



Fourth Quarter 2020

Supplemental Materials

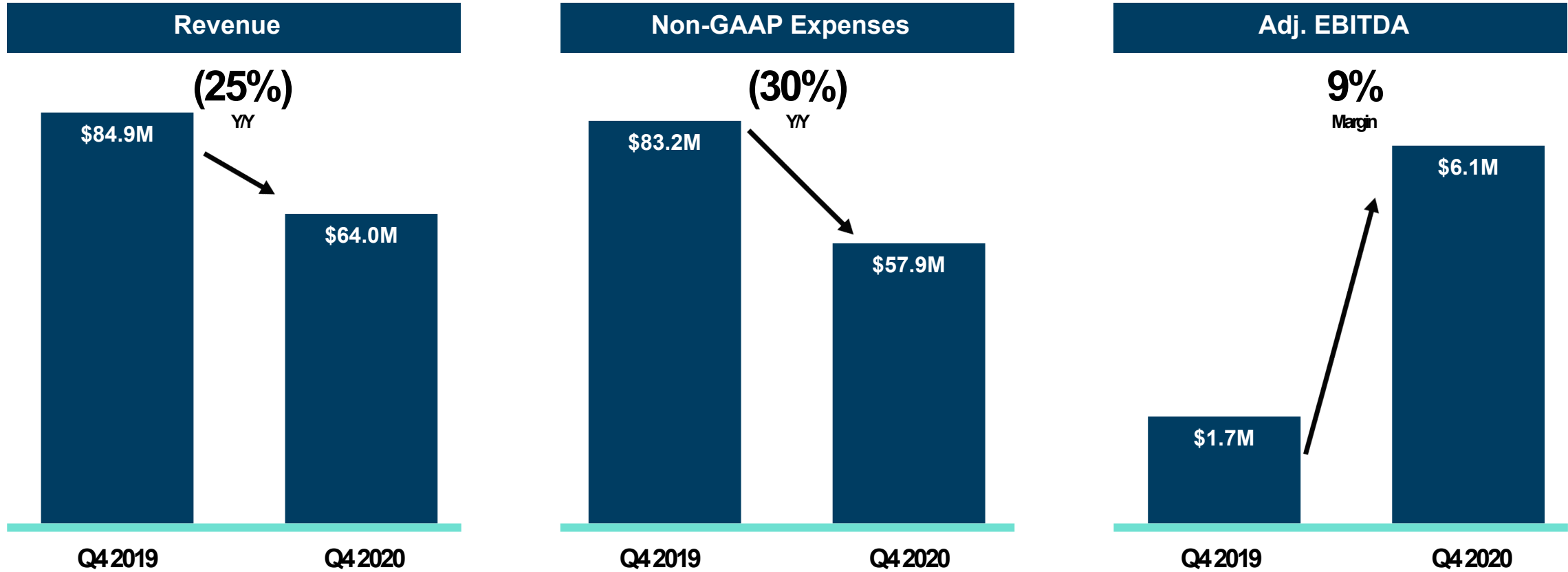
February 24, 2021

Important Information

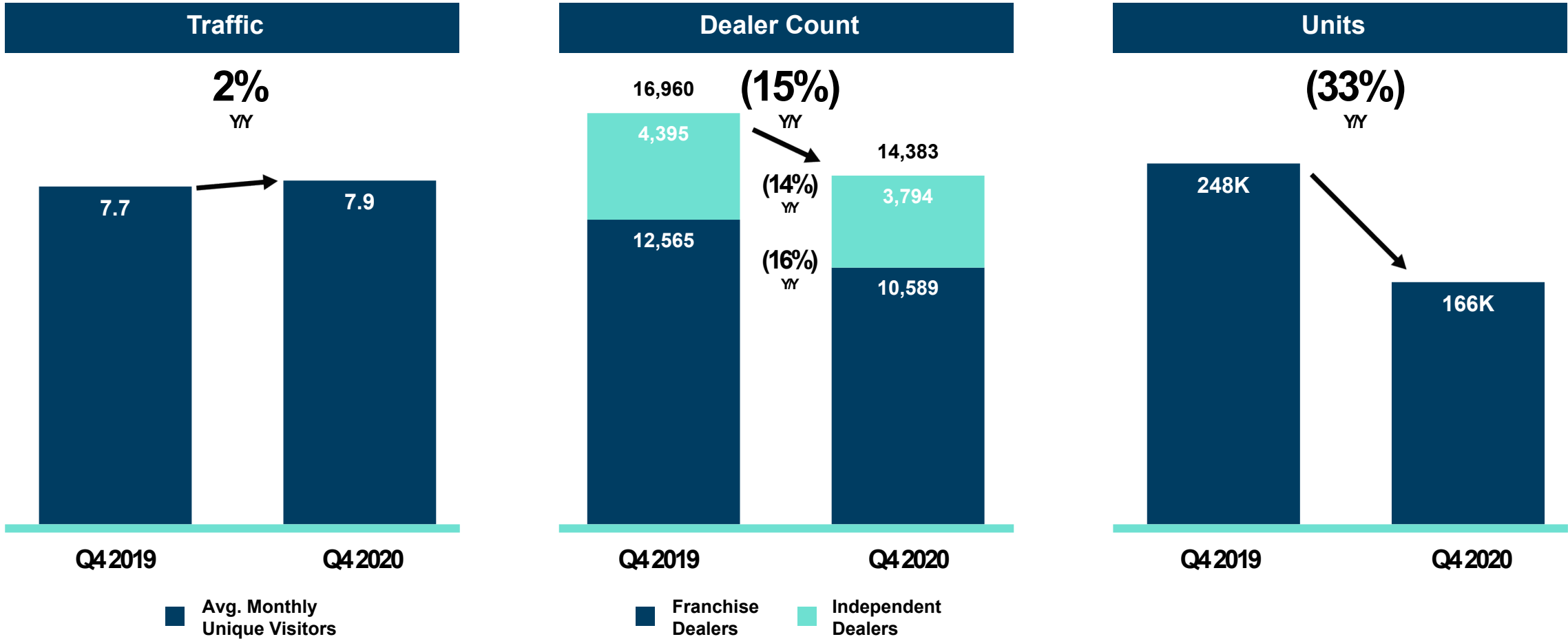
This presentation contains forward-looking statements. All statements other than statements of historical fact contained in this presentation, including our expectations regarding future revenue and adjusted EBITDA, are forward-looking statements. These forward-looking statements are subject to a number of risks, uncertainties and assumptions that may prove incorrect, any of which could cause our results to differ materially from those expressed or implied by such forward-looking statements and include, among others, those risks and uncertainties described under the heading “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2019 and our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2020, June 30, 2020 and September 30, 2020 filed with the Securities and Exchange Commission, or SEC, and our Annual Report on Form 10-K for the year ended December 31, 2020 to be filed with the SEC. 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 statement we may make. All forward-looking statements in this presentation are based on information available to our management as of the date of this presentation, and except as required by law, we assume no obligation to update any forward-looking statement, each of which speaks only as of the date of this presentation.

In addition to U.S. GAAP financial measures, this presentation includes certain non-GAAP financial measures. These non-GAAP measures are in addition to, not a substitute for or superior to, measures of financial performance prepared in accordance with U.S. GAAP. A reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measures is set forth in the Appendix to this presentation.

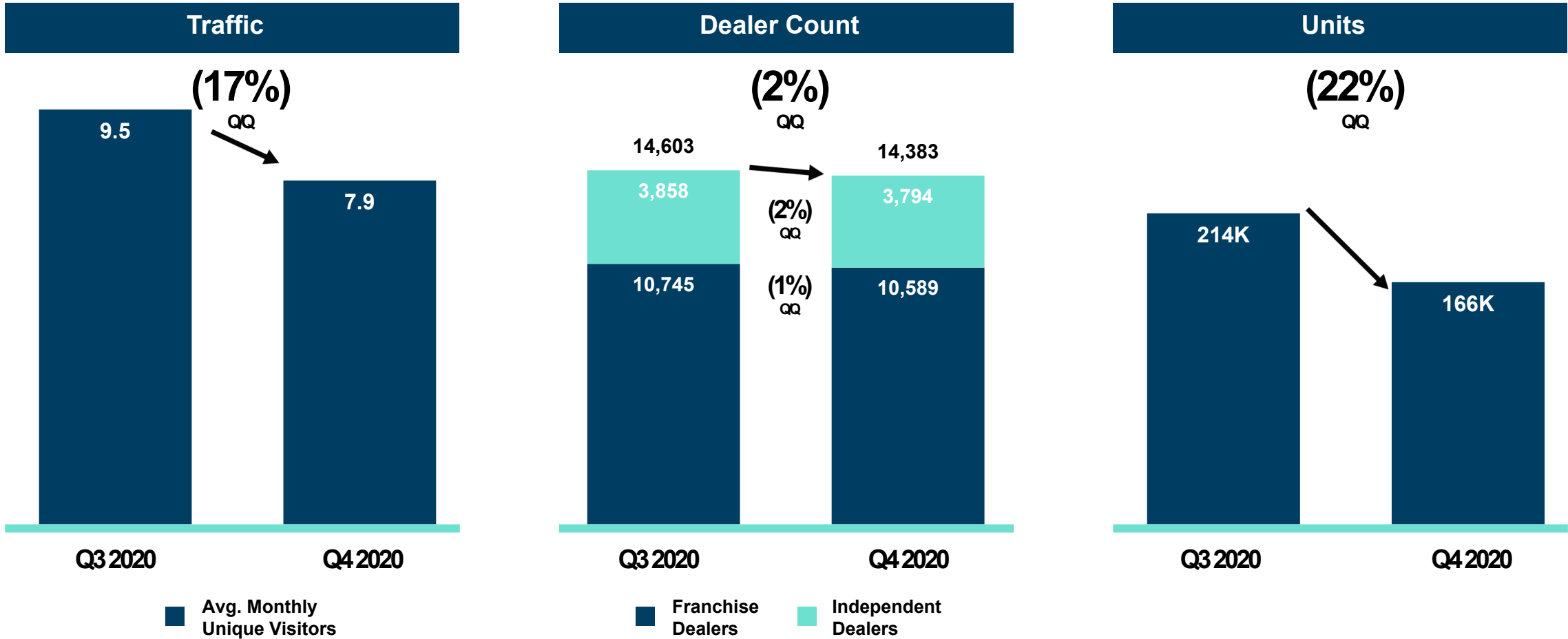
Q4 2020 Key Metrics: Revenue, Non-GAAP Expenses, and Adj. EBITDA



Q4 2020 Key Metrics Year over Year: Traffic, Dealer Count, Units

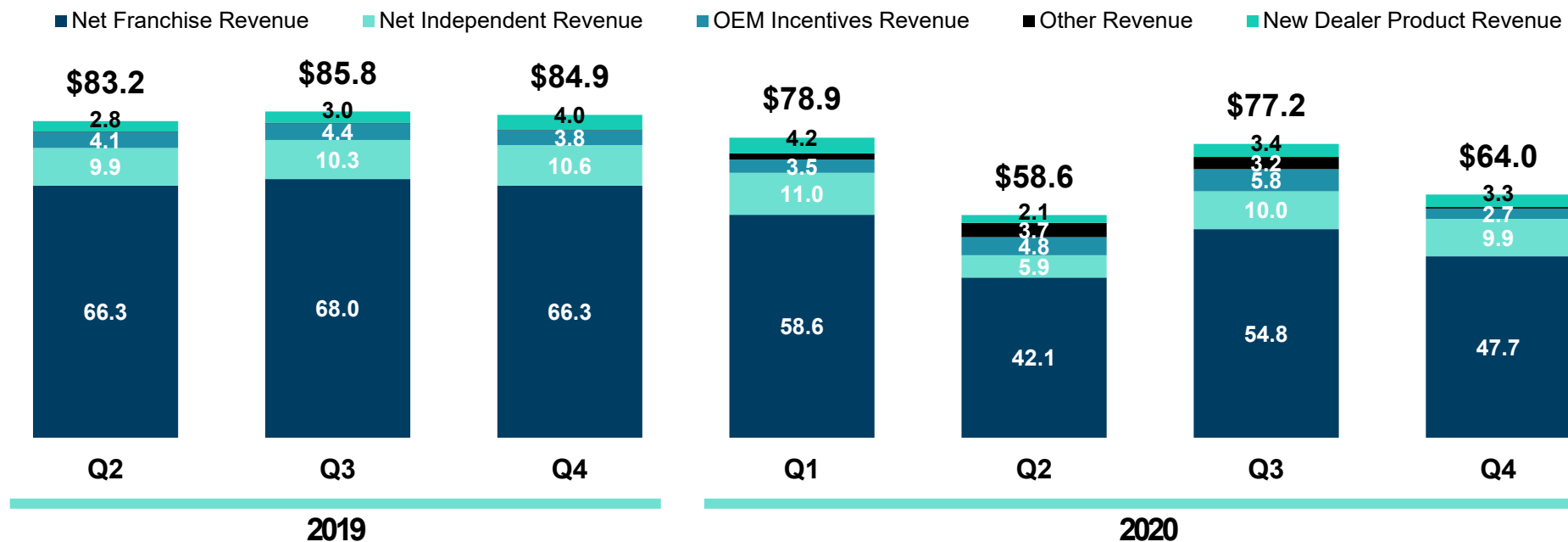


Q4 2020 Key Metrics Quarter over Quarter: Traffic, Dealer Count, Units



Revenue

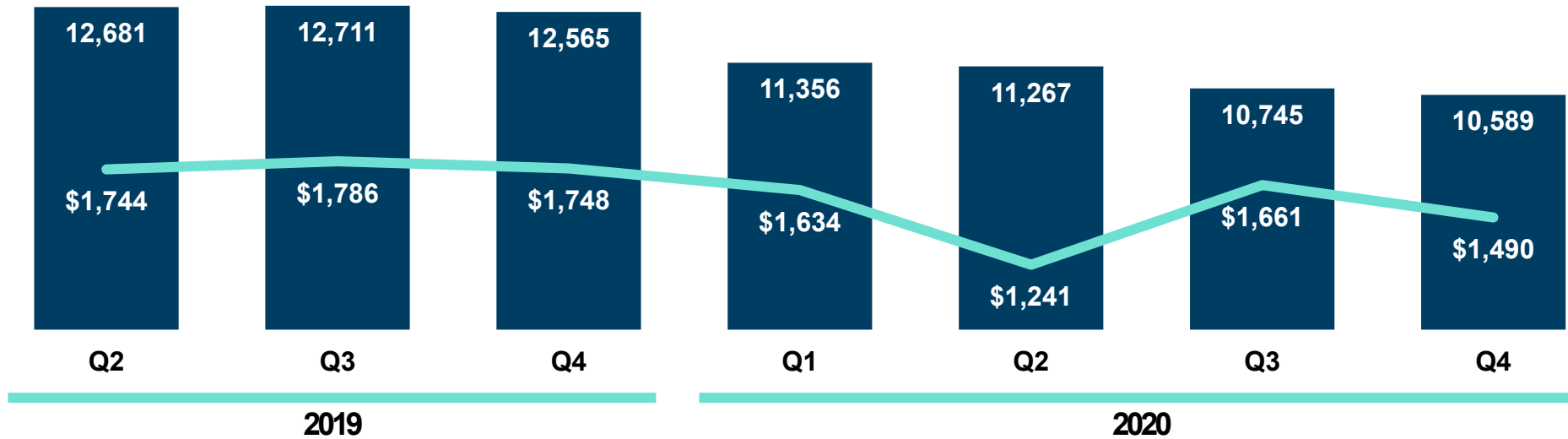
(\$ in millions)



| | | | | |
|--|-------|-------|-------|-------|
| <i>Total Revenue Y/Y:</i> | (3%) | (30%) | (10%) | (25%) |
| <i>New Dealer Product Revenue Y/Y:</i> | 70% | (25%) | 16% | (17%) |
| <i>Other Revenue Y/Y:</i> | NA | NA | NA | NA |
| <i>OEM Incentives Revenue Y/Y:</i> | (16%) | 15% | 33% | (29%) |
| <i>Net Independent Revenue Y/Y:</i> | 24% | (41%) | (3%) | (7%) |
| <i>Net Franchise Revenue Y/Y:</i> | (11%) | (36%) | (19%) | (28%) |

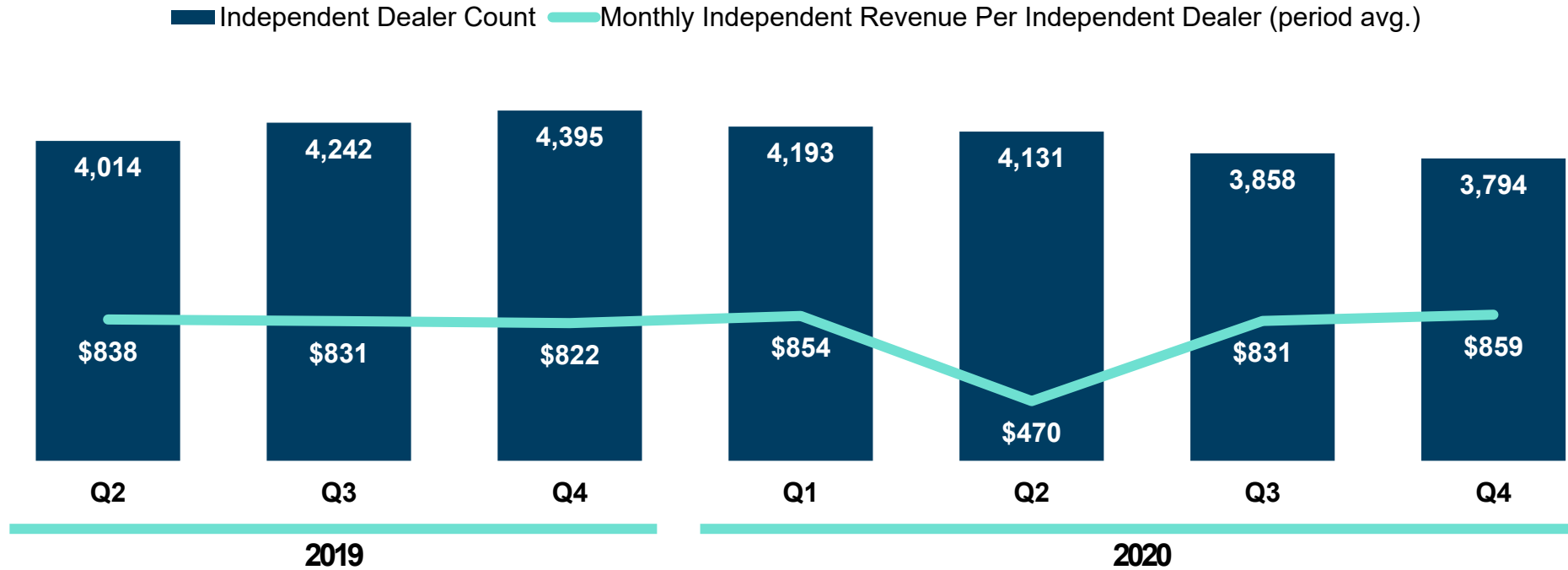
Franchise Dealer Overview

■ Franchise Dealer Count — Monthly Franchise Revenue Per Franchise Dealer (period avg.)



| | | | | |
|--|-------|-------|-------|-------|
| <i>Franchise Dealer Count Y/Y:</i> | (10%) | (11%) | (15%) | (16%) |
| <i>Franchise Revenue / Dealer Y/Y:</i> | (5%) | (29%) | (7%) | (15%) |
| <hr/> | | | | |
| <i>Franchise Dealer Count Q/Q:</i> | (10%) | (1%) | (5%) | (1%) |
| <i>Franchise Revenue / Dealer Q/Q:</i> | (7%) | (24%) | 34% | (10%) |

Independent Dealer Overview

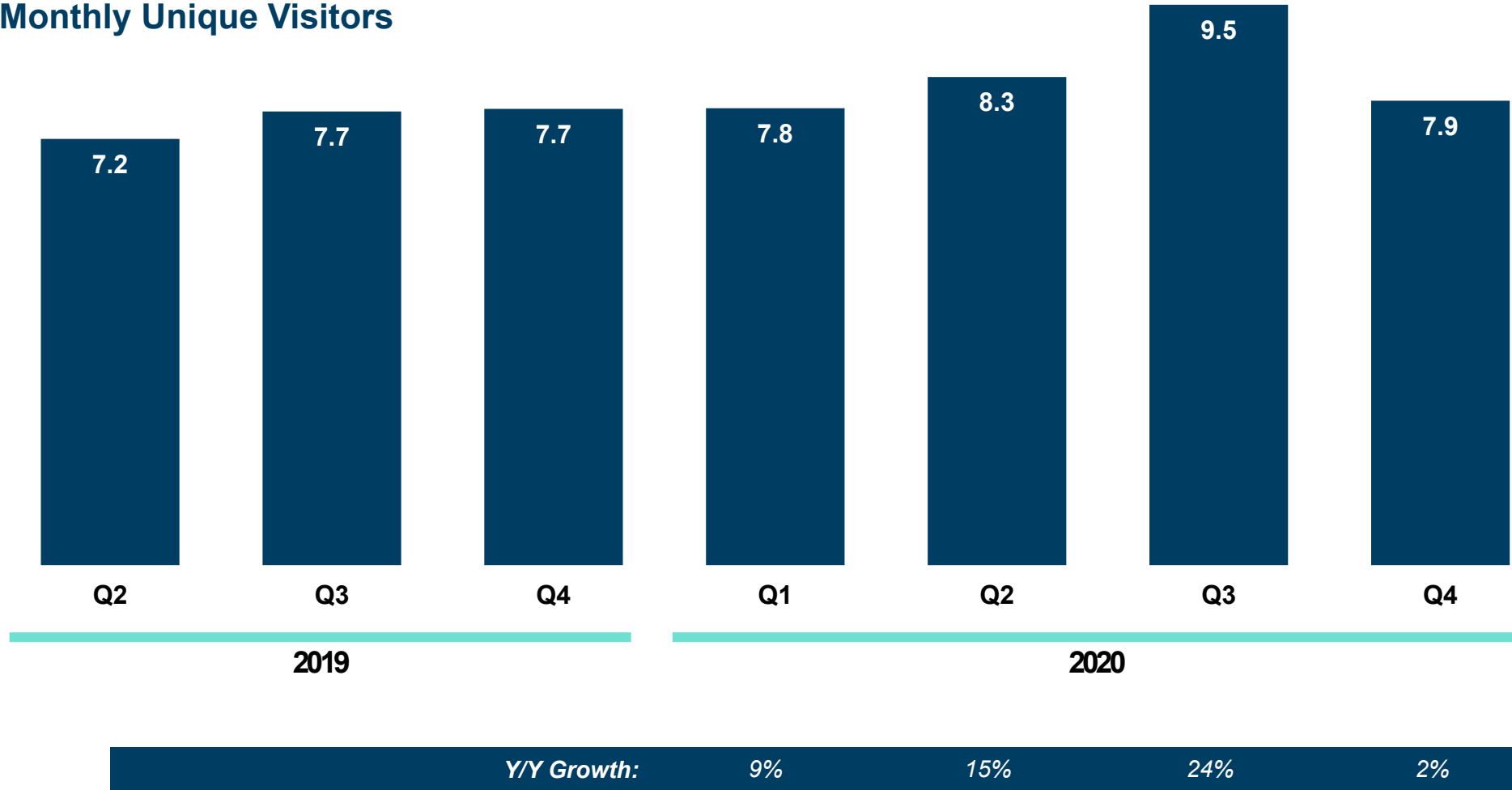


| | | | | |
|--|------|-------|------|-------|
| <i>Independent Dealer Count Y/Y:</i> | 9% | 3% | (9%) | (14%) |
| <i>Independent Revenue / Dealer Y/Y:</i> | 9% | (44%) | 0% | 5% |
| <hr/> | | | | |
| <i>Independent Dealer Count Q/Q:</i> | (5%) | (1%) | (7%) | (2%) |
| <i>Independent Revenue / Dealer Q/Q:</i> | 4% | (45%) | 77% | 3% |

Traffic

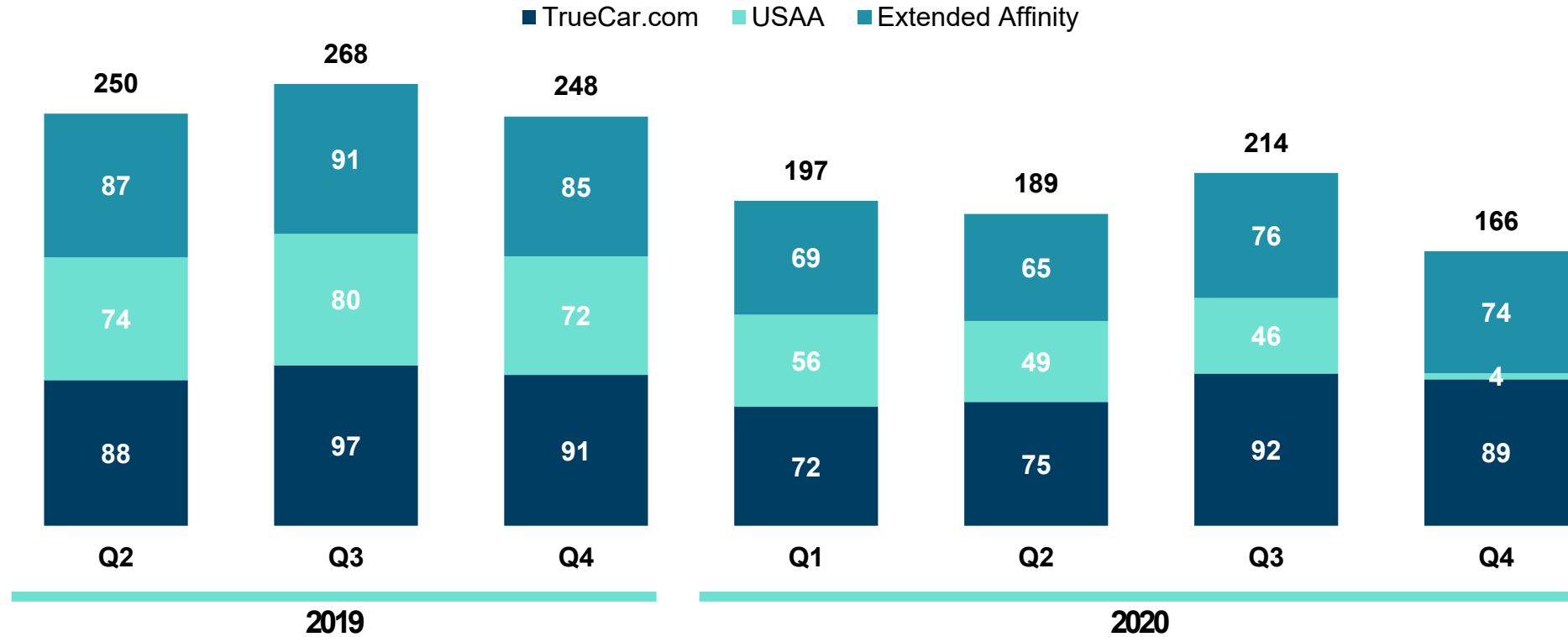
(millions)

Average Monthly Unique Visitors



Units by Acquisition Channel

(thousands)

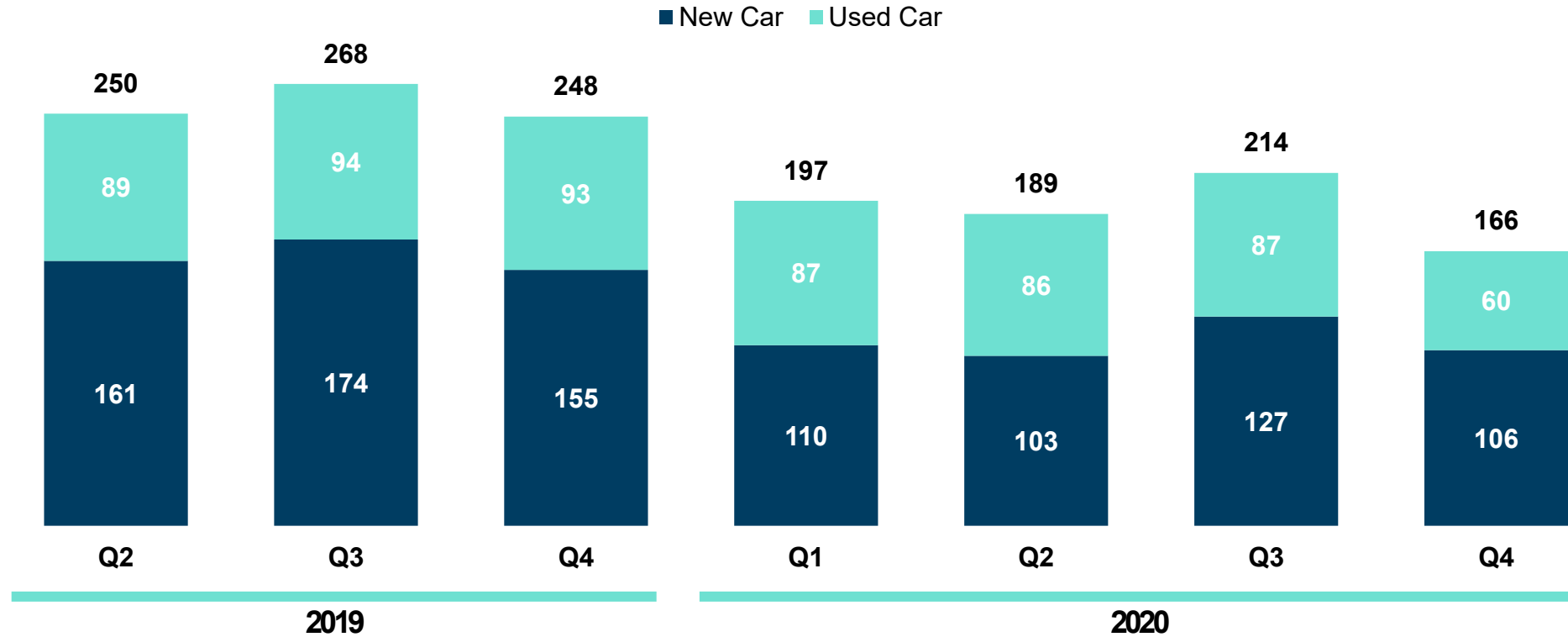


| | | | | |
|-------------------------------------|-------|-------|-------|-------|
| Total Units Y/Y: | (15%) | (24%) | (20%) | (33%) |
| Extended Affinity Units Y/Y: | (16%) | (26%) | (17%) | (13%) |
| USAA Units Y/Y: | (17%) | (34%) | (43%) | (95%) |
| TrueCar.com Units Y/Y: | (13%) | (15%) | (5%) | (3%) |

Note: Certain amounts may not add up due to rounding.

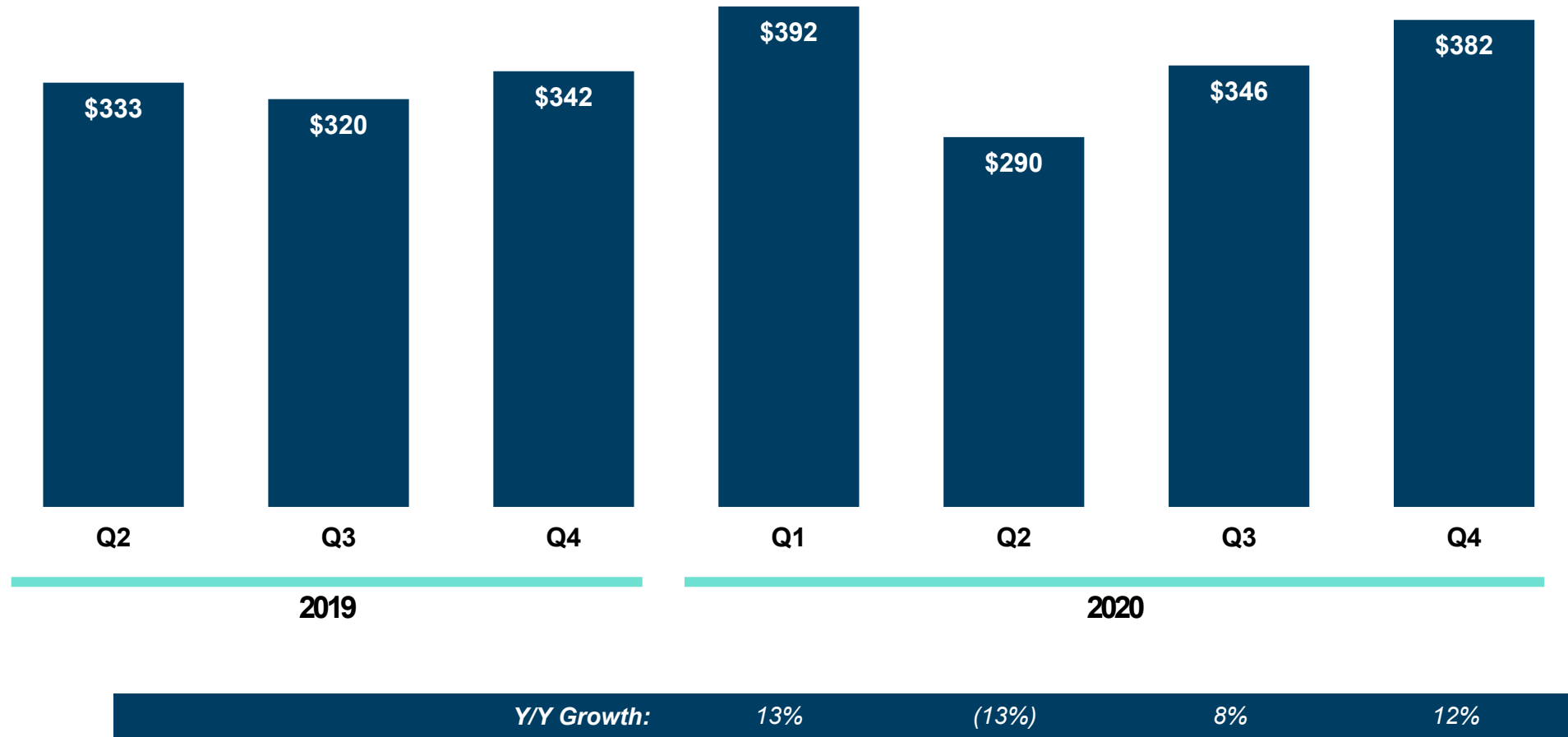
Units by New v. Used

(thousands)



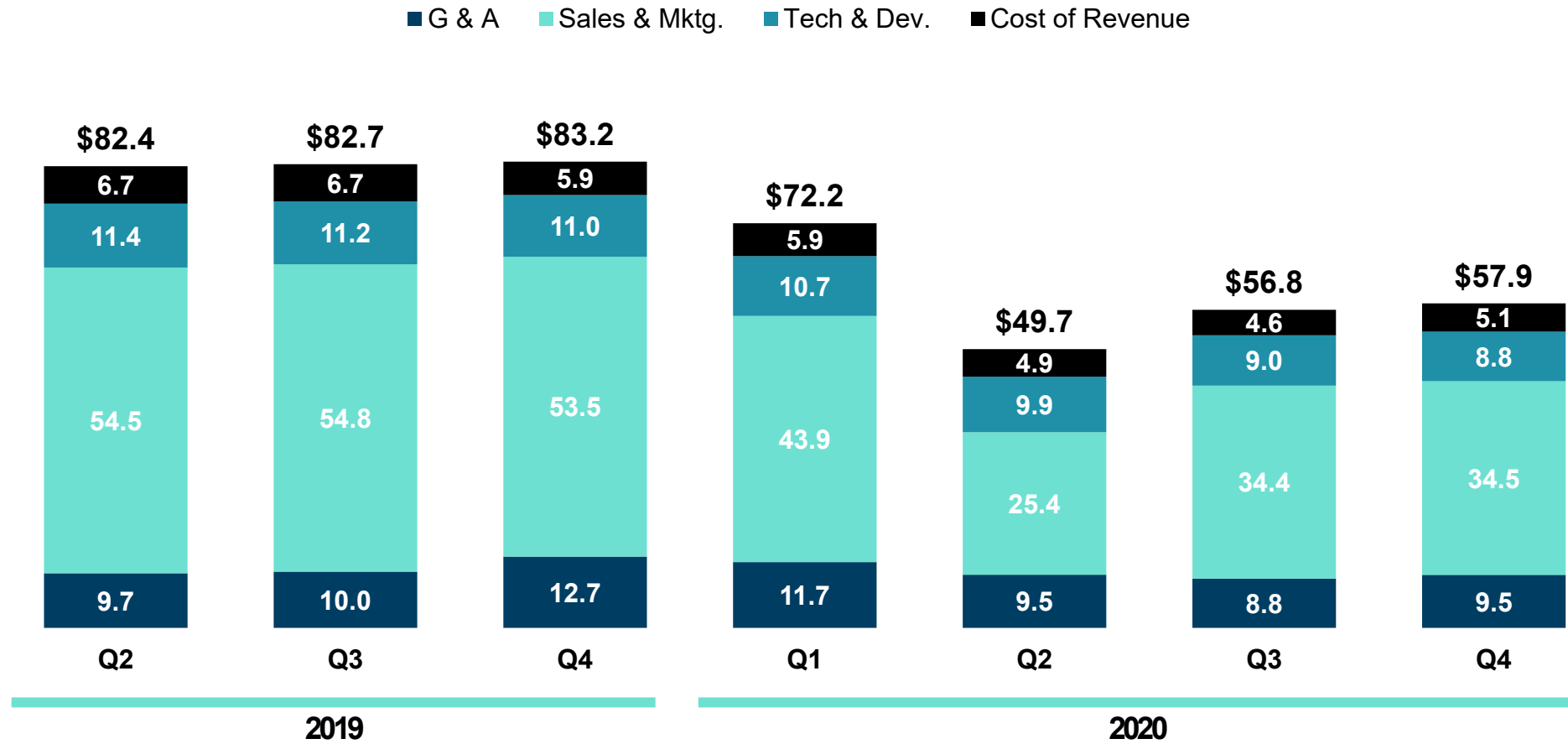
| | | | | |
|----------------------------|-------|-------|-------|-------|
| Total Units Y/Y : | (15%) | (24%) | (20%) | (33%) |
| Used Car Units Y/Y: | (3%) | (4%) | (8%) | (35%) |
| New Car Units Y/Y: | (23%) | (36%) | (27%) | (31%) |

Monetization

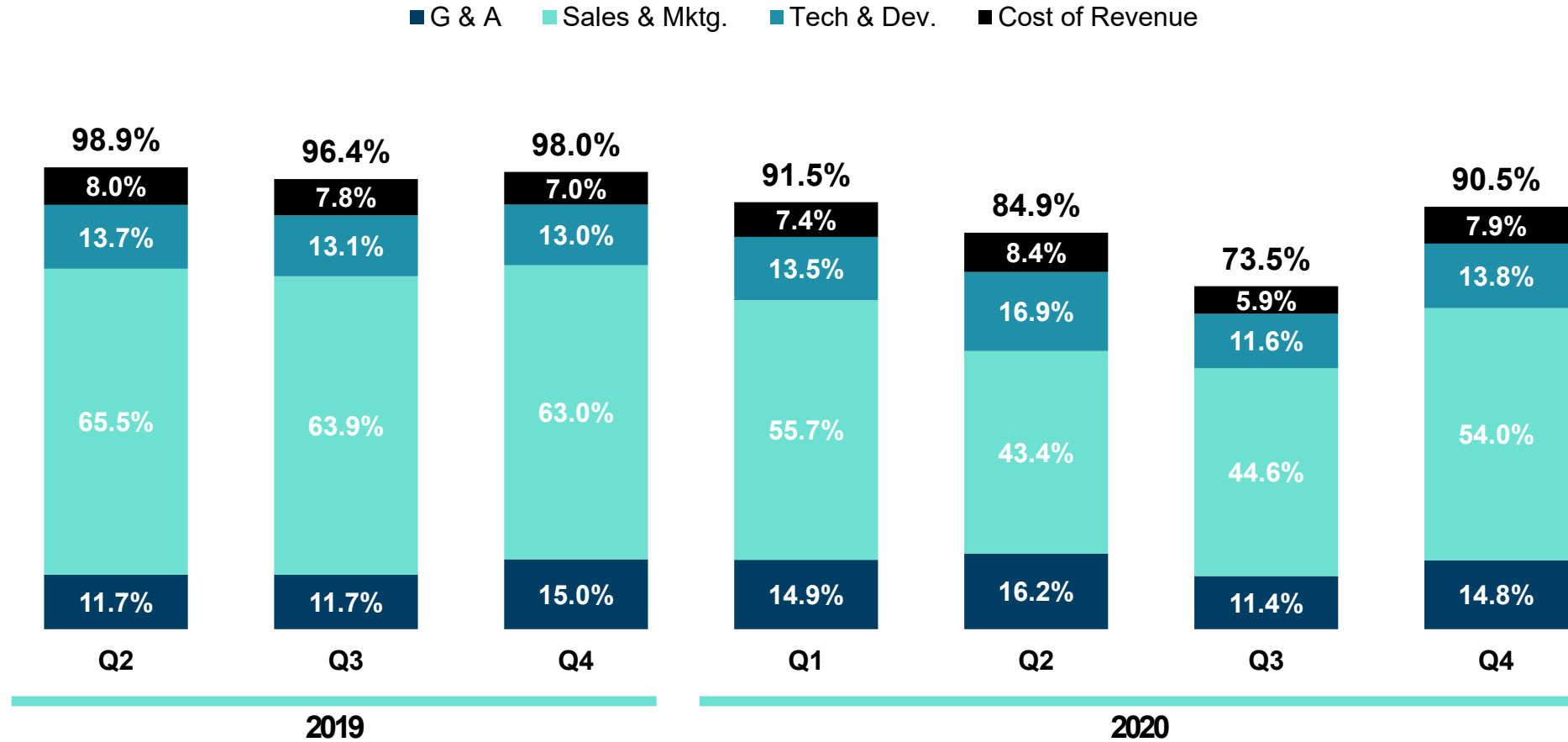


Non-GAAP Expenses

(\$ in millions)

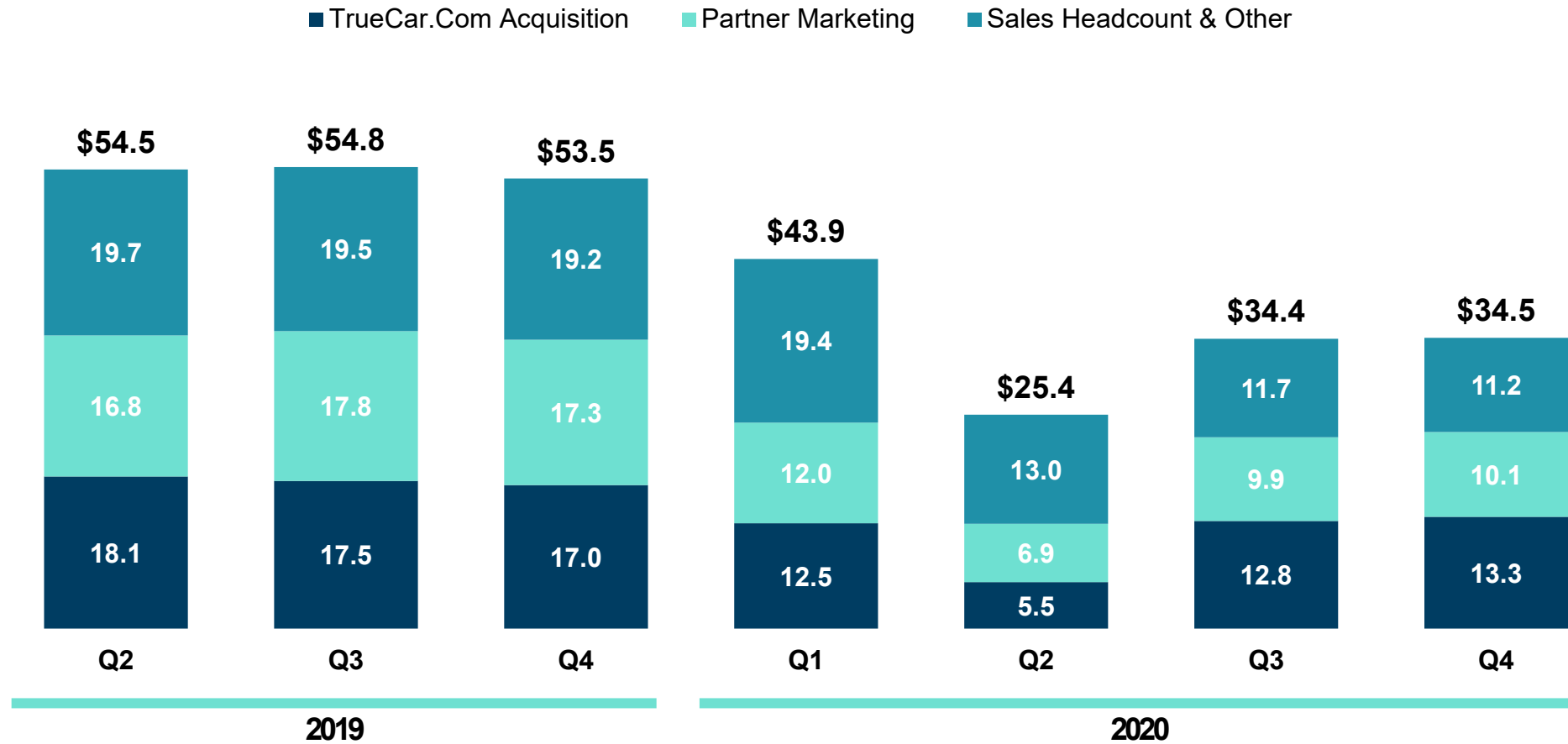


Non-GAAP Expenses as a Percentage of Revenue



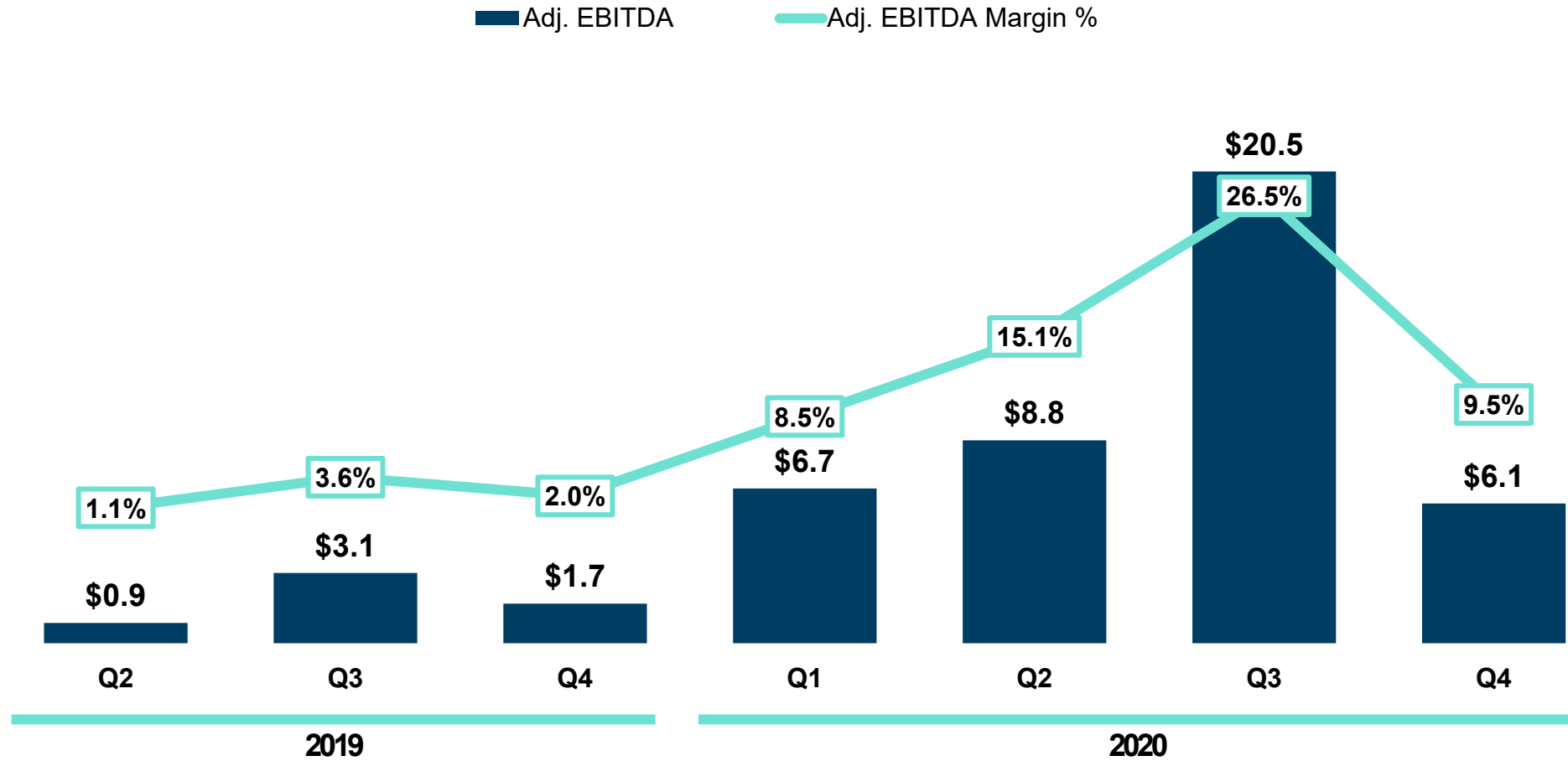
Non-GAAP Sales & Marketing Expenses

(\$ in millions)



Adjusted EBITDA

(\$ in millions)



2021 Outlook

| | Low | High | Commentary |
|------------|-------|-------|--|
| Q1 Revenue | \$60M | \$62M | <ul style="list-style-type: none">• We expect revenues to grow sequentially from Q1 during 2021.• Less sequential improvement from the third to the fourth quarter due to typical seasonality.• Accelerating unit growth takes priority over near-term profitability in Q1.• Healthy Adjusted EBITDA for the remainder of the year. |

Appendix

Reconciliation of Net Income (Loss) to Adjusted EBITDA (Unaudited)

| (In thousands) | 3 Months Ended | | | | FY | 3 Months Ended | | | | FY |
|--|-----------------|---------------|-----------------|-----------------|-----------------|-----------------|-----------------|------------------|-----------------|------------------|
| | Mar 31, | Jun 30, | Sep 30, | Dec 31, | | Mar 31, | Jun 30, | Sep 30, | Dec 31, | |
| | 2019 | | | | 2019 | 2020 | | | | 2020 |
| Reconciliation of Net Income (Loss) to Adjusted EBITDA: | | | | | | | | | | |
| Net income (loss) | \$ (14,364) | \$ (24,061) | \$ (7,652) | \$ (8,813) | \$ (54,890) | \$ (10,668) | \$ (11,243) | \$ 11,589 | \$ 88,016 | \$ 77,694 |
| (Income) loss from discontinued operations, net of tax | (256) | (1,142) | (1,157) | (890) | (3,445) | 278 | (131) | (2,000) | (95,680) | (97,533) |
| Income (loss) from continuing operations | (14,620) | (25,203) | (8,809) | (9,703) | (58,335) | (10,390) | (11,374) | 9,589 | (7,664) | (19,839) |
| Interest income | (740) | (669) | (594) | (477) | (2,480) | (378) | (61) | (13) | (10) | (462) |
| Depreciation and amortization | 5,085 | 5,587 | 4,951 | 5,042 | 20,665 | 5,029 | 5,175 | 5,117 | 5,226 | 20,547 |
| Stock-based compensation ⁽¹⁾ | 8,298 | 15,157 | 6,805 | 6,202 | 36,462 | 5,914 | 6,111 | 5,607 | 5,445 | 23,077 |
| Share of net loss of equity method investment | - | 273 | 464 | 543 | 1,280 | 382 | 507 | 571 | 529 | 1,989 |
| Certain litigation costs ⁽²⁾ | 928 | 351 | 157 | 139 | 1,575 | (1,939) | - | - | - | (1,939) |
| Executive departure costs ⁽³⁾ | - | 4,681 | 270 | 138 | 5,089 | - | - | - | - | - |
| Restructuring charges ⁽⁴⁾ | 3,015 | - | - | - | 3,015 | - | 8,346 | - | - | 8,346 |
| Transaction costs ⁽⁵⁾ | 1,094 | 832 | - | - | 1,926 | - | - | - | - | - |
| Change in the fair value of contingent consideration | - | 150 | 75 | 75 | 300 | 75 | 46 | 30 | 31 | 182 |
| Goodwill impairment ⁽⁶⁾ | - | - | - | - | - | 8,264 | - | - | - | 8,264 |
| Other (income) expense | - | - | - | - | - | - | - | (450) | 252 | (198) |
| Impairment of ROU assets ⁽⁷⁾ | - | - | - | - | - | - | - | - | 2,136 | 2,136 |
| Provision for / (benefit from) income taxes | (536) | (281) | (263) | (241) | (1,321) | (232) | 62 | 38 | 126 | (6) |
| Adjusted EBITDA | \$ 2,524 | \$ 878 | \$ 3,056 | \$ 1,718 | \$ 8,176 | \$ 6,725 | \$ 8,812 | \$ 20,489 | \$ 6,071 | \$ 42,097 |

(1) The excluded amounts include stock-based compensation of \$7.2 million incurred in the second quarter of 2019 associated with the acceleration of certain equity awards and the extension of the exercise period for certain vested stock options related to the departures of certain executives, including our former chief executive officer.

(2) The excluded amounts relate to legal costs incurred in connection with complaints filed by non-TrueCar dealers against TrueCar and consumer class action lawsuits. For the first quarter of 2020, the excluded amount also includes a \$2.0 million payment received from one of our insurance carriers in settlement of a lawsuit we brought in the fourth quarter of 2017 to recover insured legal fees. We believe the exclusion of these costs and recovery is appropriate to facilitate comparisons of our core operating performance on a period-to-period basis. Based on the nature of the specific claims underlying the excluded litigation matters, once these matters are resolved, we do not believe our operations are likely to entail defending against the types of claims raised by these matters. We expect the cost of defending these claims to continue to be significant pending that resolution.

(3) The excluded amounts represent severance charges associated with the separation of our former chief executive officer and the termination of executive-level employees in connection with a change in chief executive officer and related recruiting fees for the search for a new chief executive officer in the second quarter of 2019. We believe excluding the impact of these terminations and the associated chief executive officer recruiting fees is consistent with our use of these non-GAAP measures as we do not believe they are a useful indicator of our ongoing operating results.

(4) The excluded amounts represent charges associated with the restructuring plans undertaken in the first quarter of 2019 and the second quarter of 2020 to improve efficiency and reduce expenses. We believe excluding the impact of these charges is consistent with our use of these non-GAAP measures as we do not believe they are a useful indicator of our ongoing operating results.

(5) The excluded amounts represent external legal, accounting, consulting and other third-party fees and costs we incurred in connection with the evaluation and negotiation of potential merger and acquisition transactions. These expenses are included in general and administrative expenses in our consolidated statements of operations. We consider these fees and costs, which are associated with potential merger and acquisition transactions outside the normal course of our operations, to be unrelated to our underlying results of operations and believe that their exclusion provides investors with a more complete understanding of the factors and trends affecting our business operations.

(6) The excluded amount represents a non-cash impairment charge we recognized on our goodwill during the first quarter of 2020.

(7) The excluded amount represents an impairment charge on our ROU assets associated with certain of our existing office locations. We consider these charges to be unrelated to our underlying results of operations and believe that their exclusion is appropriate to facilitate period-to-period operating performance comparisons.

Reconciliation of GAAP Expenses to Non-GAAP Expenses (Unaudited)

| (In thousands) | 3 Months Ended | | | | FY | 3 Months Ended | | | | FY |
|--|------------------|------------------|------------------|------------------|-------------------|------------------|------------------|------------------|------------------|-------------------|
| | Mar 31, | Jun 30, | Sep 30, | Dec 31, | | Mar 31, | Jun 30, | Sep 30, | Dec 31, | |
| | 2019 | | | | 2019 | 2020 | | | | 2020 |
| Reconciliation of GAAP Expenses to Non-GAAP Expenses: | | | | | | | | | | |
| Cost of revenue, as reported | 7,552 | 7,024 | 6,982 | 6,270 | 27,828 | 6,175 | 5,564 | 4,664 | 5,146 | 21,549 |
| Stock-based compensation ⁽¹⁾ | 305 | 330 | 321 | 328 | 1,284 | 313 | 42 | 108 | 93 | 556 |
| Restructuring charges ⁽²⁾ | 267 | - | - | - | 267 | - | 605 | - | - | 605 |
| Non-GAAP cost of revenue | \$ 6,980 | \$ 6,694 | \$ 6,661 | \$ 5,942 | \$ 26,277 | \$ 5,862 | \$ 4,917 | \$ 4,556 | \$ 5,053 | \$ 20,388 |
| Sales and marketing, as reported | 54,101 | 59,591 | 57,430 | 55,855 | 226,977 | 46,080 | 33,032 | 36,254 | 36,549 | 151,915 |
| Stock-based compensation ⁽¹⁾ | 3,376 | 4,608 | 2,604 | 2,383 | 12,971 | 2,161 | 2,279 | 1,816 | 2,002 | 8,258 |
| Restructuring charges ⁽²⁾ | 1,042 | - | - | - | 1,042 | - | 5,345 | - | - | 5,345 |
| Executive departure costs ⁽³⁾ | - | 434 | - | - | 434 | - | - | - | - | - |
| Non-GAAP sales and marketing | \$ 49,683 | \$ 54,549 | \$ 54,826 | \$ 53,472 | \$ 212,530 | \$ 43,919 | \$ 25,408 | \$ 34,438 | \$ 34,547 | \$ 138,312 |
| Technology and development, as reported | 15,403 | 15,714 | 12,782 | 12,215 | 56,114 | 11,899 | 12,800 | 10,162 | 10,069 | 44,930 |
| Stock-based compensation ⁽¹⁾ | 1,913 | 3,419 | 1,574 | 1,189 | 8,095 | 1,225 | 1,321 | 1,184 | 1,236 | 4,966 |
| Restructuring charges ⁽²⁾ | 1,628 | - | - | - | 1,628 | - | 1,557 | - | - | 1,557 |
| Executive departure costs ⁽³⁾ | - | 911 | - | - | 911 | - | - | - | - | - |
| Non-GAAP technology and development | \$ 11,862 | \$ 11,384 | \$ 11,208 | \$ 11,026 | \$ 45,480 | \$ 10,674 | \$ 9,922 | \$ 8,978 | \$ 8,833 | \$ 38,407 |
| General and administrative, as reported | 14,884 | 21,212 | 12,842 | 15,380 | 64,318 | 12,088 | 12,849 | 11,315 | 13,737 | 49,989 |
| Stock-based compensation ⁽¹⁾ | 2,704 | 6,800 | 2,306 | 2,302 | 14,112 | 2,215 | 2,469 | 2,499 | 2,114 | 9,297 |
| Restructuring charges ⁽²⁾ | 78 | - | - | - | 78 | - | 839 | - | - | 839 |
| Executive departure costs ⁽³⁾ | - | 3,336 | 270 | 138 | 3,744 | - | - | - | - | - |
| Certain litigation costs ⁽⁴⁾ | 928 | 351 | 157 | 139 | 1,575 | (1,939) | - | - | - | (1,939) |
| Transaction costs ⁽⁵⁾ | 1,094 | 832 | - | - | 1,926 | - | - | - | - | - |
| Impairment of ROU assets ⁽⁶⁾ | - | - | - | - | - | - | - | - | 2,136 | 2,136 |
| Change in the fair value of contingent consideration | - | 150 | 75 | 75 | 300 | 75 | 46 | 30 | 31 | 182 |
| Non-GAAP general and administrative | \$ 10,080 | \$ 9,743 | \$ 10,034 | \$ 12,726 | \$ 42,583 | \$ 11,737 | \$ 9,495 | \$ 8,786 | \$ 9,456 | \$ 39,474 |

(1) The excluded amounts include stock-based compensation of \$7.2 million incurred in the second quarter of 2019 associated with the acceleration of certain equity awards and the extension of the exercise period for certain vested stock options related to the departures of certain executives, including our former chief executive officer.

(2) The excluded amounts represent charges associated with the restructuring plans undertaken in the first quarter of 2019 and the second quarter of 2020 to improve efficiency and reduce expenses. We believe excluding the impact of these charges is consistent with our use of these non-GAAP measures as we do not believe they are a useful indicator of our ongoing operating results.

(3) The excluded amounts represent severance charges associated with the separation of our former chief executive officer and the termination of executive-level employees in connection with a change in chief executive officer and related recruiting fees for the search for a new chief executive officer in the second quarter of 2019. We believe excluding the impact of these terminations and the associated chief executive officer recruiting fees is consistent with our use of these non-GAAP measures as we do not believe they are a useful indicator of our ongoing operating results.

(4) The excluded amounts relate to legal costs incurred in connection with complaints filed by non-TrueCar dealers against TrueCar and consumer class action lawsuits. For the first quarter of 2020, the excluded amount also includes a \$2.0 million payment received from one of our insurance carriers in settlement of a lawsuit we brought in the fourth quarter of 2017 to recover insured legal fees. We believe the exclusion of these costs and recovery are appropriate to facilitate comparisons of our core operating performance on a period-to-period basis. Based on the nature of the specific claims underlying the excluded litigation matters, once these matters are resolved, we do not believe our operations are likely to entail defending against the types of claims raised by these matters. We expect the cost of defending these claims to continue to be significant pending that resolution.

(5) The excluded amounts represent external legal, accounting, consulting and other third-party fees and costs we incurred in connection with the evaluation and negotiation of potential merger and acquisition transactions. These expenses are included in general and administrative expenses in our consolidated statements of operations. We consider these fees and costs, which are associated with potential merger and acquisition transactions outside the normal course of our operations, to be unrelated to our underlying results of operations and believe that their exclusion provides investors with a more complete understanding of the factors and trends affecting our business operations.

(6) The excluded amount represents an impairment charge on our ROU assets associated with certain of our existing office locations. We consider these charges to be unrelated to our underlying results of operations and believe that their exclusion is appropriate to facilitate period-to-period operating performance comparisons.

Reconciliation of GAAP Net Income (Loss) to Non-GAAP Net Income (Loss) (Unaudited)

| (In thousands, except per share data) | 3 Months Ended | | | | | FY | 3 Months Ended | | | | | FY |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|-----------------|-----------------|------------------|-------------------|------------------|--|------|
| | Mar 31, | Jun 30, | Sep 30, | Dec 31, | | | Mar 31, | Jun 30, | Sep 30, | Dec 31, | | |
| | 2019 | | | | | 2019 | 2020 | | | | | 2020 |
| Reconciliation of GAAP Net Income (Loss) to Non-GAAP Net Income (Loss): | | | | | | | | | | | | |
| Net income (loss), as reported | \$ (14,364) | \$ (24,061) | \$ (7,652) | \$ (8,813) | \$ (54,890) | \$ (10,668) | \$ (11,243) | \$ 11,589 | \$ 88,016 | \$ 77,694 | | |
| (Income) loss from discontinued operations, net of tax | (256) | (1,142) | (1,157) | (890) | (3,445) | 278 | (131) | (2,000) | (95,680) | (97,533) | | |
| Income (loss) from continuing operations | (14,620) | (25,203) | (8,809) | (9,703) | (58,335) | (10,390) | (11,374) | 9,589 | (7,664) | (19,839) | | |
| Stock-based compensation ⁽¹⁾ | 8,298 | 15,157 | 6,805 | 6,202 | 36,462 | 5,914 | 6,111 | 5,607 | 5,445 | 23,077 | | |
| Loss from equity method investment | - | 273 | 464 | 543 | 1,280 | 382 | 507 | 571 | 529 | 1,989 | | |
| Certain litigation costs ⁽²⁾ | 928 | 351 | 157 | 139 | 1,575 | (1,939) | - | - | - | (1,939) | | |
| Executive departure costs ⁽³⁾ | - | 4,681 | 270 | 138 | 5,089 | - | - | - | - | - | | |
| Restructuring charges ⁽⁴⁾ | 3,015 | - | - | - | 3,015 | - | 8,346 | - | - | 8,346 | | |
| Transaction costs ⁽⁵⁾ | 1,094 | 832 | - | - | 1,926 | - | - | - | - | - | | |
| Change in the fair value of contingent consideration | - | 150 | 75 | 75 | 300 | 75 | 46 | 30 | 31 | 182 | | |
| Goodwill impairment ⁽⁶⁾ | - | - | - | - | - | 8,264 | - | - | - | 8,264 | | |
| Other (income) expense | - | - | - | - | - | - | - | (450) | 252 | (198) | | |
| Impairment of ROU assets ⁽⁷⁾ | - | - | - | - | - | - | - | - | 2,136 | 2,136 | | |
| Tax effects of above adjustments | - | - | - | - | - | - | - | - | (1,845) | (1,845) | | |
| Non-GAAP net income (loss) ⁽⁸⁾ | \$ (1,285) | \$ (3,759) | \$ (1,038) | \$ (2,606) | \$ (8,688) | \$ 2,306 | \$ 3,636 | \$ 15,347 | \$ (1,116) | \$ 20,173 | | |
| Basic shares for non-GAAP EPS | 104,788 | 105,485 | 106,239 | 106,681 | 105,805 | 107,024 | 107,535 | 107,693 | 103,029 | 106,315 | | |
| Diluted shares for non-GAAP EPS | 104,788 | 105,485 | 106,239 | 106,681 | 105,805 | 107,339 | 107,744 | 110,011 | 103,029 | 107,581 | | |
| Non-GAAP net income (loss) per share - basic | \$ (0.01) | \$ (0.04) | \$ (0.01) | \$ (0.02) | \$ (0.08) | \$ 0.02 | \$ 0.03 | \$ 0.14 | \$ (0.01) | \$ 0.19 | | |
| Non-GAAP net income (loss) per share - diluted | \$ (0.01) | \$ (0.04) | \$ (0.01) | \$ (0.02) | \$ (0.08) | \$ 0.02 | \$ 0.03 | \$ 0.14 | \$ (0.01) | \$ 0.19 | | |

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(7) The excluded amount represents an impairment charge on our ROU assets associated with certain of our existing office locations. We consider these charges to be unrelated to our underlying results of operations and believe that their exclusion is appropriate to facilitate period-to-period operating performance comparisons.

(8) There is no income tax impact related to the adjustments made to calculate Non-GAAP net (loss) income because of our available net operating loss carryforwards and the full valuation allowance recorded against our net deferred tax assets for all periods shown.