December 31, 2021, we had approximately $40.5 million in net deferred tax assets ("DTAs"). As of March 31, 2022, we consider it more likely than not that we will have sufficient taxable income in the future that will allow us to realize these DTAs. However, it is possible that some or all of these DTAs will not be realized. Therefore, unless we are able to generate sufficient taxable income from our operations, a substantial valuation allowance may be required to reduce our DTAs, which would materially increase our expenses in the period in which we recognize the allowance and have a materially adverse impact on our consolidated financial statements. The exact timing and amount of the valuation allowance recognition are subject to change on the basis of the net income that we are able to actually achieve. We will continue to evaluate the possible recognition of a valuation allowance on a quarterly basis.

Our GAAP tax rate is impacted by a number of factors that are not in our direct control and that are subject to quarterly variability, which limits our visibility into the applicable rate for future fiscal periods. While we currently expect our GAAP tax rate for 2022 to be a substantial positive rate — potentially exceeding our previous estimate of 38% — it ultimately depends on, among other things, the status of legislative efforts to repeal the requirement under the U.S. Tax Cuts and Jobs Act (the "Tax Act") to capitalize and amortize research and development expenses, which may result in a substantially lower rate if successful, as well as the amount of our stock-based compensation expense, which fluctuates based on our stock price. We do not plan to provide regular updates to our estimate of our 2022 GAAP tax rate given the uncertainty inherent in it as a result of these factors; however, we note that it may have a material and adverse impact on our cash flows in 2022 as well as future years.

Non-GAAP Financial Measures

Our condensed consolidated financial statements are prepared in accordance with GAAP. However, we have also disclosed below adjusted EBITDA and adjusted EBITDA margin, each of which is a non-GAAP financial measure.

Adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of our results as reported under GAAP. In particular, adjusted EBITDA should not be viewed as a substitute for, or superior to, net income (loss) prepared in accordance with GAAP as a measure of profitability or liquidity. Some of these limitations are:

- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and adjusted EBITDA does not reflect all cash capital expenditure requirements for such replacements or for new capital expenditure requirements;
- adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs;
- adjusted EBITDA does not reflect the impact of the recording or release of valuation allowances or tax payments that may represent a reduction in cash available to us;
- adjusted EBITDA does not consider the potentially dilutive impact of equity-based compensation;
- adjusted EBITDA does not take into account any income or costs that management determines are not indicative of ongoing operating performance, such as restructuring costs; and
- other companies, including those in our industry, may calculate adjusted EBITDA differently, which reduces its usefulness as a comparative measure.

Because of these limitations, you should consider adjusted EBITDA and adjusted EBITDA margin alongside other financial performance measures, net income (loss) and our other GAAP results.

Adjusted EBITDA. Adjusted EBITDA is a non-GAAP financial measure that we calculate as net income (loss), adjusted to exclude: provision for (benefit from) income taxes; other income, net; depreciation and amortization; stock-based compensation expense; and, in certain periods, certain other income and expense items, such as restructuring costs.

Adjusted EBITDA margin. Adjusted EBITDA margin is a non-GAAP financial measure that we calculate as adjusted EBITDA divided by net revenue.

The following is a reconciliation of net loss to adjusted EBITDA, as well as the calculation of net loss margin and adjusted EBITDA margin, for each of the periods indicated (in thousands, except percentages):

	Three Months Ended March 31,	
	2022	2021
Reconciliation of Net Loss to Adjusted EBITDA:		
Net loss	$ (915)	$ (5,796)
Benefit from income taxes	(2,612)	(2,142)
Other income, net	(929)	(705)
Depreciation and amortization	11,490	13,083
Stock-based compensation	41,060	39,245
Restructuring	—	20
Adjusted EBITDA	$ 48,094	$ 43,705
Net revenue	$ 276,628	$ 232,096
Net loss margin	— %	(2)%
Adjusted EBITDA margin	17 %	19 %

Liquidity and Capital Resources

Sources of Cash

As of March 31, 2022, we had cash and cash equivalents of $465.1 million, which consisted of cash and money market funds. Our cash held internationally as of March 31, 2022 was $10.9 million. As of March 31, 2022, we also had $10.0 million of investments in certificates of deposit with minority-owned financial institutions.

To date, we have been able to finance our operations and our acquisitions through proceeds from private and public financings, including our initial public offering in March 2012 and our follow-on offering in October 2013, cash generated from operations, and, to a lesser extent, cash provided by the exercise of employee stock options and purchases under the Employee Stock Purchase Plan, as amended, as well as proceeds from our sale of Eat24 to Grubhub in October 2017.

We continue to hold the majority of our investments in highly liquid money market funds following the liquidation of our portfolio of marketable securities in the first half of 2020, which we undertook as a result of our change in investment strategy to preserve liquidity in response to the COVID-19 pandemic. Our remaining investments that were not held in money market funds as of March 31, 2022 were held in certificates of deposit.

We have the ability to access backup liquidity to fund working capital and for other capital requirements, as needed, through a three-year, $75.0 million senior unsecured revolving credit facility (including a $25.0 million letter of credit sub-limit) as part of our Credit Agreement with Wells Fargo Bank, National Association which we entered into in May 2020 (the "Credit Agreement"). As of March 31, 2022, we had $21.5 million of letters of credit under the sub-limit related to lease agreements for certain office locations, which are required to be maintained and issued to the landlords of each facility, and $53.5 million remained available under the revolving credit facility as of that date. The cost of capital associated with this credit facility was not significantly more than the cost of capital that we would have expected prior to the onset of the COVID-19 pandemic. As of March 31, 2022, we were in compliance with all covenants and there were no loans outstanding under the Credit Agreement. For more information about the terms of the Credit Agreement, including financial covenants, events of default and other limitations, see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources*" included under Part II, Item 7 in our Annual Report.

Material Cash Requirements

Our future capital requirements and the adequacy of available funds will depend on many factors, including those set forth under "*Risk Factors*" included under Part I, Item 1A in our Annual Report. We believe that our existing cash and cash equivalents, together with any cash generated from operations, will be sufficient to meet our material cash requirements in the next 12 months and beyond, including: working capital requirements; our anticipated repurchases of common stock pursuant to our stock repurchase program; payment of taxes related to the net share settlement of equity awards; payment of lease costs related to our operating leases; the potential payment of a higher amount of income taxes beginning in 2022, primarily due to the new requirement to amortize certain research and development expenses under the Tax Act; and purchases of property, equipment and software and website hosting services. However, this estimate is based on a number of assumptions that may prove to be materially different and we could exhaust our available cash and cash equivalents earlier than presently anticipated. We may be required to draw down funds from our revolving credit facility or seek additional funds through equity or debt financings to respond to business challenges associated with the impact of macroeconomic conditions, including the ongoing COVID-19 pandemic, or other challenges, including the need to develop new features and products or enhance existing services, improve our operating infrastructure or acquire complementary businesses and technologies.

We lease office facilities under operating lease agreements that expire from 2022 to 2031. Our cash requirements related to these lease agreements are $177.8 million, of which $48.6 million is expected to be paid within the next 12 months. The total lease obligations are partially offset by our future minimum rental receipts to be received under non-cancelable subleases of $41.3 million. See Note 7, "*Leases*," of the Notes to Condensed Consolidated Financial Statements for further detail on our operating lease obligations.

Our cash requirements related to purchase obligations consisting of non-cancelable agreements to purchase goods and services required in the ordinary course of business — primarily website hosting services — are approximately $57.7 million, of which approximately $42.7 million is expected to be paid within the next 12 months.

The cost of capital associated with any additional funds sought in the future might be adversely impacted by the impact of macroeconomic conditions on our business. Additionally, amounts deposited with third-party financial institutions exceed the Federal Deposit Insurance Corporation and Securities Investor Protection Corporation insurance limits, as applicable. These cash and cash equivalents could be impacted if the underlying financial institutions fail or are subjected to other adverse conditions in the financial markets. To date, we have experienced no loss or lack of access to our cash and cash equivalents; however, we can provide no assurances that access to our invested cash and cash equivalents will not be impacted by adverse conditions in the financial markets.

Cash Flows

The following table summarizes our cash flows for the periods indicated (in thousands):

	Three Months Ended March 31,	
	2022	**2021**
Condensed Consolidated Statements of Cash Flows Data:		
Net cash provided by operating activities	$ 59,903	$ 58,931
Net cash used in investing activities	$ (6,575)	$ (5,976)
Net cash used in financing activities	$ (67,953)	$ (60,282)

Operating Activities. Net cash provided by operating activities during the three months ended March 31, 2022 was relatively consistent with the prior-year period. There was an increase in accrued income taxes driven by a requirement under the Tax Act to capitalize and amortize research and development expenses and an increase in accrued commissions due to higher performance of sales representatives. These movements were offset by an increase in receivables from customers driven by higher revenue and an increase in prepaid expenses due to timing of payments to third parties.

Investing Activities. Net cash used in investing activities during the three months ended March 31, 2022 increased compared to the prior-year period primarily due to an increase in purchases of property, equipment and software.

Financing Activities. Net cash used in financing activities during the three months ended March 31, 2022 increased compared to the prior-year period primarily due to a decrease in cash proceeds from stock option exercises as there were fewer options exercised during the three months ended March 31, 2022 as compared to the prior-year period.

Stock Repurchase Program

As of March 31, 2022, our board of directors had authorized us to repurchase up to an aggregate of $1.2 billion of our outstanding common stock since it initially authorized our stock repurchase program in July 2017. As of April 29, 2022, approximately $156.9 million remained available for stock repurchases under these authorizations.

We may repurchase shares at our discretion in the open market, privately negotiated transactions, in transactions structured through investment banking institutions, or a combination of the foregoing. The program is not subject to any time limit and may be modified, suspended or discontinued at any time. The amount and timing of repurchases are subject to a variety of factors, including liquidity, cash flow and market conditions.

We have funded all repurchases to date and expect to fund any future repurchases with cash available on our balance sheet. During the three months ended March 31, 2022, we repurchased on the open market 1,464,614 shares for an aggregate purchase price of $50.0 million. During the three months ended March 31, 2021, we repurchased on the open market 1,401,000 shares for an aggregate purchase price of $49.5 million.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We have operations both within the United States and internationally, and we are exposed to market risks in the ordinary course of business. These risks primarily include interest rate, foreign exchange risks and inflation, and have not changed materially from the market risks we were exposed to in the year ended December 31, 2021.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

We maintain "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company’s management, including its principal executive and principal financial officers, 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 March 31, 2022. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of March 31, 2022, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control Over Financial Reporting

There was no change in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the three months ended March 31, 2022 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our management, including our Chief Executive Officer and our Chief Financial Officer, believes that our disclosure controls and procedures and internal control over financial reporting are designed to provide reasonable assurance of achieving their objectives and are effective at the reasonable assurance level. However, our management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by the collusion of two or more people or by management override of controls. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

PART II. OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

For information regarding material legal proceedings in which we are involved, see "Legal Proceedings" in Note 11, "*Commitments and Contingencies*," of the Notes to Condensed Consolidated Financial Statements included in this Quarterly Report, which is incorporated herein by reference. We are also subject to legal proceedings arising in the ordinary course of business. Although the results of litigation and claims cannot be predicted with certainty, we currently do not believe that the final outcome of any of these other matters will have a material effect on our business, financial position, results of operations or cash flows.

ITEM 1A. RISK FACTORS

There have been no material changes to the risks factors set forth in the section titled "*Risk Factors*" included under Part I, Item 1A of our Annual Report, which describes various risks and uncertainties that could adversely affect our business, financial condition, results of operations, cash flows and the trading price of our common stock. You should carefully consider the risks and uncertainties described in the Annual Report and below before making an investment decision.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities

The following table summarizes our stock repurchase activity for the three months ended March 31, 2022 (in thousands, except for price per share):

Period	Total Number of Shares Purchased[(1)]	Average Price Paid per Share[(2)]	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plans or Program
January 1 – January 31, 2022	907	$ 34.60	907	$ 200,276
February 1 – February 28, 2022	168	$ 33.45	168	$ 194,658
March 1 – March 31, 2022	390	$ 33.37	390	$ 181,658

(1) Between July 2017 and September 2021, our board of directors authorized us to repurchase up to $1.2 billion of our outstanding common stock, $156.9 million of which remained available as of April 29, 2022. The actual timing and amount of repurchases depend on a variety of factors, including liquidity, cash flow and market conditions. See "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Liquidity and Capital Resources—Stock Repurchase Program*" included under Part I, Item 2 in this Quarterly Report.

(2) Average price paid per share includes costs associated with the repurchases.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

None.

ITEM 6. EXHIBITS.

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
3.1	Amended and Restated Certificate of Incorporation of Yelp Inc., as Amended.	8-K	001-35444	3.1	7/8/2020	
3.2	Amended and Restated Bylaws of Yelp Inc.	8-K	001-35444	3.1	1/31/2022	
4.1	Reference is made to Exhibits 3.1 and 3.2.					
4.2	Form of Common Stock Certificate.	8-A/A	001-35444	4.1	9/23/2016	
10.1	Offer Letter, dated October 27, 2021, by and between Yelp Inc. and Carmen Orr.					X
10.2	Offer Letter, dated January 13, 2022, by and between Yelp Inc. and Craig Saldanha.					X
10.3	Contract of Employment, dated March 15, 2022, by and between Yelp UK Limited and Sam Eaton.					X
31.1	Certification pursuant to Rule 13a-14(a)/15d-14(a).					X
31.2	Certification pursuant to Rule 13a-14(a)/15d-14(a).					X
32.1†	Certifications of Chief Executive Officer and Chief Financial Officer.					X
101.INS	Inline XBRL Instance Document (embedded within the Inline XBRL document).					
101.SCH	Inline XBRL Taxonomy Extension Schema Document.					X
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.					X
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.					X
101.LAB	Inline XBRL Taxonomy Extension Labels Linkbase Document.					X
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.					X
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).					

† The certifications attached as Exhibit 32.1 accompany this Quarterly Report on Form 10-Q, are not deemed filed with the SEC and are not to be incorporated by reference into any filing of Yelp Inc. under the Securities Act or the Exchange Act, whether made before or after the date of this Quarterly Report, irrespective of any general incorporation language contained in such filing.

SIGNATURES

Pursuant to the requirements 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.

	YELP INC.
Date: May 6, 2022	/s/ David Schwarzbach
	David Schwarzbach
	Chief Financial Officer
	(Principal Financial and Accounting Officer and Duly Authorized Signatory)

EXHIBIT 10.1

October 27, 2021

Carmen Orr

Dear Carmen,

Yelp Inc., a Delaware corporation (the "***Company***" or "***Yelp***"), is pleased to offer you the position of Chief People Officer on the following terms:

1. **Position.** Your employment will start on January 17 and you will report to the Company's Chief Executive Officer. You will work primarily from your home in Texas, but are welcome to work from Yelp's offices at your discretion. You may also be required to work from a Yelp office or other locations from time to time.

2. **Salary.** The annualized salary for this position is **$450,000** (as adjusted from time to time, your "***Salary***"), less applicable deductions and withholdings, payable pursuant to our regular payroll policy. Your Salary is subject to periodic review and adjustment in accordance with the Company's policies as in effect from time to time. This is an exempt position, and your Salary is intended to cover all hours worked.

3. **Equity Compensation.**

   a. Yelp will recommend that its board of directors (or a committee thereof) (the "***Board***") grant you restricted stock units covering shares of Yelp's common stock ("***RSUs***") valued at **$2.5 million.** The actual number of RSUs awarded will be based on the average closing price of Yelp's stock on the New York Stock Exchange over the calendar month in which your start date occurs and the calendar month prior. If granted, these RSUs will vest according to a four-year vesting schedule, with 25% of the RSUs vesting on February 20, 2023, and the remaining shares vesting in equal quarterly installments on each February 20, May 20, August 20 and November 20 thereafter over the following three years. Please note that vesting is conditioned on your continued service with Yelp through each vesting date. The RSUs will also be subject to the terms of Yelp's stock plan and a separate Restricted Stock Unit Agreement between you and Yelp.

   b. While any additional equity awards (and the terms thereof) are at the sole discretion of the Board, we anticipate that 50% of the value of any future awards would be in the form of RSUs subject to a time-based vesting schedule, and the remaining 50% would be in the form of performance-based RSUs subject to both Company performance criteria established by the Board and a time-based vesting schedule.

4. **Incentive Compensation.** You are eligible to participate in any incentive compensation programs established by the Company for its employees from time to time, including a discretionary performance-based annual cash bonus plan expected to be established for the year ending December 31, 2022 (the "***Bonus Plan***"). We currently anticipate that the Bonus Plan, if approved, will provide for an annual bonus target of 50% of your annual base salary, with your actual bonus amount determined based on the level of achievement of performance goals set by the Board for Yelp's net revenue and adjusted EBITDA for 2022. You must be employed by Yelp at the time bonuses are paid in order to be eligible to receive a bonus. The full terms of the Bonus Plan, if approved, will be made available to you on or around the later of the date the Bonus Plan is approved and your start date.

5. **Starting Bonus.** You are eligible for a one-time "starting" bonus of up to $300,000 (less applicable deductions and withholdings), the amount of which will depend on the circumstances of your departure from your current employer. The specific amount of the starting bonus, if any, must be mutually agreed upon by you and Yelp in writing at or around the time of your departure from your current employer. If an amount is agreed upon, it will be paid in one lump-sum payment at the end of your first regularly-scheduled pay period as a full-time employee. The

bonus will be earned evenly over your first year of employment with Yelp. In the event that your full-time employment with Yelp terminates for any reason before the one-year anniversary of your start date, you agree that you will refund Yelp a pro-rata share of the bonus on or before your last day of employment.

6. **Benefits.** You are eligible to participate in the insurance programs and other employee benefit plans established by the Company for its employees from time to time, including the Executive Severance Benefit Plan, in accordance with the terms of those programs and plans. The Company reserves the right to change the terms of its programs and plans at any time.

7. **Confidentiality.** As an employee of the Company, you will have access to certain confidential information of the Company and you may, during the course of your employment, develop certain information or inventions that will be the property of the Company. To protect the interests of the Company, you will be required to sign and comply with our standard Confidentiality and Invention Assignment Agreement ("***Confidentiality Agreement***") as a condition of your employment.

8. **Conditions.** This offer is conditioned on you successfully passing our background and reference checks, providing proof of your identity and ability to work legally within the United States, and signing the Confidentiality Agreement and our standard Dispute Resolution Policy and Arbitration Agreement ("***Dispute Resolution Policy***"). You agree to provide any documentation or information at the Company's request to facilitate these processes.

9. **At-Will Employment.** While we look forward to a long and successful relationship, your position with Yelp will be "at-will." This means that both you and Yelp may terminate your employment at any time, with or without cause, and with or without advance notice. However, given the prominent nature of your role with the Company, we ask that you provide a minimum of sixty (60) days advance notice if you decide to terminate your employment relationship with Yelp. During this time, we would expect you to perform your customary job duties and assist, as requested by Yelp, in transitioning outstanding projects, tasks and relationships to other Yelp personnel. That said, nothing in this paragraph is intended to alter your at-will employment relationship with Yelp.

   This letter contains the entire agreement between you and Yelp regarding the right and ability of either you or Yelp to terminate your employment. Any statements or representations contradicting any provision of this letter should be regarded by you as ineffective. In addition, your participation in any stock incentive or benefit program is not to be regarded as assuring you of continued employment for any particular period of time. Any modification or change in your at-will employment status may occur only by way of a written agreement signed by you and an authorized member of the Board.

10. **Company Policies.** As an employee of the Company, you will be subject to the Company's policies, including those set forth in our Employee Handbook (collectively, the "***Policies***"). The Policies will be available to you on our intranet site when you start. Please read them carefully. Your continued employment at Yelp will be conditioned on your complying with, and will constitute your acknowledgement and acceptance of, the Policies.

11. **Representation.** By signing below, you represent that taking and performing the position Yelp is offering you will not violate the terms of any agreements you may have with others, including any former employers. You also represent that you have disclosed to Yelp any contract you have signed that might restrict your activities on behalf of Yelp.

12. **Entire Agreement.** This letter, together with the Confidentiality Agreement and Dispute Resolution Policy, will form the complete and exclusive statement of your employment agreement with Yelp ("***Employment Agreement***"). The Employment Agreement supersedes any other agreements, promises or representations made to you by anyone, whether oral or written,

regarding the subject matter of the Employment Agreement. The Employment Agreement cannot be changed except in a written agreement signed by you and a duly authorized officer of Yelp.

We look forward to you joining us! Please sign the bottom of this letter and return it to accept this offer. This offer will terminate if we do not receive confirmation of your acceptance by November 1.

Sincerely,

/s/ Jeremy Stoppelman

Jeremy Stoppelman
Chief Executive Officer & Director, Yelp Inc.

I have read and understood this offer letter and hereby acknowledge, accept and agree to the terms as set forth above and further acknowledge that no other commitments were made to me as part of my employment offer except as specifically set forth above.

/s/ Carmen Orr 10/28/2021
Employee Acceptance/Signature Date

EXHIBIT 10.2

January 13, 2022

Craig Saldanha

Dear Craig,

Yelp Inc., a Delaware corporation (the "***Company***" or "***Yelp***"), is pleased to offer you the position of Chief Product Officer on the following terms:

1. **Position.** Your employment will start on February 14, 2022 and you will report to the Company's Chief Executive Officer. You will work primarily from your home in Seattle, Washington, but are welcome to work from Yelp's offices at your discretion. You may also be required to work from a Yelp office or other locations from time to time.

2. **Salary.** The annualized salary for this position is **$450,000** (as adjusted from time to time, your "***Salary***"), less applicable deductions and withholdings, payable pursuant to our regular payroll policy. Your Salary is subject to periodic review and adjustment in accordance with the Company's policies as in effect from time to time. This is an exempt position, and your Salary is intended to cover all hours worked.

3. **Equity Compensation.**

   a. Yelp will recommend that its board of directors (or a committee thereof) (the "***Board***") grant you restricted stock units covering shares of Yelp's common stock ("***RSUs***") valued at **$4.0 million**. The actual number of RSUs awarded will be based on the average closing price of Yelp's stock on the New York Stock Exchange over the calendar month in which your start date occurs and the calendar month prior. If granted, these RSUs will vest according to a four-year vesting schedule, with 25% of the RSUs vesting on February 20, 2023, and the remaining shares vesting in equal quarterly installments on each February 20, May 20, August 20 and November 20 thereafter over the following three years. Please note that vesting is conditioned on your continued service with Yelp through each vesting date. The RSUs will also be subject to the terms of Yelp's stock plan and a separate Restricted Stock Unit Agreement between you and Yelp.

   b. While any additional equity awards (and the terms thereof) are at the sole discretion of the Board, we anticipate that 50% of the value of any future awards would be in the form of RSUs subject to a time-based vesting schedule, and the remaining 50% would be in the form of performance-based RSUs subject to both Company performance criteria established by the Board and a time-based vesting schedule.

4. **Incentive Compensation.** You are eligible to participate in the discretionary performance-based annual cash bonus plan expected to be established for your role for the year ending December 31, 2022 (the " ***Bonus Plan***"). We currently anticipate that the Bonus Plan, if approved, will provide for an annual bonus target of 50% of your annual base salary, with your actual bonus amount determined based on the level of achievement of performance goals set by the Board for Yelp's net revenue and adjusted EBITDA for 2022. You must be employed by Yelp at the time bonuses are paid in order to be eligible to receive a bonus. The full terms of the Bonus Plan, if approved, will be made available to you on or around the later of the date the Bonus Plan is approved and your start date.

5. **Signing Bonus.** You will be paid a one-time signing bonus of **$625,000** (less applicable deductions and withholdings), which will be paid in a lump-sum payment at the end of your first regularly-scheduled pay period as a full-time employee. This signing bonus will be earned evenly over your first year of employment with Yelp. In the event that your full-time employment with Yelp terminates for any reason before the one-year anniversary of your start date, you agree that you will refund Yelp a pro-rata share of the bonus on or before your last day of employment.

6. **Retention Bonus.** You will be eligible to receive a one-time retention bonus of **$100,000** (less applicable deductions and withholdings), conditional on you remaining with Yelp for one year. The retention bonus will be paid in a lump-sum payment at the end of the first regularly-scheduled pay period following your one-year anniversary of employment. You must be employed on a full-time basis by Yelp on the payout date in order to earn and receive the bonus. In the event that your full-time employment with Yelp terminates for any reason before the payout date, you will not be entitled to any portion of the bonus.

7. **Benefits.** You are eligible to participate in the insurance programs and other employee benefit plans established by the Company for its employees from time to time, including the Executive Severance Benefit Plan, in accordance with the terms of those programs and plans. The Company reserves the right to change the terms of its programs and plans at any time.

8. **Confidentiality.** As an employee of the Company, you will have access to certain confidential information of the Company and you may, during the course of your employment, develop certain information or inventions that will be the property of the Company. To protect the interests of the Company, you will be required to sign and comply with our standard Confidentiality and Invention Assignment Agreement ("***Confidentiality Agreement***") as a condition of your employment.

9. **Conditions.** This offer is conditioned on you successfully passing our background and reference checks, providing proof of your identity and ability to work legally within the United States, and signing the Confidentiality Agreement and our standard Dispute Resolution Policy and Arbitration Agreement ("***Dispute Resolution Policy***"). You agree to provide any documentation or information at the Company's request to facilitate these processes.

10. **At-Will Employment.** While we look forward to a long and successful relationship, your position with Yelp will be "at-will." This means that both you and Yelp may terminate your employment at any time, with or without cause, and with or without advance notice. However, given the prominent nature of your role with the Company, we ask that you provide a minimum of sixty (60) days advance notice if you decide to terminate your employment relationship with Yelp. During this time, we would expect you to perform your customary job duties and assist, as requested by Yelp, in transitioning outstanding projects, tasks and relationships to other Yelp personnel. That said, nothing in this paragraph is intended to alter your at-will employment relationship with Yelp.

    This letter contains the entire agreement between you and Yelp regarding the right and ability of either you or Yelp to terminate your employment. Any statements or representations contradicting any provision of this letter should be regarded by you as ineffective. In addition, your participation in any stock incentive or benefit program is not to be regarded as assuring you of continued employment for any particular period of time. Any modification or change in your at-will employment status may occur only by way of a written agreement signed by you and an authorized member of the Board.

11. **Company Policies.** As an employee of the Company, you will be subject to the Company's policies, including those set forth in our Employee Handbook (collectively, the "***Policies***"). The Policies will be available to you on our intranet site when you start. Please read them carefully. Your continued employment at Yelp will be conditioned on your complying with, and will constitute your acknowledgement and acceptance of, the Policies.

12. **Representation.** By signing below, you represent that taking and performing the position Yelp is offering you will not violate the terms of any agreements you may have with others, including any former employers. You also represent that you have disclosed to Yelp any contract you have signed that might restrict your activities on behalf of Yelp.

13. **Entire Agreement.** This letter, together with the Confidentiality Agreement and Dispute Resolution Policy, will form the complete and exclusive statement of your employment agreement with Yelp ("***Employment Agreement***"). The Employment Agreement supersedes any

other agreements, promises or representations made to you by anyone, whether oral or written, regarding the subject matter of the Employment Agreement. The Employment Agreement cannot be changed except in a written agreement signed by you and a duly authorized officer of Yelp.

We look forward to you joining us! Please sign the bottom of this letter and return it to accept this offer. This offer will terminate if we do not receive confirmation of your acceptance by January 18, 2022.

Sincerely,

Jeremy Stoppelman
Chief Executive Officer & Director, Yelp Inc.

I have read and understood this offer letter and hereby acknowledge, accept and agree to the terms as set forth above. I further acknowledge and agree that no other commitments were made to me as part of my employment offer except as specifically set forth above.

/s/ CJ Saldanha Jan 18, 2022
Employee Acceptance/Signature Date

CONTRACT OF EMPLOYMENT
YELP UK LTD

THIS AGREEMENT (Agreement) dated 15 March, 2022 is between:

(1) **Yelp UK Limited**, a company whose registered office is at 9 Appold Street, 5th floor, London, EC2A 2AP, United Kingdom (**Company/We**); and

(2) **Sam Eaton** (**Employee/You**)

AGREED TERMS

1. INTERPRETATION

1.1 The definitions and rules of interpretation in this clause apply in this agreement and in any schedules (unless the context requires otherwise).

Board means the board of directors from time to time of Yelp Inc. and includes any committee of the board of directors duly appointed by it;

Companies Acts means the Companies Act 1985, the Companies Act 1989 and the Companies Act 2006;

ERA means the Employment Rights Act 1996;

Group Company means any firm, company, corporation or other organisation which is a holding company from time to time of the Company or any subsidiary from time to time of the Company or any such holding company (for which purpose the expressions 'holding company' and 'subsidiary' shall have the meanings given to them by Section 1159 Companies Act 2006); and

2. APPOINTMENT

The Company will employ you and you agree to serve the Company as Chief Technology Officer of the Company on and subject to the terms and conditions in this Agreement.

3. DURATION AND WARRANTIES

3.1 Your employment with the Company will begin on 16 March 2022 (**Commencement Date**) and will continue unless terminated by either party in accordance with clause 16 of this Agreement.

3.2 For the purpose of the ERA, your period of continuous employment began on 3 April 2013. This includes your previous employment with any Group Companies.

3.3 You represent and warrant that, in entering into and performing your duties under this Agreement, you will not be in breach of any court order or any express or implied terms of any contract or other obligation binding on you.

3.4 You warrant that you are entitled to work in the United Kingdom without any additional approvals and will notify the Company immediately if you cease to be so entitled during your employment.

4. SCOPE OF YOUR EMPLOYMENT

4.1 You shall:

(a) devote the whole of your working time, attention, ability and skills to your duties;

(b) faithfully and diligently perform such duties and exercise such powers consistent with your position as may from time to time be assigned to or vested in you by the Company;

(c) comply with all reasonable and lawful directions given to you by the Company;

(d) comply with all of the Company's articles of association, rules, regulations, policies and procedures from time to time in force;

(e) report your own wrongdoing and any wrongdoing or proposed wrongdoing of any other employee or director of the Company or any Group Company to the Board immediately on becoming aware of it; and

(f) at all times act in the best interests of the Company and use your best endeavours to promote and protect the interests of the Company, any of its Group Companies and their employees.

4.2 Subject to clause 4.3 the Company reserves the right to assign you duties of a different nature either in addition to or instead of those referred to in clause 4.1 above, it being understood that you will not be assigned duties which you cannot reasonably perform or which are inconsistent with your position and status.

4.3 During any period of notice of termination (whether given by the Company or by you), the Company shall be at liberty to assign to you such other duties as the Company shall determine in its absolute discretion.

4.4 During your employment, you will be expected to participate in any training deemed necessary for your professional or personal development during your employment. If any training is subsequently identified as being required or otherwise on offer to you, particulars of this will be provided at the relevant time.

4.5 You confirm that you have disclosed to the Company all circumstances in respect of which there is, or there might be, a conflict or possible conflict of interest between you and the Company or any Group Company and you agree to disclose fully to the Company any such circumstances that might arise during your employment. For the avoidance of doubt, this includes but is not limited to, disclosing to the Company any activity by you or by a third party, which might reasonably be expected to harm the Company or its business or destabilise its workforce.

5. HOURS AND PLACE OF WORK

5.1 You agree that in your capacity as Chief Technology Officer you may choose or determine the duration of your working time and that the working time limits set out in Part II of the Working Time Regulations 1998 do not apply to your employment.

Your principal place of work will be at your home office within the United Kingdom, or any such place as the Company shall from time to time direct. You will be given reasonable notice of any change in your place of work. By signing below, you acknowledge and agree to the Work Location Policy set forth on Schedule 2 attached to this Agreement.

5.2 You agree to travel on the Company's business (both within the United Kingdom and abroad) as may be required for the proper performance of your duties. During any such period of travel (which, if abroad, shall not exceed a continuous period of one month at any one time), you will be paid your normal salary and benefits in sterling in the normal way unless otherwise agreed.

6. SALARY

6.1 The Company will pay to you a basic salary at the rate of £374,165 per year, payable by equal monthly instalments in arrears and subject to prior deductions for income tax and employee national insurance contributions, normally on the last day of each calendar month. Your salary is subject to periodic review and adjustment in accordance with the Company's policies as in effect from time to time. Any increase that may be awarded in any one year does not create an entitlement to an increase in any subsequent years.

6.2 You are eligible to participate in the Company's Performance Bonus Compensation Plan for Executives, subject to the rules of such scheme from time to time in force. Any bonus awarded to you, whether under this scheme or otherwise, will be purely discretionary, will not form part of your contractual remuneration under this Agreement and will not be pensionable. The Company reserves the right to discontinue such plan or alter its terms at any time in line with business requirements. Award of a bonus in one year would not entitle you to a bonus in subsequent years and the Company reserves the right to award a nil payment.

6.3 For the purposes of ERA, you hereby authorise the Company to deduct from your salary or any other payments due to you, any statutory deductions, or money which you may owe to the Company at any time.

7. PENSION AND BENEFITS

7.1 The Company will comply with the employer pension duties in respect of you in accordance with Part 1 of the Pensions Act 2008.

7.2 The details of the health and benefits package that the Company offers are set out in the Benefits Booklet. The Company may replace, vary or withdraw any health and benefits offerings, or amend the terms of such health and benefit offerings, at any time.

7.3 Entitlement to all of the above benefits is subject to the terms of the scheme from time to time in force, and to the rules and/or the policies that the Company has in place with the relevant provider, as amended from time to time. Entitlement to these benefits is also subject to you and your dependants satisfying the normal underwriting requirements and being accepted at the standard premium. The Company may vary, withdraw or replace any and all such benefits by giving you reasonable notice.

7.4 You are eligible to participate in the Company's Executive Severance Benefit Plan, established on 6 January 2012 and amended on 18 February 2020 (**Severance P an**). Any benefits that you are eligible to receive under the Severance Plan shall be inclusive of and not in addition to any notice period or PILON owed to you under clause 16 of this Agreement and are subject to the terms of the Severance Plan from time to time in force. For the avoidance of doubt, the Severance Plan does not form part of this Agreement or your contractual terms. The Company reserves the right to discontinue the Severance Plan or alter its terms at any time in line with business requirements.

7.5 The Company shall be entitled to terminate your employment in accordance with the terms of this Agreement notwithstanding the fact that you or your dependants may be receiving benefits under any insurance scheme.

8. EXPENSES

The Company shall reimburse you in respect of all expenses reasonably incurred by you in the proper performance of your duties, in accordance with the Company's expenses policies.

9. HOLIDAY

9.1 You are entitled, in addition to the usual public holidays observed in England and Wales, to 29 working days' paid holiday in each holiday year, to be used in accordance with the Company's Paid Holiday Policy. The Company's holiday year runs from 1 January to 31 December. Where you are employed for part of a holiday year, either at the beginning or end of your employment, you will be entitled to paid holiday pro rata to the number of complete calendar months worked by you in the relevant holiday year.

9.2 If, on the termination of your employment, you have exceeded the accrued holiday entitlement, the excess may be deducted from any sums due to you. If you have any unused holiday entitlement, the Company may either require you to take such unused holiday during any notice period or to accept payment in lieu of it.

9.3 You shall have no entitlement to any payment in lieu of accrued but untaken holiday except on termination of your employment.

10. INCAPACITY

10.1 Information on the process to follow if you are absent due to illness or injury and payment during any period of sick leave is set out in the Employee Handbook.

10.2 Subject to your compliance with the Company's sickness policy and meeting the statutory eligibility criteria, you may be eligible to receive statutory sick pay and/or social security sickness benefits during periods of sick leave. Your qualifying days for statutory sick pay purposes are Monday to Friday. Any sick pay payments made to you under this clause shall be inclusive of any Statutory Sick Pay and any Social Security Sickness Benefit or other benefits to which you may be entitled, whether or not claimed.

10.3 The Company reserves the right to require you to undergo a medical examination by a doctor or consultant nominated by it, at any time including at any stage of absence at the Company's expense, and you agree that you will undergo any requisite tests and examinations and will fully cooperate with the relevant medical practitioner. The Company will separately request that you authorise the medical practitioner to disclose to and discuss with the Company the results of any examination and any matters which arise from it at the time of any such medical examination and inform you of your rights in respect of such consent under data protection legislation.

10.4 Any actual or prospective entitlement to sick pay or private medical insurance or long term disability benefits shall not limit or prevent the Company from exercising its right to terminate your employment in accordance with clause 16 of this agreement or otherwise and the Company shall not be liable for any loss arising from such termination.

11. OTHER PAID LEAVE

11.1 You may be eligible to take the following types of paid leave, subject to any statutory eligibility requirements or conditions and the Company's rules applicable to each type of leave in force from time to time: statutory maternity leave; statutory paternity leave; statutory adoption leave; shared parental leave; and parental bereavement leave. Further details of such entitlements are available from the Company's People Operations team. The Company may replace, amend or withdraw its policy on any of the above types of leave at any time.

12. RESTRICTIONS ON OTHER ACTIVITIES BY YOU

12.1 Subject to clause 12.2, during your employment you shall not, except as the Company's representative or with its prior written approval, whether paid or unpaid, be directly or indirectly employed, engaged, concerned or interested as agent, consultant, director, employee, owner, partner, shareholder of or in any other capacity in any other competitive business or undertaking (or the setting up of any business or undertaking) or be involved in any activity which the Company reasonably considers may be, or become, harmful to the interests of the Company or any Group Company, or which might reasonably be considered to impinge your ability to carry out your duties under this Agreement. A competitive business or undertaking, for these purposes, means one which carries on a business similar to or competitive with any business for the time being carried on by the Company or any Group Company or which intends to do so.

12.2 Notwithstanding clause 12.1, you may hold (directly or through nominees) an investment by way of shares or other securities (whether or not it is listed or dealt in on a recognised stock exchange) where such company does not carry on a business similar to or competitive with any business for the time being carried on by the Company or any Group Company or which intends to do so.

12.3 Subject to any regulations issued by the Company, you shall not be entitled to receive or obtain directly or indirectly any discount, rebate or commission in respect of any sale or purchase of goods effected or other business transacted (whether or not by you by or on behalf of the Company) and if you (or any firm or company in which you are interested) shall obtain any such discount, rebate or commission, you shall account to the Company for the amount received by you (or a due proportion of the amount received by such company or firm having regard to the extent of your interest in it).

13. CONFIDENTIALITY

13.1 You shall neither during your employment (except in the proper performance of your duties) nor at any time (without limit) after the termination of your employment:

(a) divulge or communicate to any person, company, business entity or other organisation;

(b) use for your own purposes or for any purposes other than those of the Company or any Group Company; or

(c) through any failure to exercise due care and diligence, permit or cause any unauthorised disclosure of any Confidential Information, provided that these restrictions shall cease to apply to any information which shall become available to the public generally otherwise than through an unauthorised disclosure by you or any other person.

13.2 For the purposes of this Agreement **Confidential Information** shall mean, in relation to the Company or any Group Company:

(a) trade secrets;

(b) information relating to research activities, inventions, discoveries, secret processes, designs, know how, technical specifications and processes, formulae, intellectual property rights, computer software, product lines and any other technical information relating to the creation, production or supply of any past, present or future product or service,

(c) any inventions or improvements which you may make or discover during your employment;

(d) any information relating to the business or prospective business,

(e) details of suppliers, their services and their terms of business,

(f) details of customers and their requirements, the prices charged to them and their terms of business,

(g) pitching material, marketing plans and sales forecasts of any past, present or future products or services,

(h) information relating to the business, corporate plans, management systems, accounts, finances and other financial information, results and forecasts (save to the extent that these are included in published audited accounts),

(i) proposals relating to the acquisition or disposal of a company or business or any part thereof;

(j) proposals for expansion or contraction of activities, or any other proposals relating to the future;

(k) details of employees and officers and of the remuneration and other benefits paid to them,

(l) information given in confidence by clients, customers suppliers or any other person;

(m) any other information which you are notified is confidential; and

(n) any other information which the Company (or relevant Group Company) could reasonably be expected to regard as confidential, whether or not such information is reduced to a tangible form or marked in writing as '*confidential*', including but not limited to, information which is commercially sensitive, which comes into your possession by virtue of your employment and which is not in the public domain and all information which has been or may be derived or obtained from any such information.

13.3 You acknowledge that all notes, memoranda, records, lists of customers and suppliers and employees, correspondence, documents, computer and other discs and tapes, data listings, databases, codes, designs and drawings and any other documents and material whatsoever (whether made or created by you or otherwise) relating to the business of the Company and any Group Company (and any copies of the same) or which is created or stored on the Company's equipment and systems:

(a) shall be and remain the property of the Company or the relevant Group Company; and

(b) shall be handed over by you to the Company or the relevant Group Company on demand and in any event on the termination of your employment and you shall certify that all such property has been so handed over and that no copies or extracts have been retained; and

(c) shall be irretrievably deleted where it is stored on any magnetic or optical disk or memory and all matter derived from such sources which is in your possession or under your control outside our premises.

13.4 Clause 13.1 shall only bind you to the extent allowed by law and nothing in this clause shall prevent you from making a protected disclosure within the meaning of section 43A ERA.

14. DATA PROTECTION

14.1 The Company holds and processes, both electronically and manually, Personal Data relating to you in accordance with the Data Protection Legislation for the reasons set out in our Data Protection Policy.

14.2 You will comply with the Company's data protection policies and procedures (as set out in the Employee Handbook or as otherwise notified to you from to time) and with your obligations generally under relevant data protection legislation at all times during the course of your employment when handling personal data relating to any employee, worker, contractor, client, customer, supplier or agent of the Company. Breach of any of the data protection policies and procedures will be treated as a disciplinary matter.

14.3 The Company has a legitimate interest in monitoring and recording your use of the Company's electronic communications systems for the purpose of ensuring that its rules, policies and best practice are being complied with and for other legitimate business purposes, including the protection of the confidential information of its business, employees and clients. For further information, please refer to all relevant policies from time to time in force, copies of which are available in the Employee Handbook.

15. INVENTIONS AND INTELLECTUAL PROPERTY RIGHTS

You agree to abide by the obligations relating to inventions and intellectual property rights set out in Schedule 1 to this Agreement.

16. TERMINATION OF EMPLOYMENT

16.1 Your employment will continue, subject to any other clauses regarding termination in this Agreement, until terminated by either party giving to the other not less than 2 month's prior written notice or statutory minimum notice, whichever is greater.

16.2 The Company is entitled at its sole and absolute discretion lawfully to terminate your employment at any time and with immediate effect by written notification to you and to pay to you within one month following the date of such termination a payment in lieu of notice (**PILON**). For the avoidance of doubt, the termination of your employment shall be effective on such written notification and shall not be deferred until the PILON is paid. The total PILON will be equal to the basic salary due under clause 6.1 which you would have been entitled to receive under this Agreement during the notice period referred to at clause 16.1 (or, if notice has already been given, during the remainder of such notice period) subject to statutory deductions.

16.3 The Company may also terminate your employment immediately by notice in writing (without any payment of PILON) if you have:

(a) committed any serious breach or repeated or continued breach of your obligations under this Agreement; or

(b) been guilty of conduct tending to bring you or the Company or any Group Company into disrepute; or

(c) become bankrupt or had an interim order made against you under the Insolvency Act 1986 or compounded with your creditors generally; or

(d) failed to perform your duties to a satisfactory standard; or

(e) been convicted of an offence under any statutory enactment or regulation (other than a motoring offence for which no custodial sentence is given); or

(f) during your employment, committed any breach of clauses 13 and/or 15;

(g) ceased to be eligible to work in the UK; or

(h) been guilty of fraud or dishonesty.

The Company's rights under this clause are without prejudice to any other rights that it might have at law to terminate your employment or to accept any breach of this agreement by you as having brought the agreement to an end. Any delay by the Company in exercising such right of termination shall not constitute a waiver thereof.

17. GARDEN LEAVE

During any period of notice of termination (whether given by the Company or by you), the Company shall be under no obligation to assign any duties to you and shall be entitled to exclude you from its premises, and require you not to contact any customers, suppliers or employees provided that this shall not affect your entitlement to receive your normal salary and contractual benefits. During any period of such exclusion you will continue to be bound by all the provisions of this Agreement and shall at all times conduct yourself with good faith toward the Company.

18. DISCIPLINARY AND GRIEVANCE PROCEDURES

The Grievance and Disciplinary Procedure set out in the Employee Handbook, will apply to you. Such procedures are non-contractual and the Company reserves the right to leave out any stage of the procedures and failure to follow a procedure (or part of it) shall not constitute a breach of this Agreement.

19. COLLECTIVE AGREEMENTS

There are no collective agreements affecting the terms and conditions of your employment.

20. ENTIRE AGREEMENT

This Agreement, including any Schedules, contains the entire and only agreement between the parties and replaces all previous agreements between you and the Company or any Group Company.

21. GOVERNING LAW AND JURISDICTION

This Agreement shall be governed by and interpreted in accordance with English law and the parties irrevocably agree to the exclusive jurisdiction of the English Courts but this Agreement may be enforced by the Company in any court of competent jurisdiction.

22. COUNTERPARTS

This Agreement may be executed in any number of counterparts, each of which, when executed, shall be an original, and all the counterparts together shall constitute one and the same instrument.

23. THIRD PARTY RIGHTS

You and the Company do not intend that any term of this Agreement should be enforceable, by virtue of the Contracts (Right of Third Parties) Act 1999, by any third party.

24. GENERAL

24.1 This Agreement constitutes the written statement of the terms of your employment provided in compliance with part 1 of ERA.

24.2 No variation or agreed termination of this agreement shall be effective unless it is in writing and signed by both parties (or their authorised representatives).

24.3 The expiration or termination of this Agreement, however arising, shall not operate to affect such of the provisions of this Agreement as are expressed to operate or have effect after that time and shall be without prejudice to any accrued rights or remedies of the parties.

24.4 The various provisions and sub-provisions of this Agreement are severable and if any provision or any identifiable part of any provision is held to be unenforceable by any court of competent jurisdiction then such unenforceability shall not affect the enforceability of the remaining provisions or identifiable parts of them.

EXECUTION PAGE

This Agreement has been executed by the Parties as a deed and is delivered on the date set out at the beginning of this deed.

Executed as a **Deed** by **Sam Eaton** in the presence of:	)))	sign here: /s/ Sam Eaton
Witness signature:		Witness sign here: /s/ Andrew Best
Witness name:		print name: Andrew Best
Witness address:		insert address here:
Witness occupation:		insert occupation here: Software Engineer

Executed as a **Deed** by **Yelp UK Limited** acting by a director in the presence of:	)))	sign here: /s/ Ed Jajeh
Witness signature:		Witness sign here: /s/ Roger Haas
Witness name:		print name: Roger Haas
Witness address:		insert address here:
Witness occupation:		insert occupation here: None

EXHIBIT 31.1

CERTIFICATION

I, Jeremy Stoppelman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Yelp 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 6, 2022

/s/ Jeremy Stoppelman

Jeremy Stoppelman
Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION

I, David Schwarzbach, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Yelp 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 6, 2022

/s/ David Schwarzbach

David Schwarzbach
Chief 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), Jeremy Stoppelman, Chief Executive Officer of Yelp Inc. (the "Company"), and David Schwarzbach, Chief Financial Officer of the Company, each hereby certifies that, to the best of his knowledge:

1. The Company's Quarterly Report on Form 10-Q for the period ended March 31, 2022, 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 the 6th day of May, 2022.

/s/ Jeremy Stoppelman	/s/ David Schwarzbach
Jeremy Stoppelman	David Schwarzbach
Chief Executive Officer	*Chief Financial Officer*

This certification accompanies the Quarterly Report on 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 Yelp 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 Quarterly Report on Form 10-Q), irrespective of any general incorporation language contained in such filing.