



# First Quarter 2023

*Supplemental Materials*

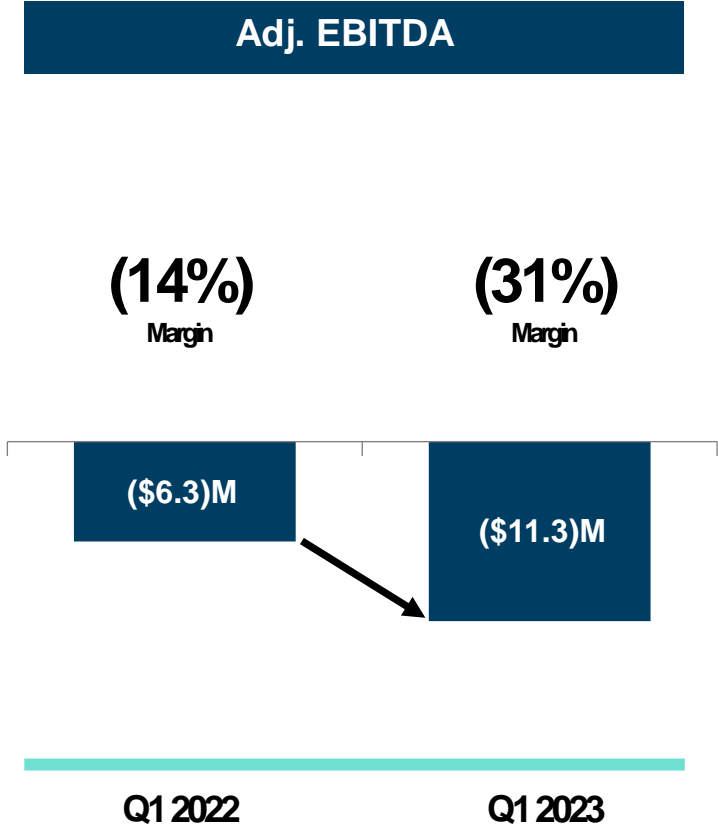
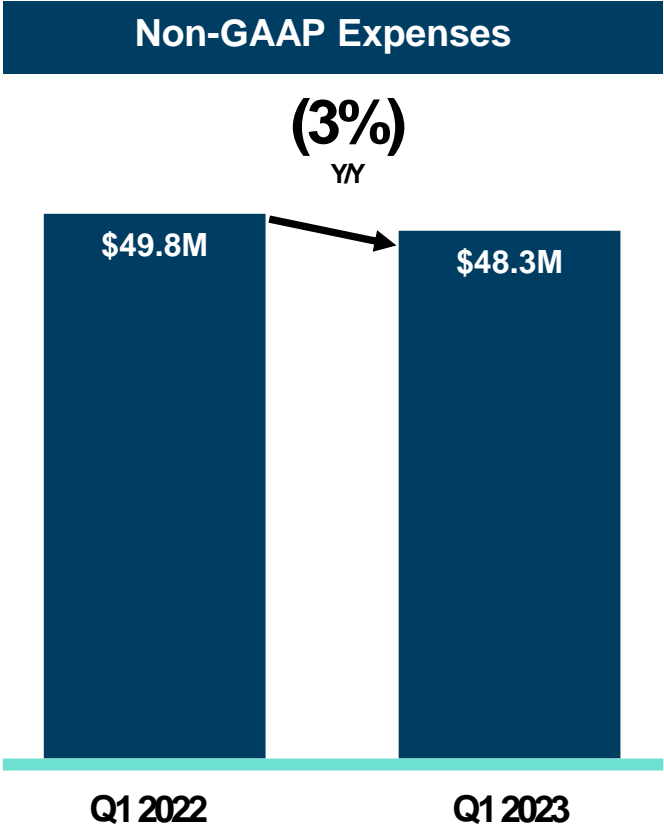
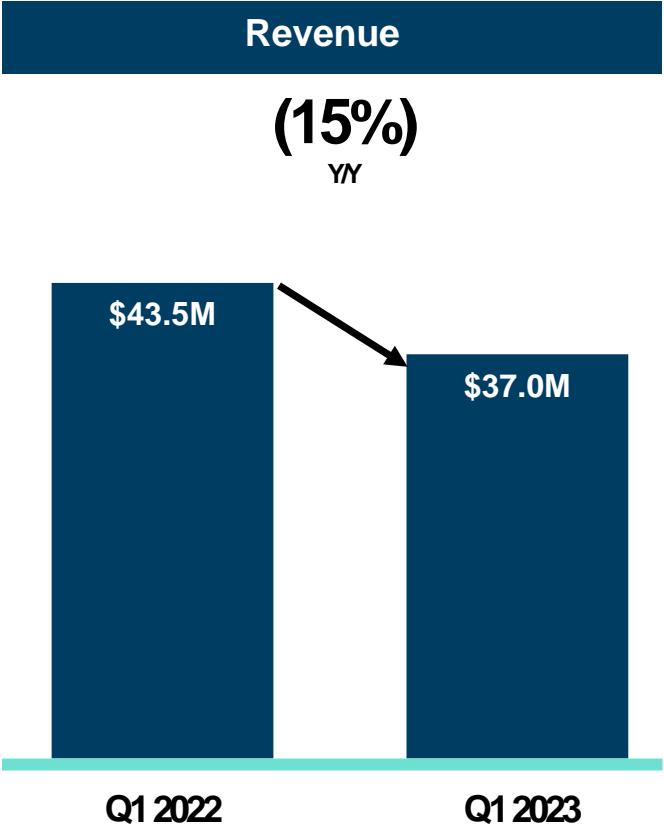
May 08, 2023

## Important Information

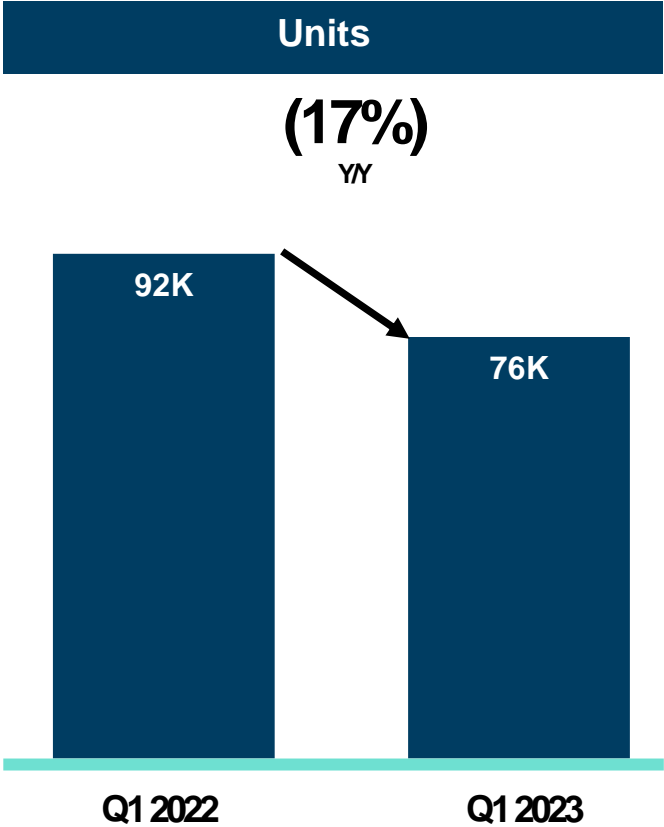
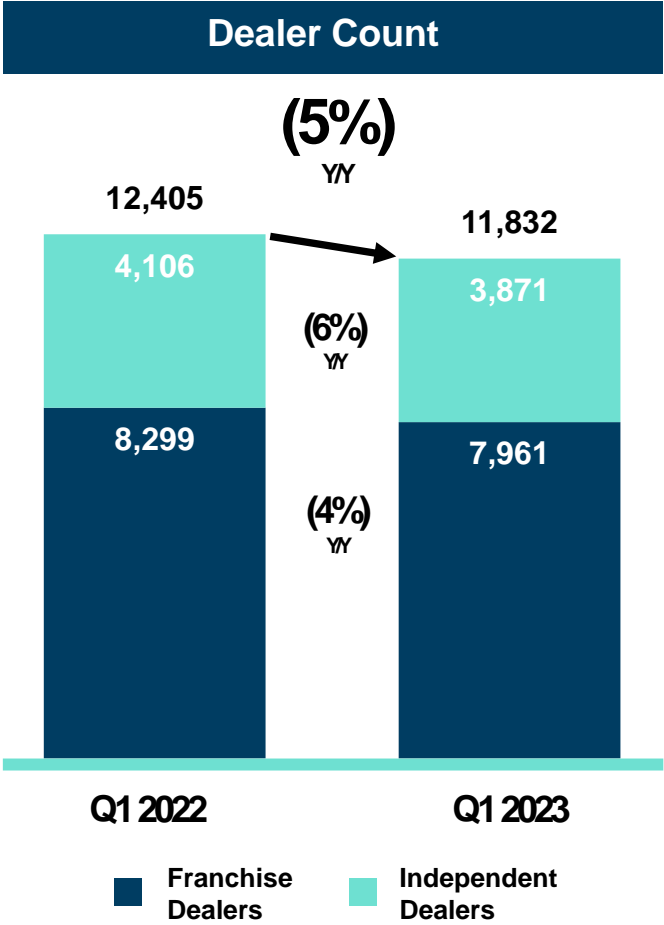
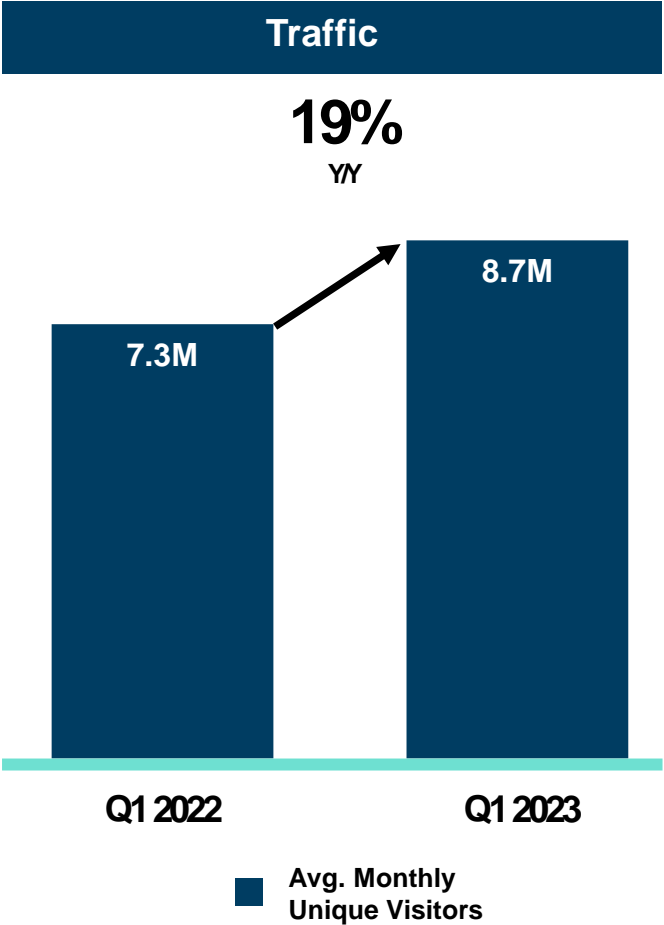
This presentation contains forward-looking statements. All statements other than statements of historical fact contained in this presentation, including our expectations regarding future adjusted EBITDA and expected revenue growth, are forward-looking statements. These forward-looking statements are 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, 2022 filed with the Securities and Exchange Commission, or SEC, and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2023 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.

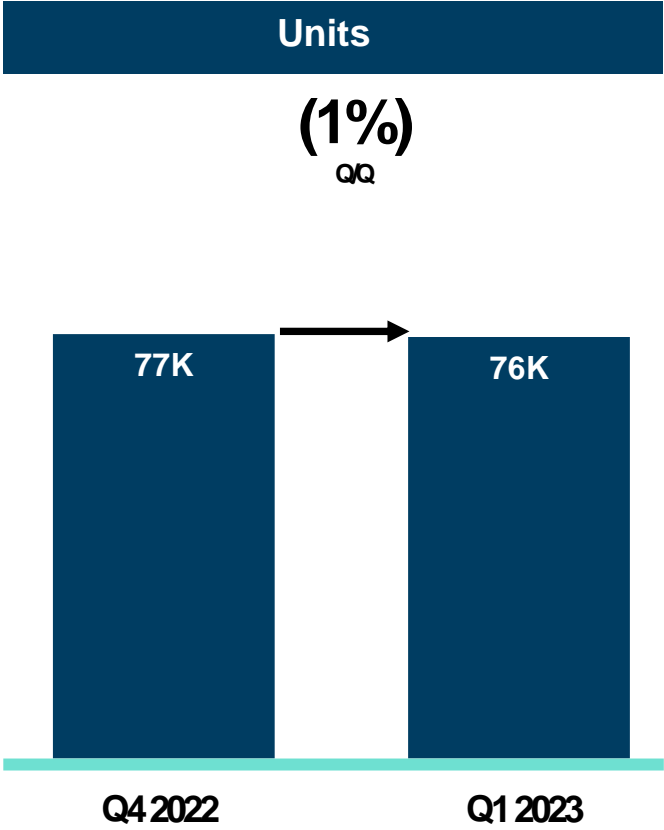
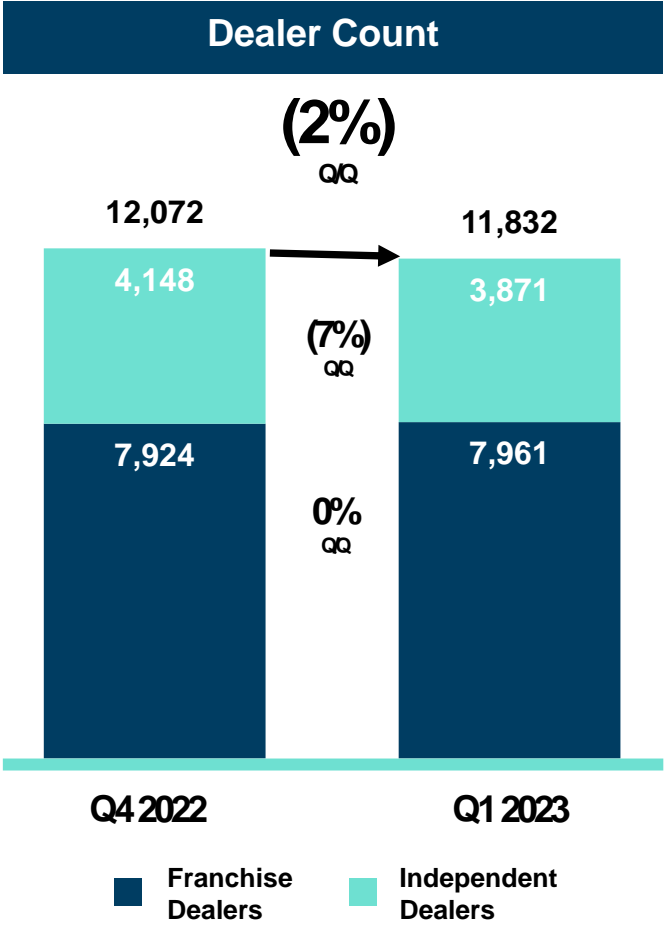
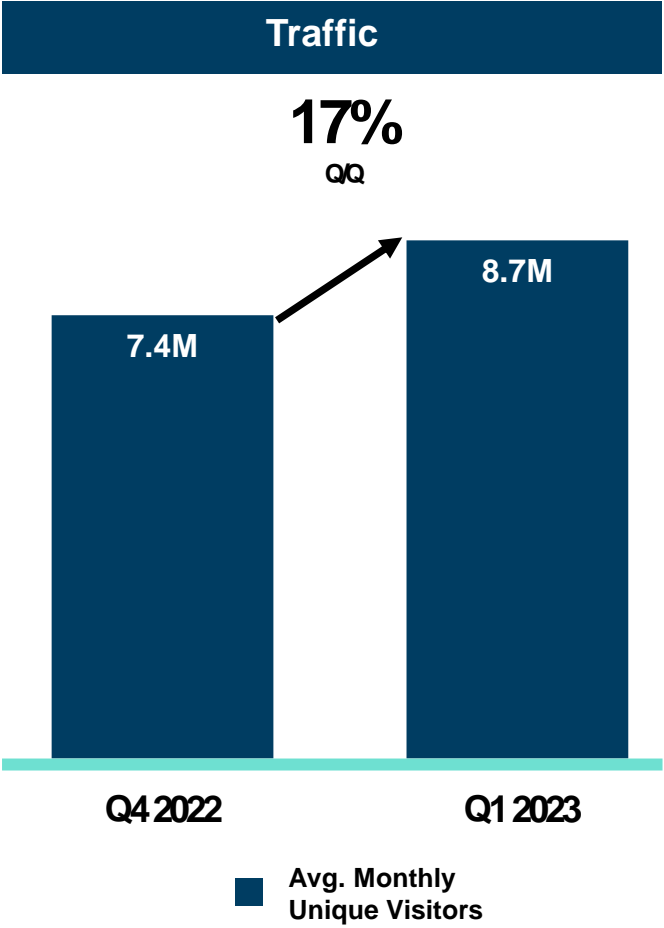
# Q1 2023 Metrics Year over Year: Revenue, Non-GAAP Expenses, and Adj. EBITDA



# Q1 2023 Metrics Year over Year: Traffic, Dealer Count, and Units

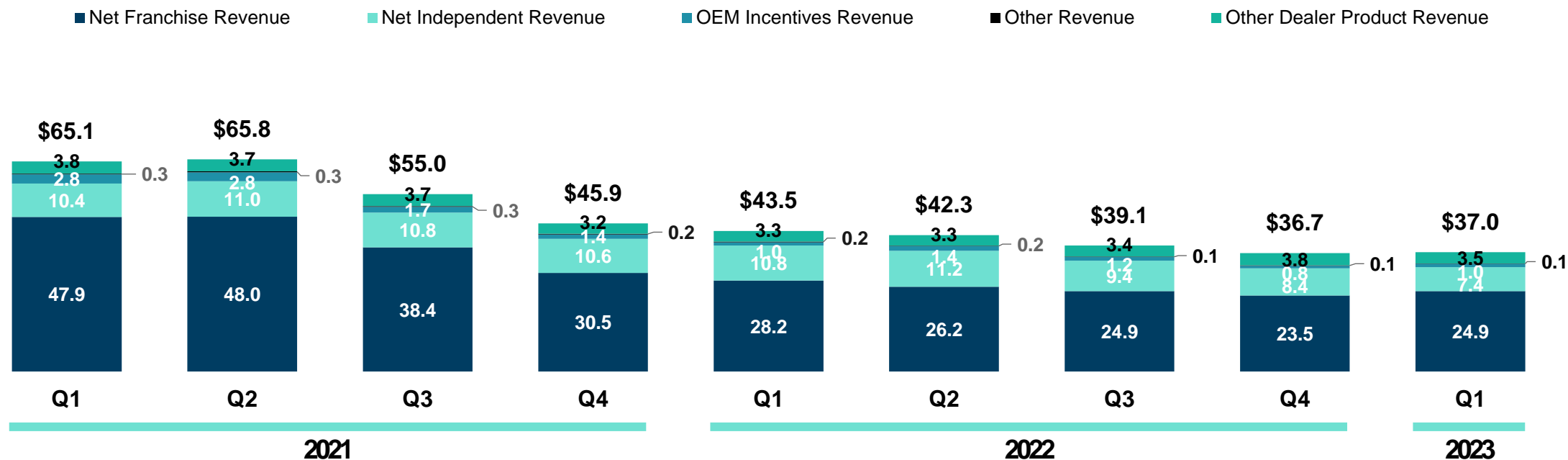


# Q1 2023 Metrics Quarter over Quarter: Traffic, Dealer Count, and Units



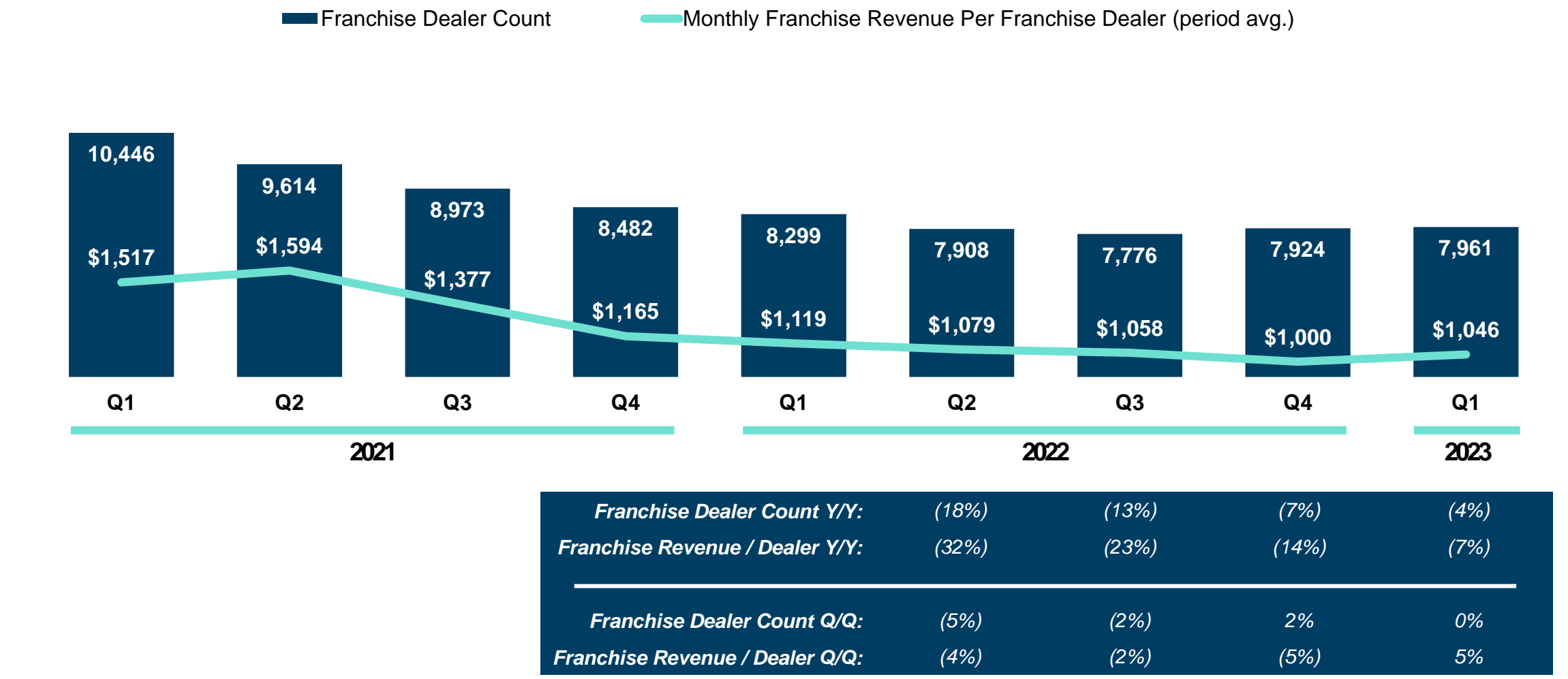
# Revenue

(\$ in millions)

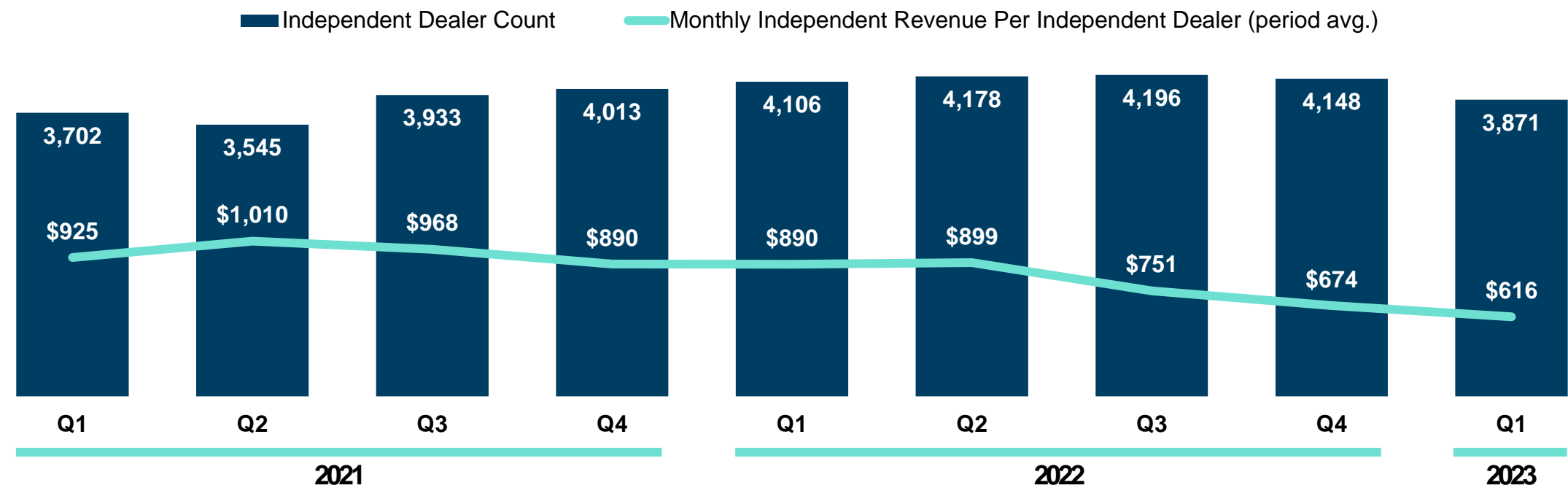


<b>Total Revenue Y/Y:</b>	(36%)	(29%)	(20%)	(15%)
<b>Other Dealer Product Revenue Y/Y:</b>	(11%)	(8%)	19%	7%
<b>Other Revenue Y/Y:</b>	(47%)	(46%)	(36%)	(50%)
<b>OEM Incentives Revenue Y/Y:</b>	(50%)	(32%)	(43%)	1%
<b>Net Independent Revenue Y/Y:</b>	2%	(13%)	(20%)	(32%)
<b>Net Franchise Revenue Y/Y:</b>	(45%)	(35%)	(23%)	(12%)

# Franchise Dealer Overview



# Independent Dealer Overview



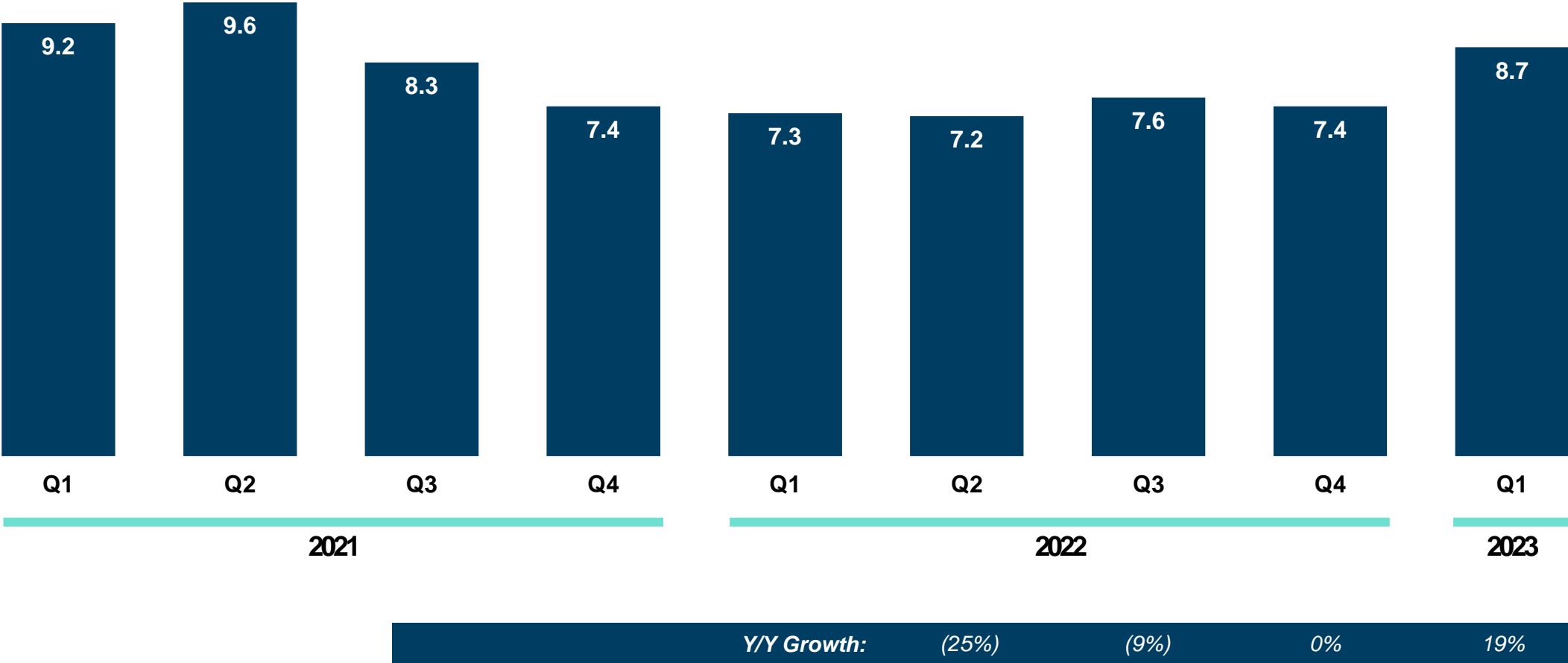
Independent Dealer Count Y/Y:	18%	7%	3%	(6%)
Independent Revenue / Dealer Y/Y:	(11%)	(22%)	(24%)	(31%)
Independent Dealer Count Q/Q:	2%	0%	(1%)	(7%)
Independent Revenue / Dealer Q/Q:	1%	(16%)	(10%)	(9%)



# Traffic

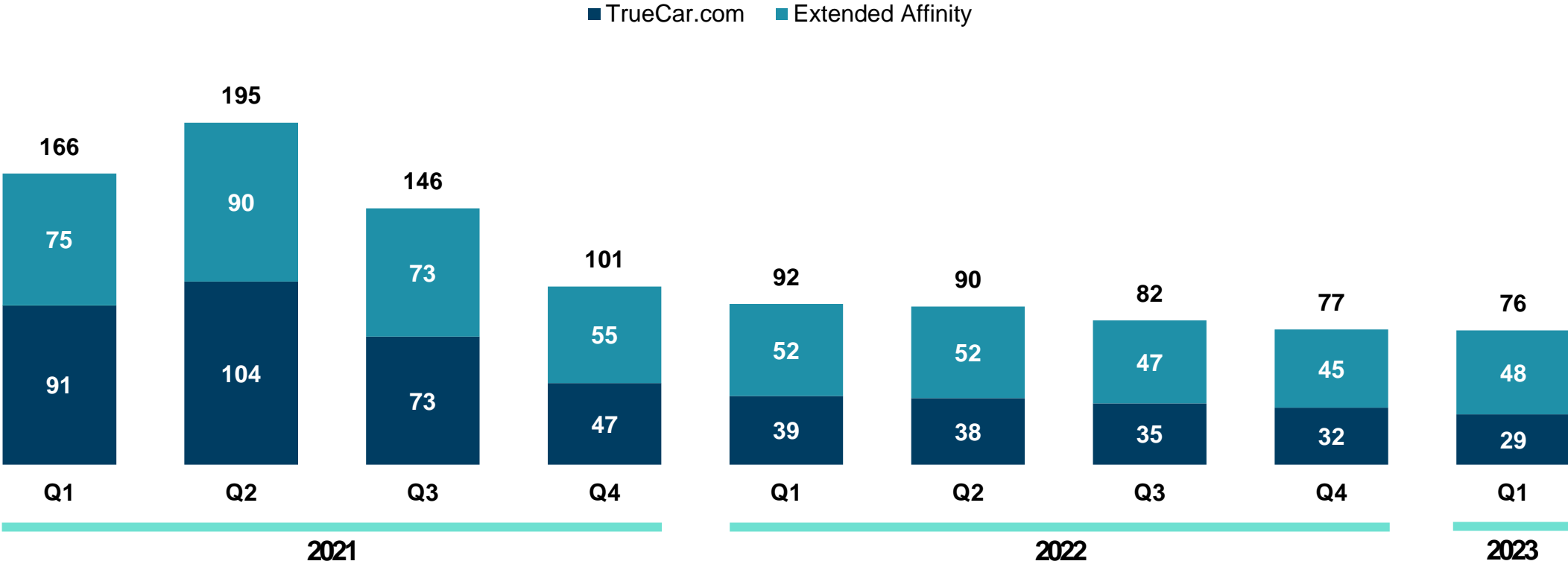
(millions)

## Average Monthly Unique Visitors



# Units by Acquisition Channel

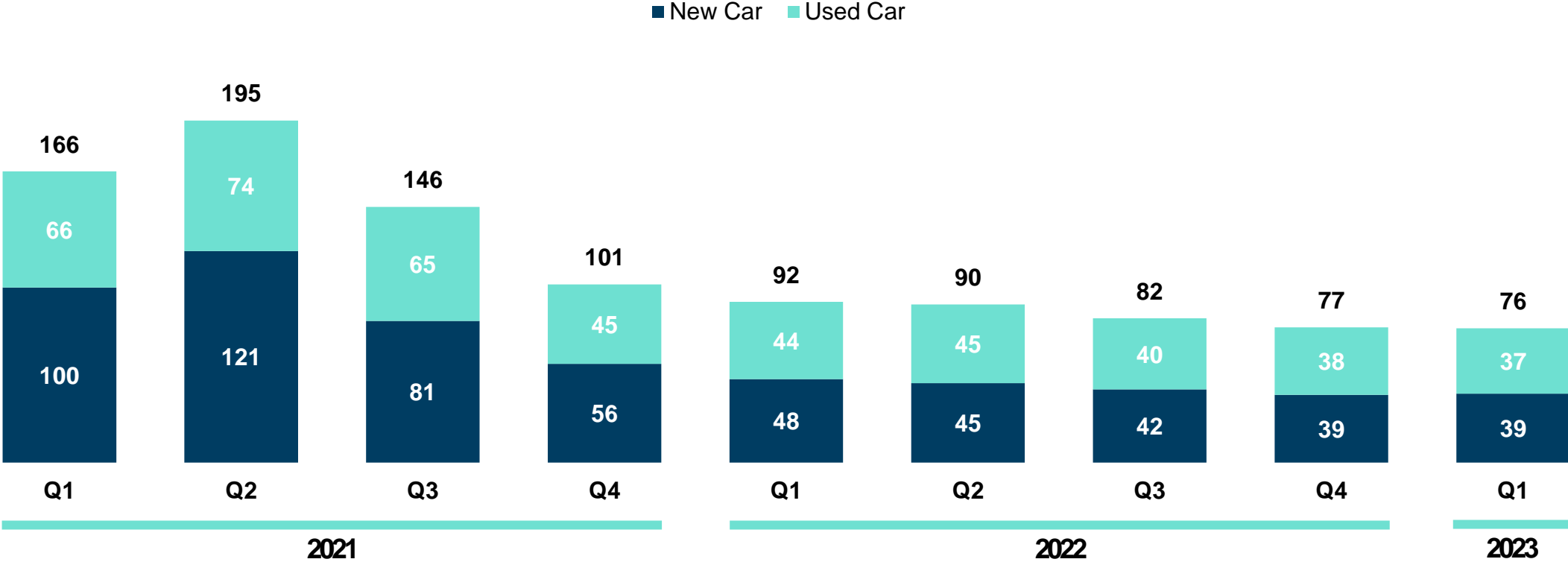
(thousands)



Total Units Y/Y:	(54%)	(44%)	(24%)	(17%)
Extended Affinity Units Y/Y:	(42%)	(35%)	(19%)	(9%)
TrueCar.com Units Y/Y:	(64%)	(52%)	(30%)	(27%)

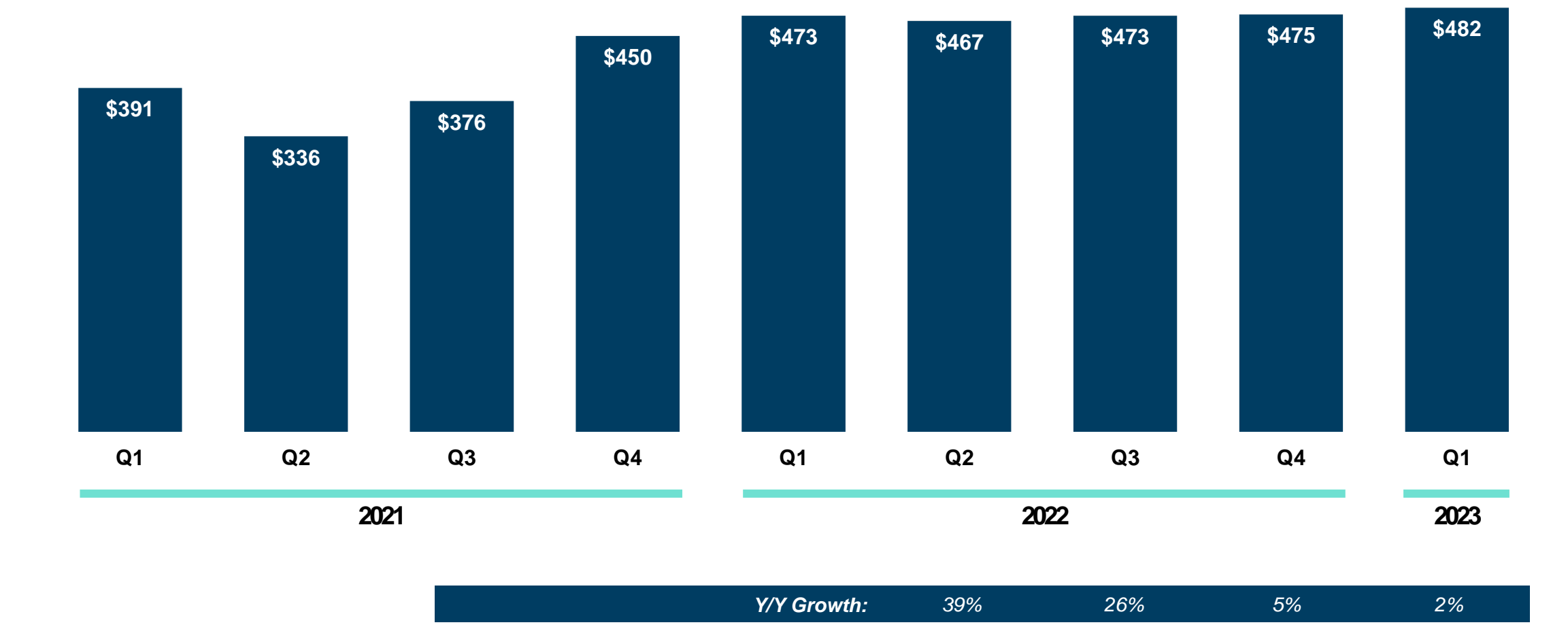
# Units by New v. Used

(thousands)



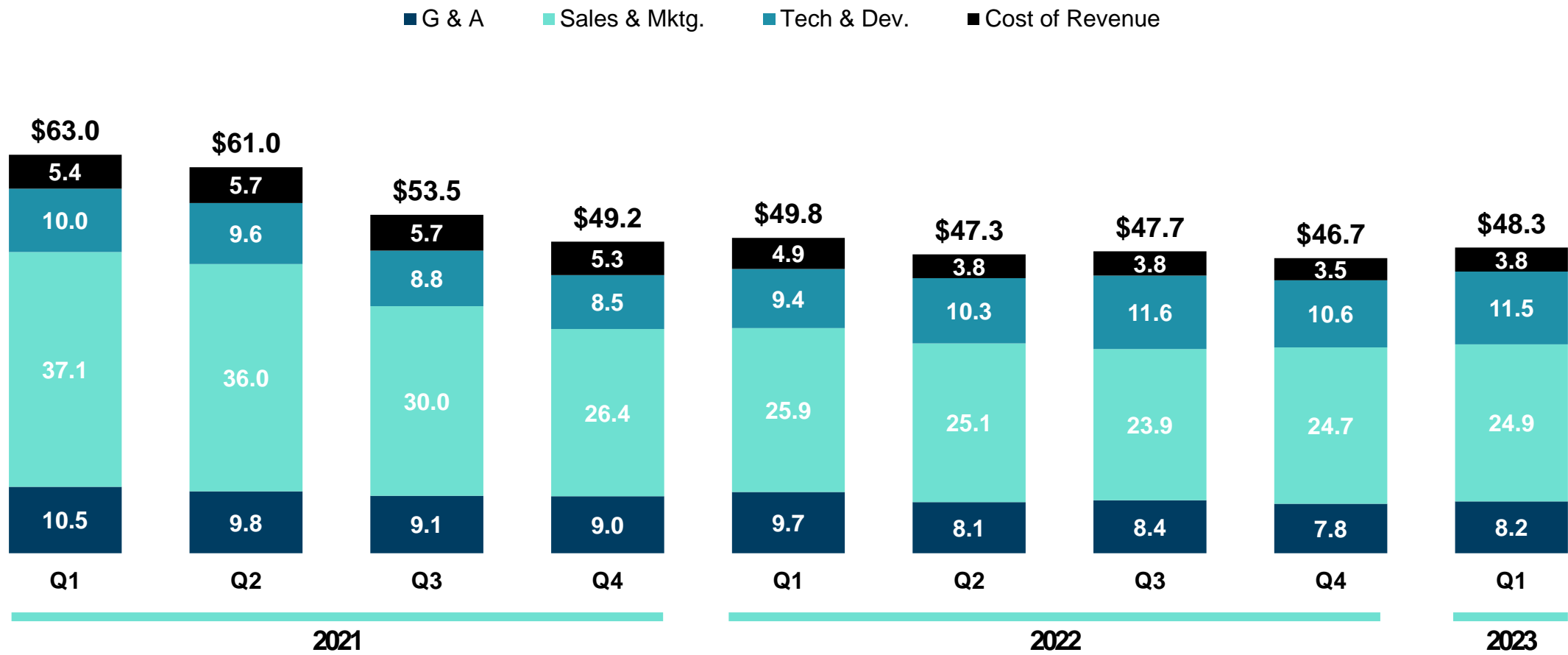
Total Units Y/Y :	(54%)	(44%)	(24%)	(17%)
Used Car Units Y/Y:	(40%)	(38%)	(15%)	(15%)
New Car Units Y/Y:	(62%)	(48%)	(31%)	(18%)

# Monetization

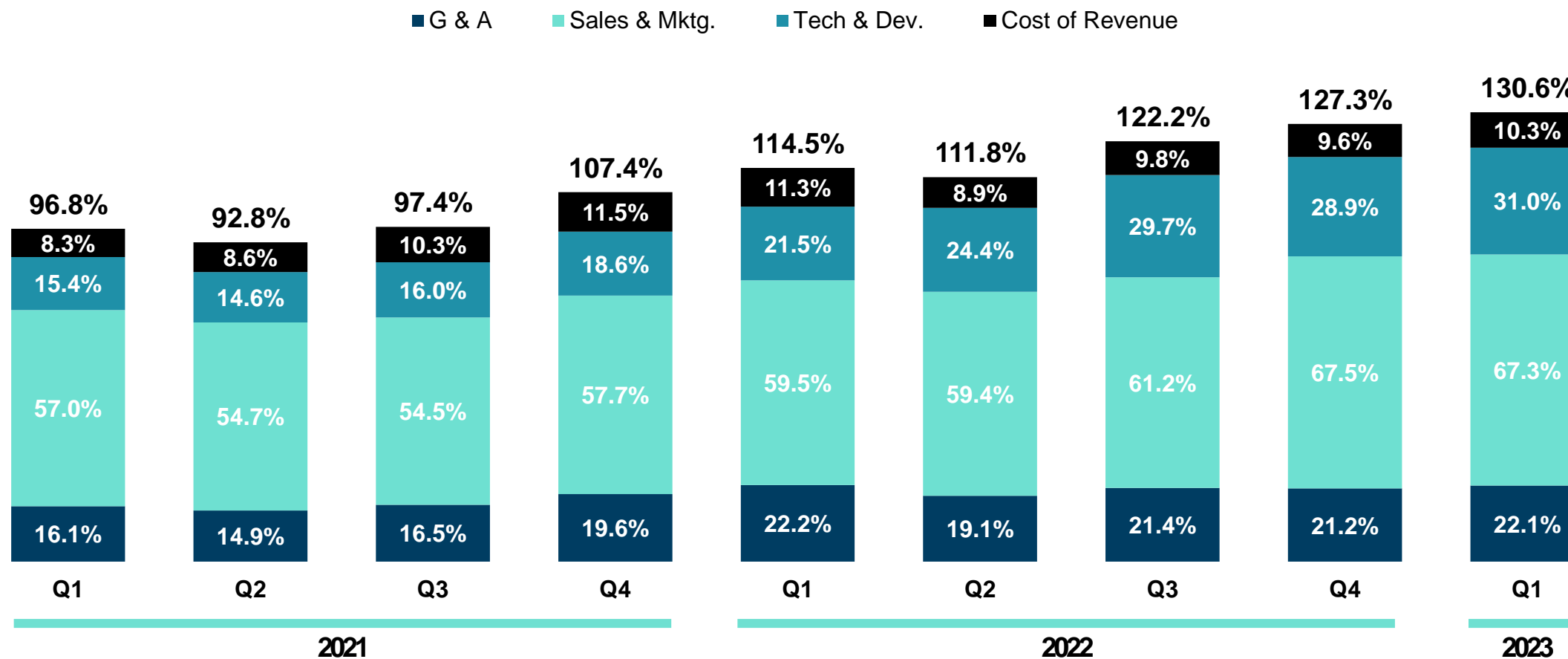


# Non-GAAP Expenses

(\$ in millions)

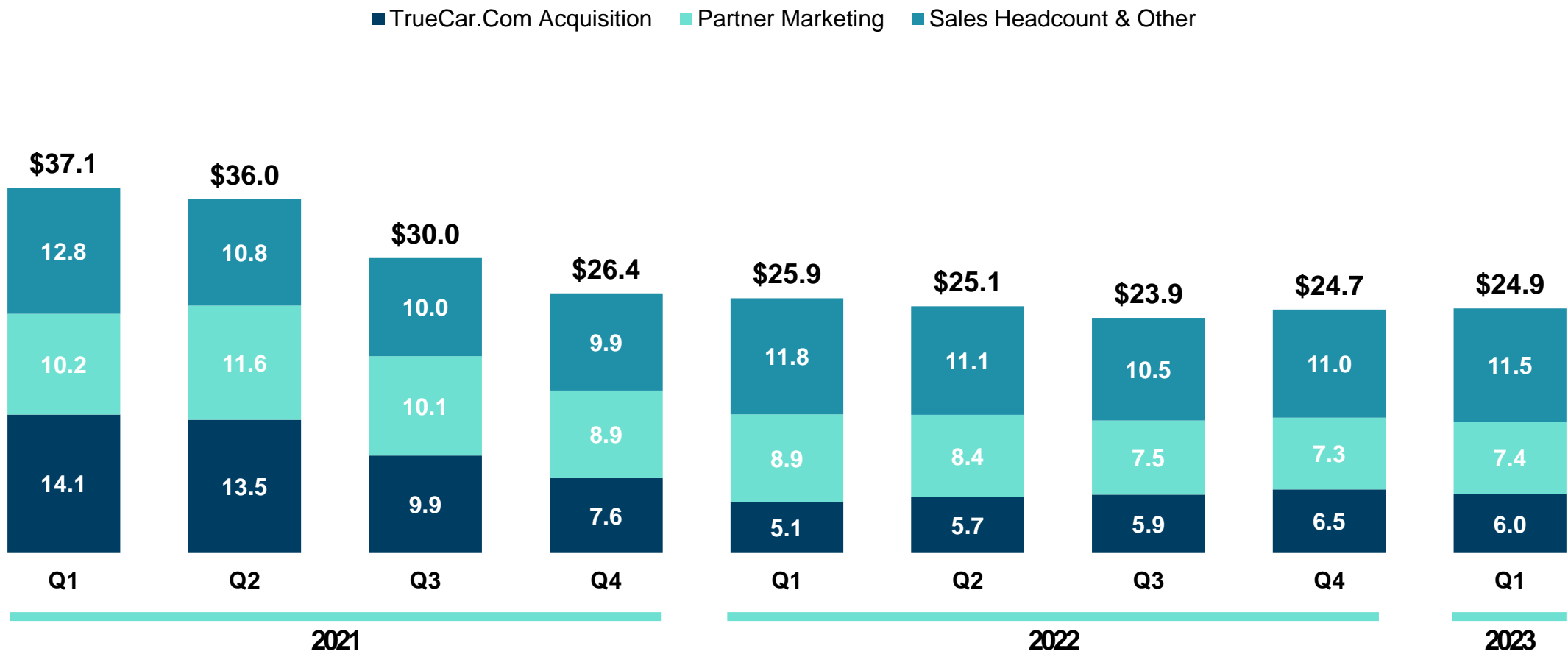


# Non-GAAP Expenses as a Percentage of Revenue



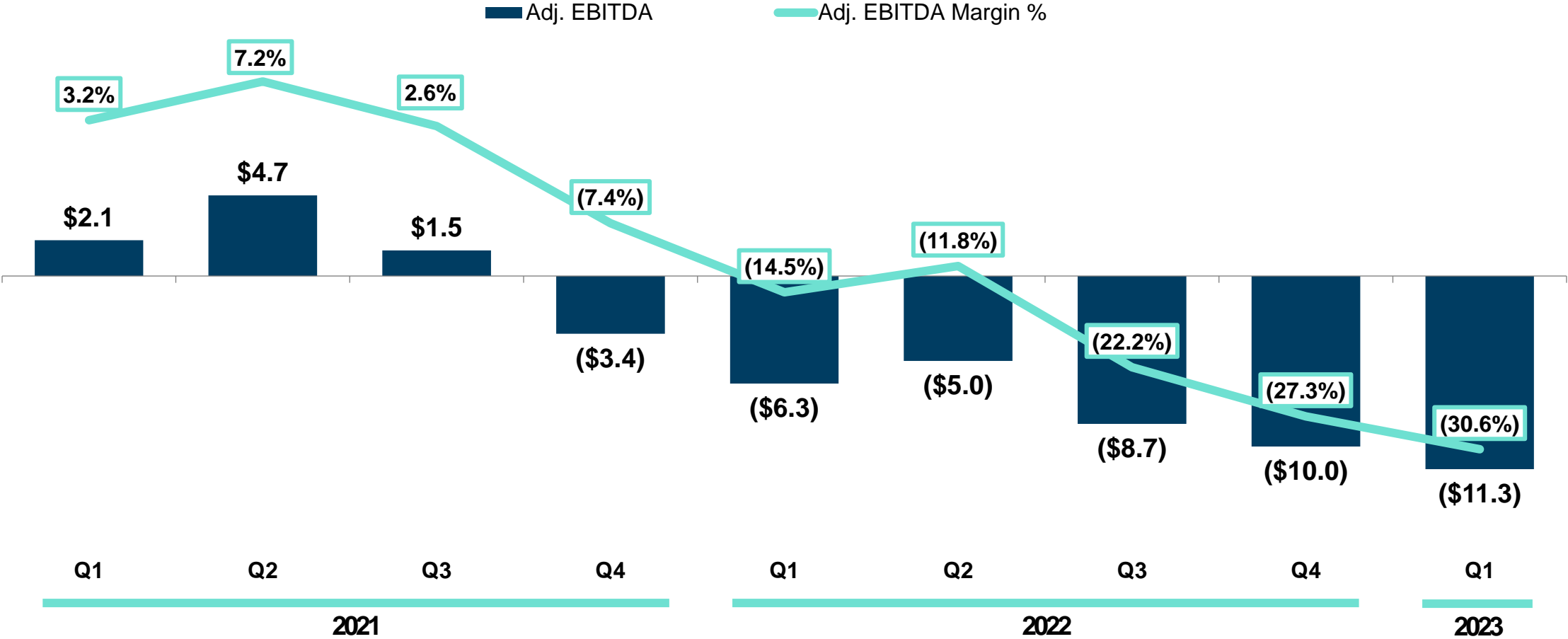
# Non-GAAP Sales & Marketing Expenses

(\$ in millions)



# Adjusted EBITDA

(\$ in millions)





# Appendix

# Reconciliation of Net Loss to Adjusted EBITDA (Unaudited)

(In thousands)	3 Months Ended				FY	3 Months Ended				FY	3 Months Ended
	Mar 31,	Jun 30,	Sep 30,	Dec 31,		Mar 31,	Jun 30,	Sep 30,	Dec 31,		
	2021					2022					
<b><u>Reconciliation of Net Loss to Adjusted EBITDA:</u></b>											
Net loss	\$ (8,418)	\$ (7,283)	\$ (6,836)	\$ (15,792)	\$ (38,329)	\$ (12,414)	\$ (11,019)	\$ (77,113)	\$ (18,139)	\$ (118,685)	\$ (19,565)
(Income) loss from discontinued operations, net of tax	-	168	(208)	-	(40)	-	-	-	-	-	-
Loss from continuing operations	(8,418)	(7,115)	(7,044)	(15,792)	(38,369)	(12,414)	(11,019)	(77,113)	(18,139)	(118,685)	(19,565)
Interest income	(15)	(13)	(12)	(12)	(52)	(27)	(279)	(879)	(1,380)	(2,565)	(1,608)
Depreciation and amortization	4,312	4,591	3,828	3,548	16,279	3,660	3,785	4,284	4,791	16,520	4,191
Stock-based compensation	6,385	5,157	4,450	4,403	20,395	3,498	4,487	5,189	4,507	17,681	4,708
(Gain) loss from equity method investment <sup>(1)</sup>	329	357	267	4,451	5,404	(1,749)	(96)	-	-	(1,845)	-
Change in the fair value of contingent consideration	31	10	-	-	41	-	-	179	180	359	591
Goodwill impairment <sup>(2)</sup>	-	-	-	-	-	-	-	59,775	-	59,775	-
Other income	(625)	(42)	-	-	(667)	-	-	-	(40)	(40)	-
Impairment of ROU assets <sup>(3)</sup>	-	1,652	-	-	1,652	-	-	-	-	-	351
Lease exit costs <sup>(4)</sup>	-	-	-	-	-	669	(455)	-	-	214	-
Transaction costs <sup>(5)</sup>	-	-	-	-	-	-	1,171	29	-	1,200	-
Provision for (benefit from) income taxes	94	133	(38)	17	206	57	(2,574)	(131)	88	(2,560)	6
<b>Adjusted EBITDA</b>	<b>\$ 2,093</b>	<b>\$ 4,730</b>	<b>\$ 1,451</b>	<b>\$ (3,385)</b>	<b>\$ 4,889</b>	<b>\$ (6,306)</b>	<b>\$ (4,980)</b>	<b>\$ (8,667)</b>	<b>\$ (9,993)</b>	<b>\$ (29,946)</b>	<b>\$ (11,326)</b>

(1) The excluded amounts include a \$1.8 million gain from changes in fair value of a derivative asset recognized from the sale of our equity method investment in Accu-Trade during the first quarter and the second quarter of 2022, and a \$4.1 million impairment charge on our equity method investment in Accu-Trade in the fourth quarter of 2021.

(2) The excluded amount represents a non-cash impairment charge we recognized on our goodwill during the third quarter of 2022.

(3) The excluded amounts represent impairment charges 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.

(4) The excluded amount represents lease exit costs recognized in the first quarter of 2022 and early termination gains recognized in the second quarter of 2022 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.

(5) The excluded amounts represent external legal, accounting, consulting and other third-party fees and costs we incurred in connection with the Digital Motors acquisition, and \$0.25 million associated with acceleration of unvested options held by Digital Motor employees that are accounted for as post-combination compensation expense. These expenses are included in general and administrative expenses in our consolidated statements of comprehensive loss. We consider these fees and

costs, which are associated with 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.

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

	3 Months Ended					3 Months Ended					3 Months Ended
	Mar 31,	Jun 30,	Sep 30,	Dec 31,	FY	Mar 31,	Jun 30,	Sep 30,	Dec 31,	FY	Mar 31,
(In thousands)	2021				2021	2022				2022	2023
<b>Reconciliation of GAAP Expenses to Non-GAAP Expenses:</b>											
Cost of revenue, as reported	5,458	5,746	5,715	5,320	22,239	4,946	3,817	3,880	3,570	16,213	3,846
Stock-based compensation	71	66	44	46	227	37	46	51	51	185	50
<b>Non-GAAP cost of revenue</b>	<b>\$ 5,387</b>	<b>\$ 5,680</b>	<b>\$ 5,671</b>	<b>\$ 5,274</b>	<b>\$ 22,012</b>	<b>\$ 4,909</b>	<b>\$ 3,771</b>	<b>\$ 3,829</b>	<b>\$ 3,519</b>	<b>\$ 16,028</b>	<b>\$ 3,796</b>
Sales and marketing, as reported	40,099	37,476	31,239	27,665	136,479	27,081	26,324	25,130	25,999	104,534	26,766
Stock-based compensation	2,959	1,512	1,271	1,216	6,958	1,175	1,233	1,219	1,257	4,884	1,895
<b>Non-GAAP sales and marketing</b>	<b>\$ 37,140</b>	<b>\$ 35,964</b>	<b>\$ 29,968</b>	<b>\$ 26,449</b>	<b>\$ 129,521</b>	<b>\$ 25,906</b>	<b>\$ 25,091</b>	<b>\$ 23,911</b>	<b>\$ 24,742</b>	<b>\$ 99,650</b>	<b>\$ 24,871</b>
Technology and development, as reported	11,193	10,780	9,890	9,569	41,432	10,255	11,380	12,742	11,713	46,090	12,498
Stock-based compensation	1,188	1,159	1,098	1,044	4,489	900	1,056	1,126	1,104	4,186	1,017
<b>Non-GAAP technology and development</b>	<b>\$ 10,005</b>	<b>\$ 9,621</b>	<b>\$ 8,792</b>	<b>\$ 8,525</b>	<b>\$ 36,943</b>	<b>\$ 9,355</b>	<b>\$ 10,324</b>	<b>\$ 11,616</b>	<b>\$ 10,609</b>	<b>\$ 41,904</b>	<b>\$ 11,481</b>
General and administrative, as reported	12,678	13,853	11,121	11,095	48,747	11,724	10,937	11,364	10,062	44,087	10,846
Stock-based compensation	2,167	2,420	2,037	2,097	8,721	1,386	2,152	2,793	2,095	8,426	1,746
Impairment of ROU assets <sup>(1)</sup>	-	1,652	-	-	1,652	-	-	-	-	-	351
Lease exit costs <sup>(2)</sup>	-	-	-	-	-	669	(455)	-	-	214	-
Transaction costs <sup>(3)</sup>	-	-	-	-	-	-	1,171	29	-	1,200	-
Change in the fair value of contingent consideration	31	10	-	-	41	-	-	179	180	359	591
<b>Non-GAAP general and administrative</b>	<b>\$ 10,480</b>	<b>\$ 9,771</b>	<b>\$ 9,084</b>	<b>\$ 8,998</b>	<b>\$ 38,333</b>	<b>\$ 9,669</b>	<b>\$ 8,069</b>	<b>\$ 8,363</b>	<b>\$ 7,787</b>	<b>\$ 33,888</b>	<b>\$ 8,158</b>

(1) The excluded amounts represent impairment charges 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.

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