

THREDUP

# INVESTOR PRESENTATION

Second Quarter 2022

# Safe Harbor

This presentation contains forward-looking statements within the meaning of the federal securities laws, which are statements that involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as “may,” “will,” “shall,” “should,” “expects,” “plans,” “anticipates,” “could,” “intends,” “target,” “projects,” “contemplates,” “believes,” “estimates,” “predicts,” “potential” or “continue” or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans or intentions. Forward-looking statements in this presentation include, but are not limited to, guidance on financial results for the third quarter and full year of 2022; statements about future operating results and our long term growth; the momentum of our business; the growth rates in the markets in which we compete; the impact of the COVID-19 pandemic and inflation on consumer behavior and our business; our investments in technology and infrastructure; our ability to successfully integrate and realize the benefits of our past or future strategic acquisitions, investments or restructuring activities; the success of our RaaS model and the timing and plans for future RaaS clients; and our ability to attract new active buyers.

The forward-looking statements contained in this presentation are also subject to other risks and uncertainties, including those more fully described in our filings with the Securities and Exchange Commission (“SEC”), including in the sections entitled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations”. The forward-looking statements in this presentation are based on information available to us as of the date hereof, and we disclaim any obligation to update any forward-looking statements, except as required by law. These forward-looking statements should not be relied upon as representing thredUP’s views as of any date subsequent to the date of this press release. Additional information regarding these and other factors that could affect thredUP’s results is included in thredUP’s SEC filings, which may be obtained by visiting our Investor Relations website at [ir.thredup.com](http://ir.thredup.com) or the SEC’s website at [www.sec.gov](http://www.sec.gov).

This presentation also contain estimates and other statistical data made by third parties and by the Company relating to market size and growth and other industry data. These data involve a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. The Company has not independently verified the statistical and other industry data generated by third parties and contained in this presentation and, accordingly, it cannot guarantee their accuracy or completeness. In addition, projections, assumptions and estimates of its future performance and the future performance of the markets in which it competes are necessarily subject to a high degree of uncertainty and risk due to a variety of factors. These and other factors could cause results or outcomes to differ materially from those expressed in the estimates made by the third parties and by the Company.

This presentation includes certain non-GAAP financial measures. In addition to our results determined in accordance with GAAP, we believe that Adjusted EBITDA and Adjusted EBITDA margin, non-GAAP measures, are useful in evaluating our operating performance. We use Adjusted EBITDA and Adjusted EBITDA margin to evaluate and assess our operating performance and the operating leverage in our business, and for internal planning and forecasting purposes. We believe that Adjusted EBITDA and Adjusted EBITDA margin, when taken collectively with our GAAP results, may be helpful to investors because it provides consistency and comparability with past financial performance and assists in comparisons with other companies, some of which use similar non-GAAP financial information to supplement their GAAP results. Adjusted EBITDA and Adjusted EBITDA margin are presented for supplemental informational purposes only, should not be considered a substitute for financial information presented in accordance with GAAP and may be different from a similarly-titled non-GAAP measure used by other companies.

A reconciliation is provided below for Adjusted EBITDA to net loss, the most directly comparable financial measure stated in accordance with GAAP. We calculate Adjusted EBITDA as net loss adjusted to exclude, where applicable in a given period, depreciation and amortization, stock-based compensation expense, interest expense, acquisition and offering related expenses, restructuring charges, change in fair value of convertible preferred stock warrant liability and provision for income taxes.

Investors are encouraged to review our results determined in accordance with GAAP and the reconciliation of Adjusted EBITDA to net loss.



thredUP's mission is to  
inspire a **new generation**  
of consumers to think  
**secondhand first.**

# Investment Thesis

We provide end-to-end resale services for sellers and unlock value for items with lower ASPs at scale, while providing buyers with access to high-quality items at great prices.

**1**  
**Unlocking  
Massive  
Supply**

**2**  
**Defensible  
Operating  
Platform**

Our platform includes our infrastructure purpose built for single-SKU logistics, our proprietary software and systems and our deep data science expertise. All of which provide an ever-widening moat.

**Compelling  
Investment  
Opportunity**

**3**  
**Large, Growing TAM +  
Marketplace Flywheel**

We are in the early stages of capitalizing on a large market opportunity in secondhand clothing. Resale is the fastest growing segment in the retail clothing market. Our market lends itself to a compelling flywheel where buyers becomes sellers and vice-versa, deepening the attachment rate to our service.

# thredUP at a Glance

Founded in **2009**

Headquartered in  
**Oakland, CA**

**35K** Brands  
**100** Different categories

Distribution centers in  
**4** strategic locations  
across the globe  
5 by summer 2022  
**>6M** Unique items in capacity

**\$76M | 27%**

Q2 2022 Revenue / YoY Growth

**\$53M | 19%**

Q2 2022 Gross Profit / YoY Growth

**\$252M | 35%**

2021 Revenue / YoY Growth

**\$178M | 39%**

2021 Gross Profit / YoY Growth

**\$0** Direct marketing  
spend to acquire supply

**1.7M**

Active buyers

**1.7M**

Orders

**1.1B** Pounds of carbon  
emissions saved<sup>1</sup>

**2.0BkWH** of energy saved<sup>1</sup>

**4.4B** Gallons of water saved<sup>1</sup>

Note: All data as of June 30, 2022 unless indicated.

<sup>1</sup>As of May 31, 2021. Sustainability estimates based in part on information provided by GreenStory Inc.

# thredUP's Operating System

*Our competitive advantage*



Patented World-Class  
Infrastructure



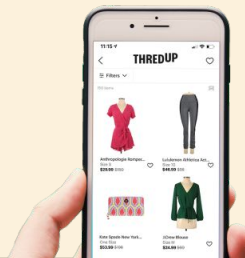
Powerful Technology  
and Software



Proprietary  
Data

## Managed Marketplace

We've made it easy for consumers to  
buy and sell secondhand clothing.



## Resale-as-a-Service (RaaS)

We now power resale for leading  
fashion brands and retailers.



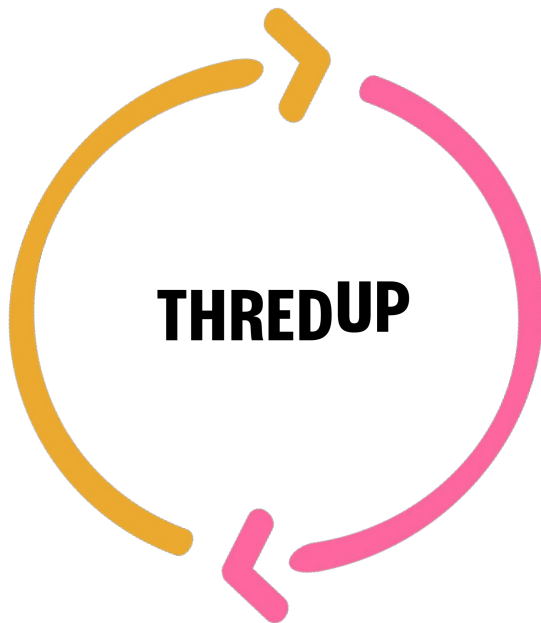
# Managed Marketplace Model Unlocks Supply, Creates Buyer Trust

## Buyers Love...

Incredible value, up to 90% off estimated retail price

Wide selection of 35K brands, 100 categories

Fresh, ever-changing assortment



## Sellers Love...

Convenient Clean Out Kits

End-to-end services

Make money, do good with their proceeds

Note: Data as of December 31, 2021.

# RaaS Go-to-Market Strategy

Start with clean-out programs and expand into thredUP-powered resale shops

## RaaS Goals

- Build quality supply from customers of specific brands
- Offer an entry point into resale with opportunity to upsell/expand over time
- Monetize unique assets and infrastructure to help brands roll out white label resale commerce
- Repeatable implementation and ROI of a SaaS model

### Take Back Program

Provide customers with Clean Out Kits to turn their used clothing & accessories from *any* brand into your shopping credit for *your* brand.



### Branded Online Resale Shop

Add resale to your ecommerce site so customers can shop your brand's product secondhand

## Economics

- One time integration fee
- Ongoing service fees and/or usage-based pricing

- One time integration fee
- Ongoing service fees
- thredUP receives percentage of sales

LAND AND EXPAND



# Diversified RaaS Strategies to Serve Clients Unique Needs



## Launching New Resale Shops

- Developing resale shops for retailers interested in taking part in a 360 resale platform.
- Recent resale shop launches include Tommy Hilfiger, Pacsun, Bernardo, COS, Michael Stars, Nation LTD, Kut from the Kloth, and Polarn O. Pyret.

## Expand Existing Relationships

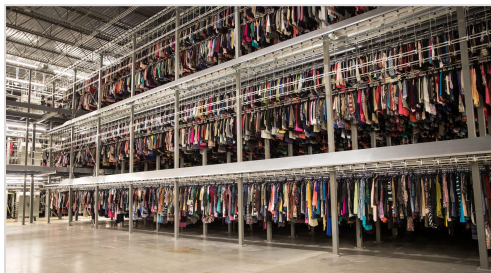
- Focused on a “land and expand” strategy in which we deepen our involvement with current clients over time.
- After launching a Madewell resale shop with denim only, we expanded into a broader range of categories, increasing listings by +500%.
- Upgraded Michael Stars Clean Out Kit to Resale Shop partnership.

## Partnering with Retailers

- Delivering standardized and custom features to fit each retailer’s unique needs.
- Partnering with major retailers, including Walmart, Reformation, Crocs, and Farfetch.

# Operating Platform Designed for Resale at Scale

*Proprietary technology and processing infrastructure create significant barriers to entry*



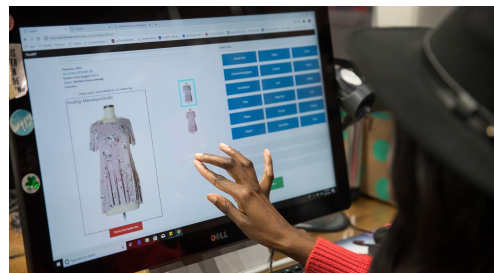
## Distributed Processing Infrastructure

- Tech-driven processing, storage and fulfillment; purpose-built for “single SKU” logistics
- 4 Strategic global distribution centers (5<sup>th</sup> in Dallas, TX opening in 2022)
- 1 Strategic U.S. processing center



## Proprietary Systems, Automation and Software

- Custom built applications for “single SKU” operations
- Automation processes across intelligent item acceptance and listing, visual recognition, photo selection



## Data Science Expertise

- Proprietary data set
- Supply quality management
- Item pricing, payouts, margin optimization, personalization, marketing automation

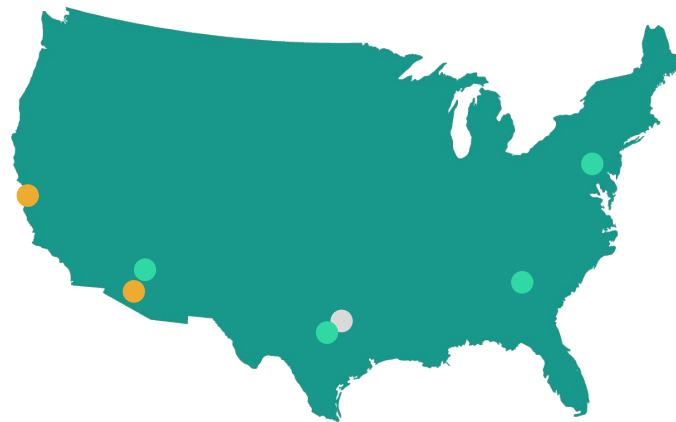
# Operating Platform: Distributed Processing Infrastructure

## 3 U.S. Distribution Center locations with >6M Item capacity

3 Largest item on-hanger systems<sup>1</sup>

Coming soon: Dallas, TX will increase capacity by +150%, expected to begin processing in summer 2022

1 Strategic processing center in Grapevine, TX



## 1 European Distribution Center

Sofia, Bulgaria

- Offices
- Distribution Centers
- Processing Centers

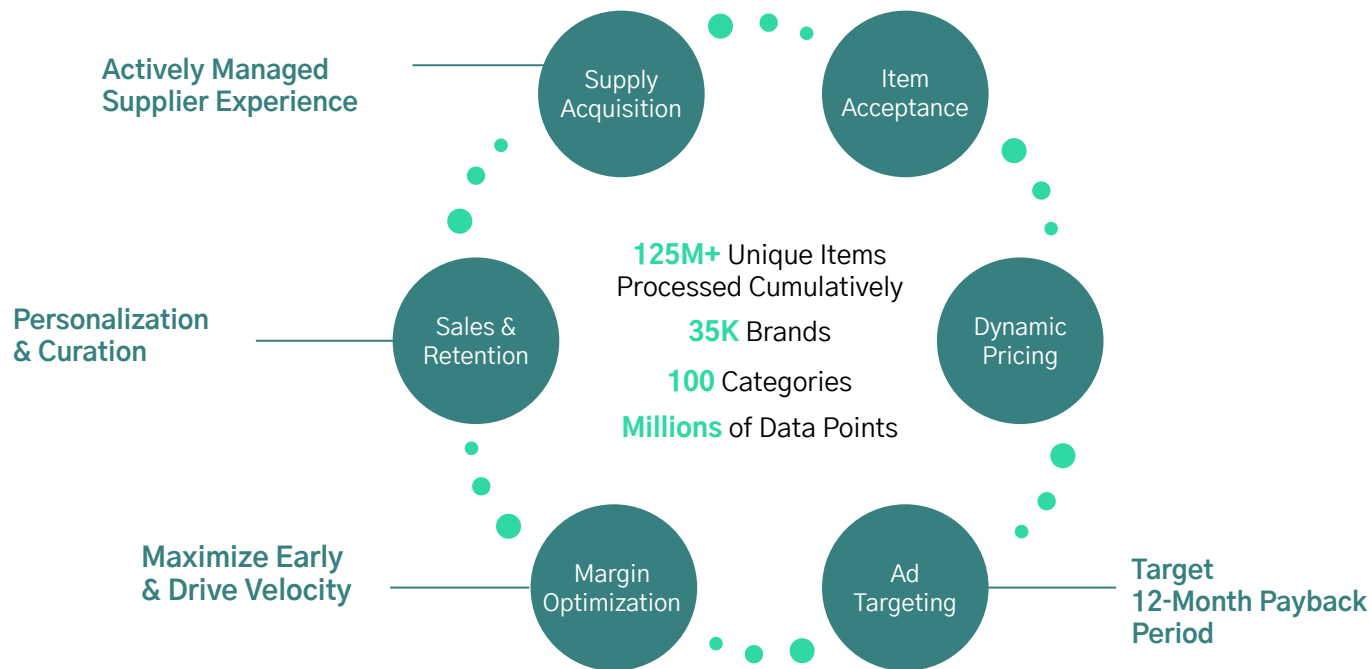


Data as of June 30, 2022

<sup>1</sup> We believe we operate the 3 largest item on-hanger systems in the U.S.

# Data Science Expertise

*Data is at the center of everything we do*



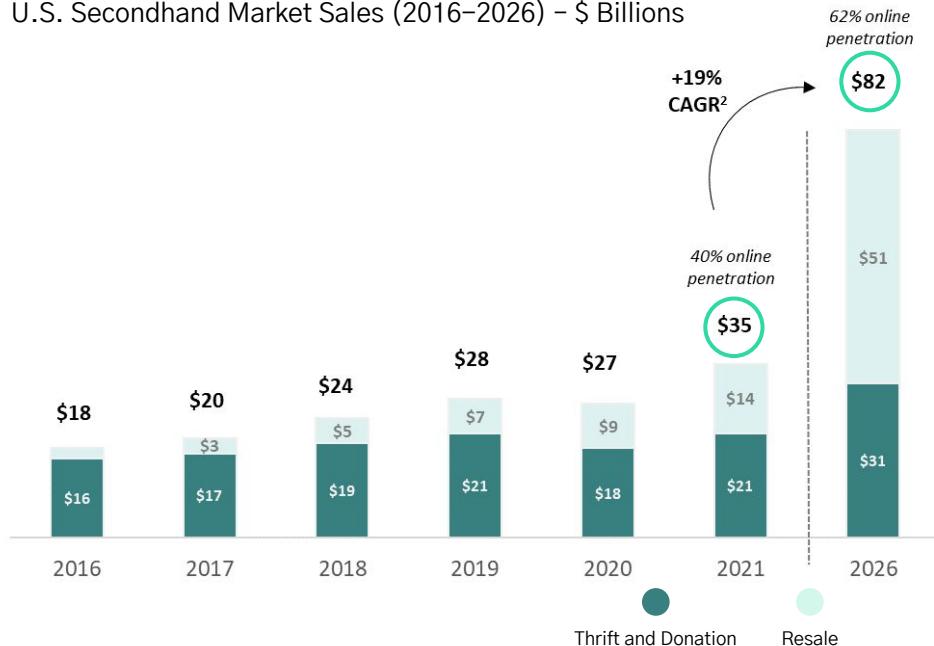
Source: Company information  
Data as of May 31, 2021

# Large and Growing Market Opportunity

Online resale driving TAM growth

## U.S. Demand-Side Secondhand TAM<sup>1</sup>

U.S. Secondhand Market Sales (2016–2026) – \$ Billions



<sup>1</sup> Source: GlobalData 2022 Market Survey

<sup>2</sup> CAGR represents 2021 – 2026 growth in Total Secondhand Market

<sup>3</sup> Company estimate based in part by information from the Environmental Protection Agency Clothing and Footwear Waste Estimates

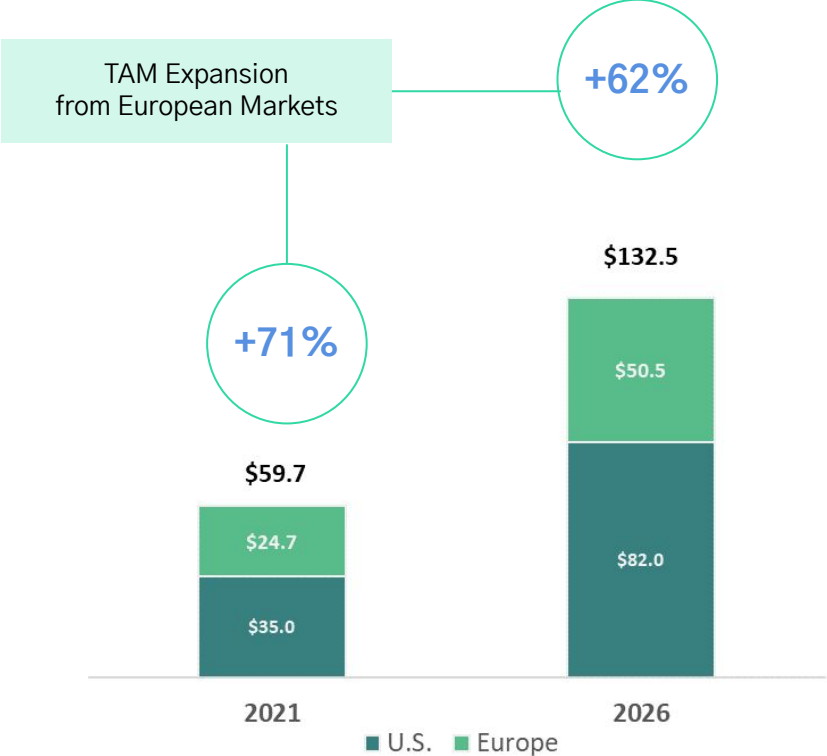
## U.S. Supply-Side Secondhand TAM

**~17 BILLION**

Pounds of apparel thrown away in the U.S. that could be recycled and reused<sup>3</sup>

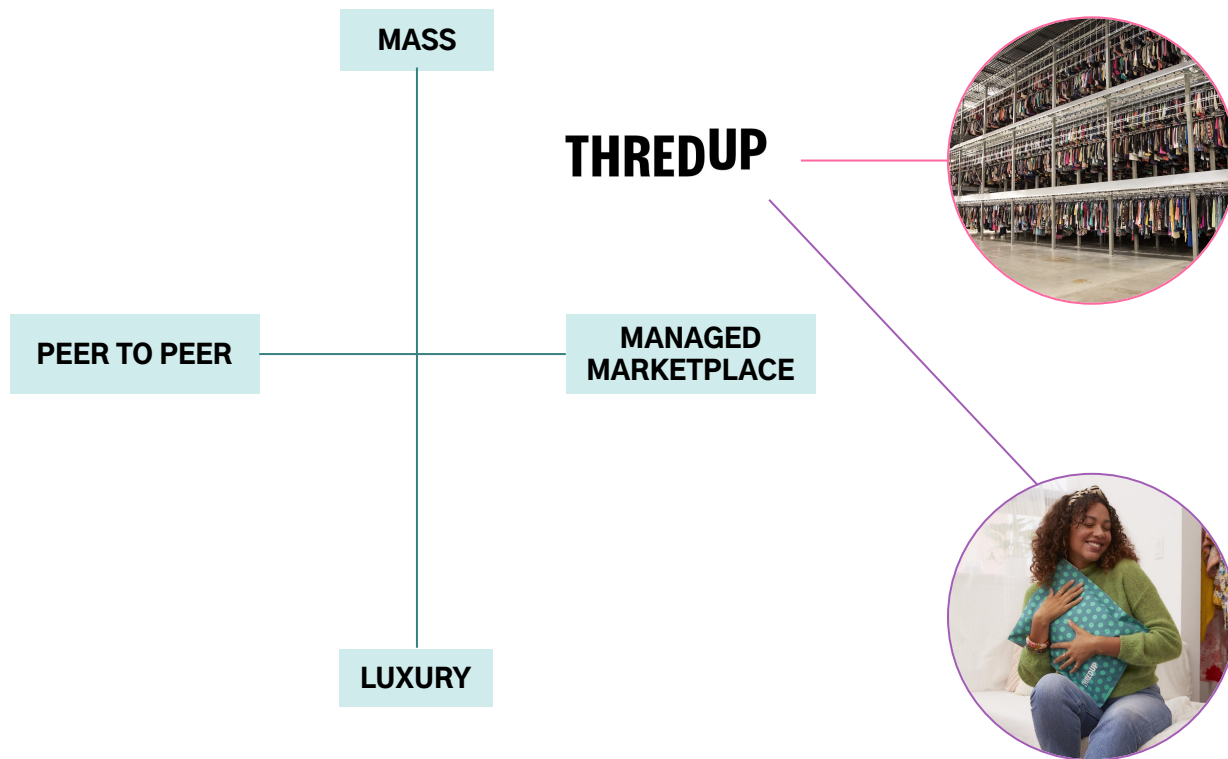
The equivalent of  
**~1 BILLION**  
thredUP Clean Out Kits

# Remix Acquisition Expands TAM Opportunity and Accelerates International Strategy



Source: Estimates from GlobalData 2022 Market Survey  
Note: Europe Markets include UK, Italy, Germany, France, Spain, Netherlands, Switzerland, Sweden, Denmark, Portugal, Finland, Austria, Belgium, Ireland, Norway, Greece, Russia, Turkey, Poland, Romania, Ukraine, Slovak Rep, Czech Rep, Hungary and Bulgaria

# thredUP's Competitive Advantage & Landscape



## Managed Marketplace

- End-to-end processing infrastructure, **unlocks supply**
- Creates data-driven, liquid market
- Platform extensibility
- “Management” of supply chain enables Resale-as-a-Service

## Mass Fashion

- U.S. Resale is projected to grow to \$82B in 2026<sup>1</sup>
- Mass market TAM is **6X larger** than luxury<sup>2</sup>
- Supply chain moat creates greater barriers to entry

<sup>1</sup> GlobalData 2022 Market Survey

<sup>2</sup> GlobalData Luxury and Mass Apparel Study, January 2021

# ESG Spotlight: “Doing Good” Creates High-Impact Flywheel

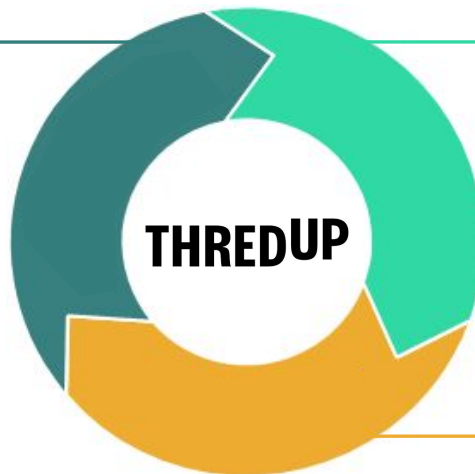
## Transform Apparel Market

### Grow Resale Category

- Disrupt the apparel market by creating one of the world’s largest online resale platforms for women’s and kids’ apparel, shoes and accessories
- Launch and grow RaaS offerings
- Expand across categories and geographies

### Benefits

- Provide a sustainable solution to fashion’s environmental crisis
- Change the way consumers participate and engage with fashion
- Lead the resale category



## Promote Sustainability

### Create Awareness

- Partner with culture icons, designers and brands to promote resale and sustainability

### Benefits

- Make secondhand mainstream
- Drive TAM expansion

## Enable Resale at Scale

### Leverage Impact-Driven Operating Platform

- Proprietary technology and data science expertise unlocks resale across prices

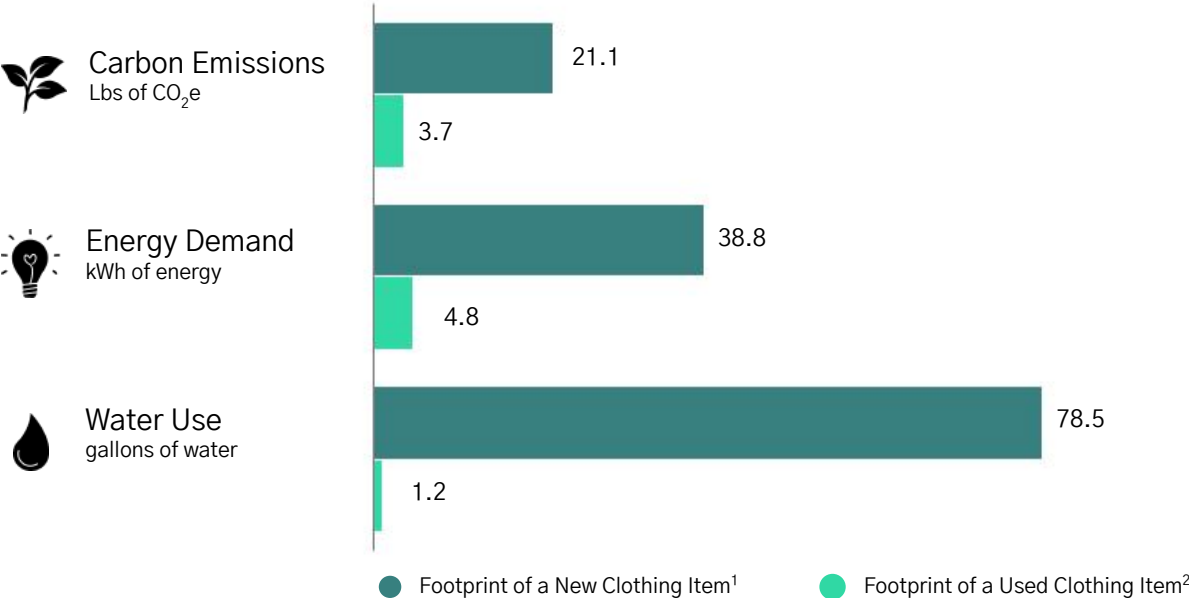
### Benefits

- thredUP addresses a vast market from mass to luxury
- Shopping sustainably becomes fun, personalized and convenient



# ESG Spotlight: Environmental Impact of Resale is Significant

## Footprint of a New vs. Used Clothing Item



Buying used instead of new displaces the CO<sub>2</sub>e emitted from harmful new clothing production

An item purchased through our marketplace vs new displaces

**17.4**

Lbs of CO<sub>2</sub>e emissions

Reducing its carbon footprint by

**82%**

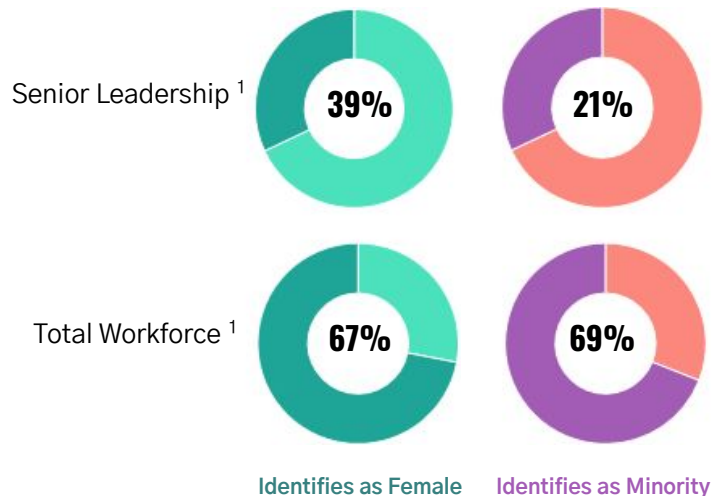
<sup>1</sup> Company estimate compared to buying new, assumes 30% of lifetime is complete when reused to calculate relative savings, which takes into account thredUP's operations.

<sup>2</sup> Assumes used item is bought on thredUP. Company estimates based in part on data from GreenStory Inc., "Comparative Life Cycle Assessment (LCA) of secondhand vs new clothing (2019)"

# ESG Spotlight: Social – Doing The Right Thing For Our Employees and Customers

## Social – Leadership and Workforce

- Committed to increasing diversity and representation and disclosing annually
- Created programs to attract and develop a diverse workforce



<sup>1</sup> Company information as of March 31, 2022.

## Social – Information Security

- SOC 2 Type 2 report and security controls evaluated on an annual basis with external auditor
- PCI DSS merchant compliance through all channels of commerce
- Several container, network and OS scans and penetration testing performed by leading hacker-powered security platform

## Social – Privacy

- Privacy-by-design culture
- Privacy policy outlines data use and California privacy notice covers CA-specific privacy rights and enables data access, deletion and do not sell requests
- Implemented an automated privacy tool to allow consumers to manage their cookie tracking preferences

# ESG Spotlight: Our Governance Efforts Foster Effective Leadership and Resilience

## Governance

We have implemented a governance structure to promote responsibility and accountability for ESG matters across our company.

### Nominating & ESG Committee

- Board oversight of ESG matters built into charter

### Corporate Social Responsibility Committee

- Formal committee with participation from senior leaders across thredUP
- Reports quarterly to executive management and the board

### Diversity and Representative Board Governance

- Five female directors (50% of our board), including Board chairperson <sup>1</sup>

### Board Independence

- Independent board chairperson
- All directors, other than CEO, independent according to Nasdaq listing standards

### Upholding an Ethical Culture

- Whistleblower program for compliance, ethics and fraud, with oversight by our Audit Committee chairperson and Chief Legal Officer
- Enterprise risk management committee, reporting to the Audit Committee, to highlight emerging risks and oversee risk mitigation efforts across the organization

<sup>1</sup> Company information as of June 30, 2022

# There is Much Still to Do

Increase Selection of High-Quality Items



Increase Lifetime Value of Existing Buyers



Increase Brand Awareness



Attract New Buyers



## 2. Expand Marketplace

New Categories



Expand Internationally



Expand RaaS Clients and Offerings



## 3. Expand Platform

## 1. Widen Competitive Moat through Continuous Operations Innovation & Scale

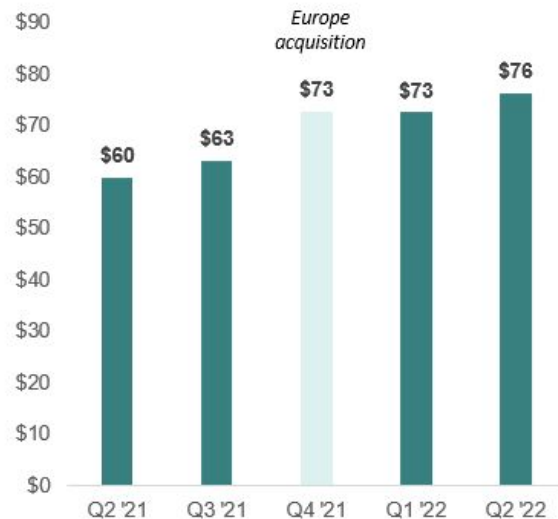
# FINANCIAL HIGHLIGHTS

# Quarterly Financial Snapshot

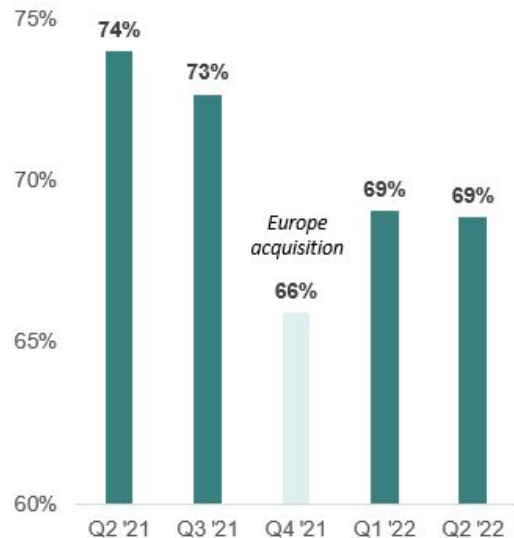
\$ in millions

## Revenue

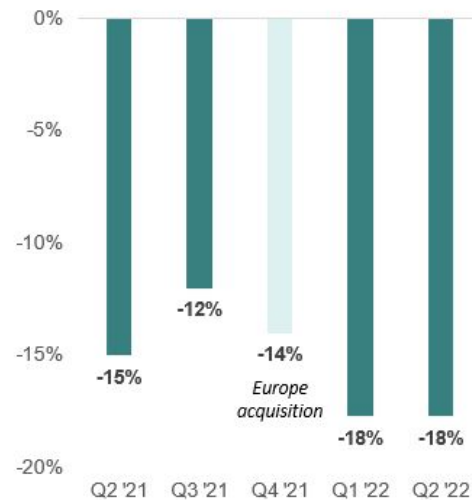
YoY: +27% +35% +68% +31% +27%



## Gross Margin



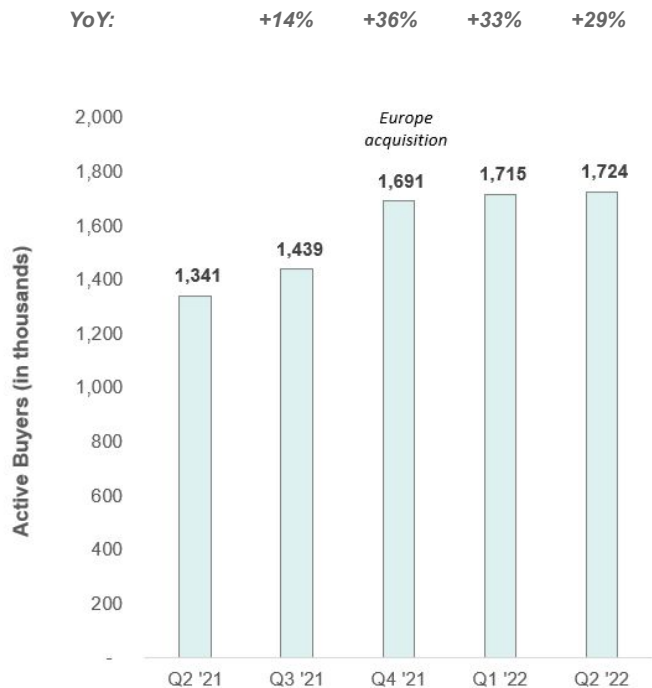
## Adj. EBITDA<sup>1</sup> Margin



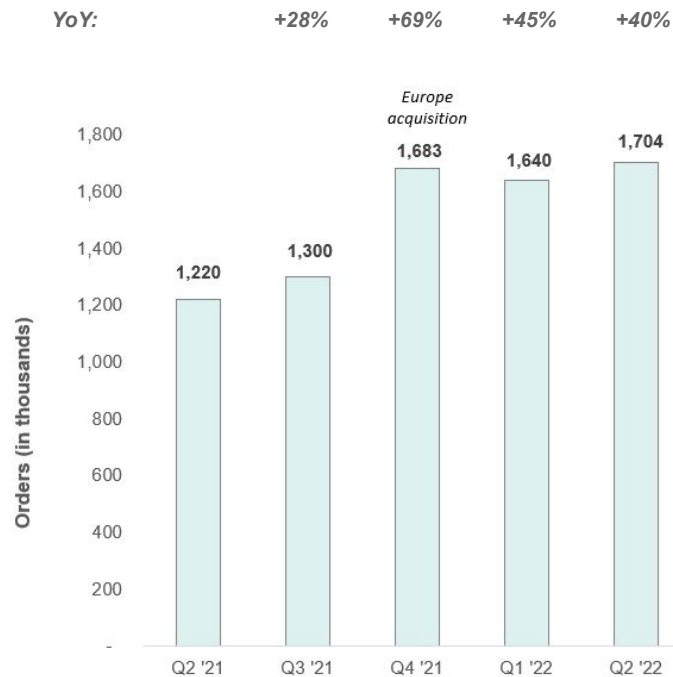
<sup>1</sup> Refer to Appendix for Adjusted EBITDA reconciliation

# Quarterly Buyer and Order Growth

## Active Buyers and Growth



## Total Orders and Growth



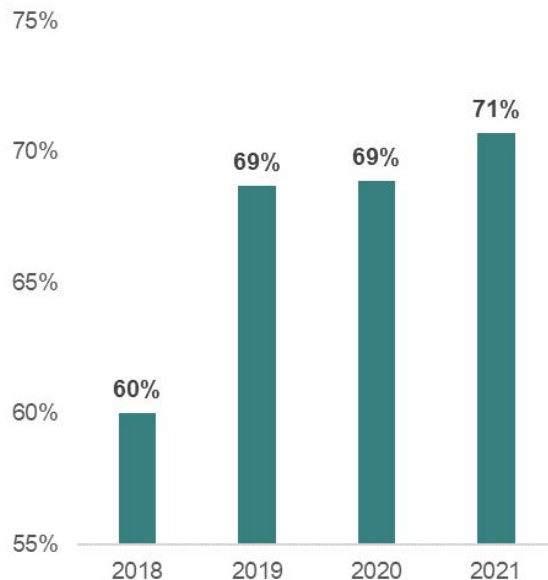
# Annual Financial Snapshot

\$ in millions

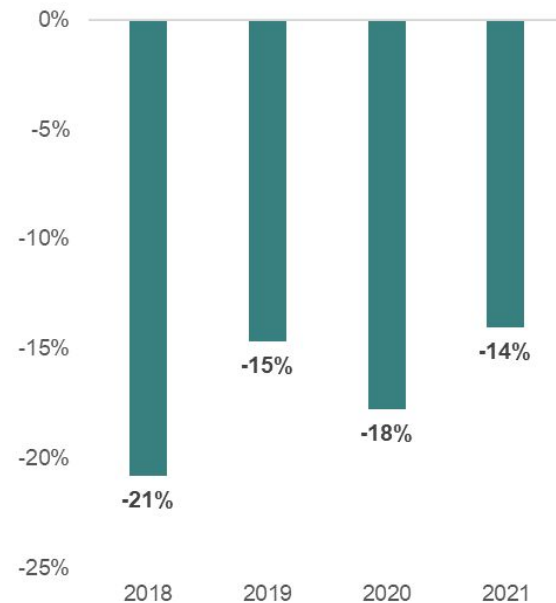
## Revenue



## Gross Margin



## Adj. EBITDA<sup>1</sup> Margin

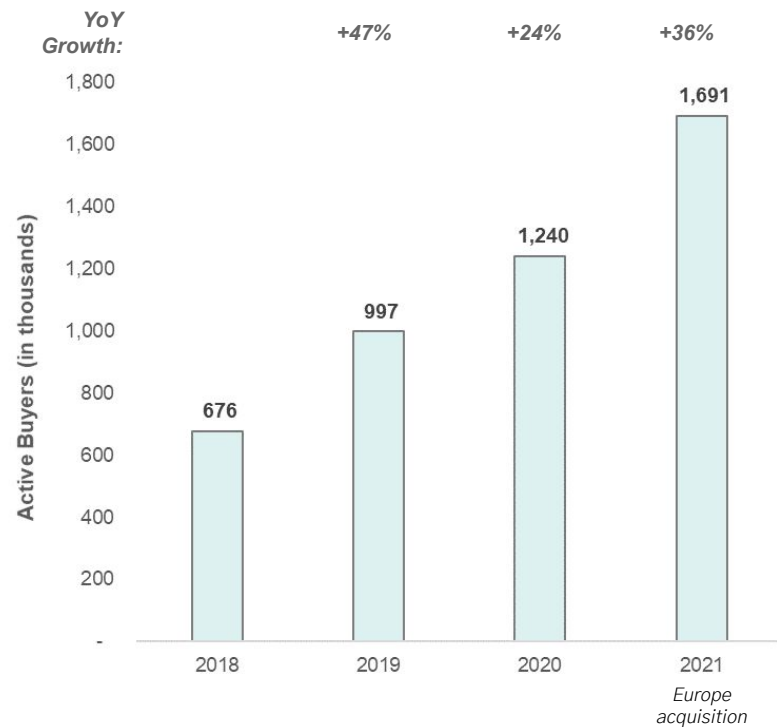


<sup>1</sup> Refer to Appendix for Adjusted EBITDA reconciliation

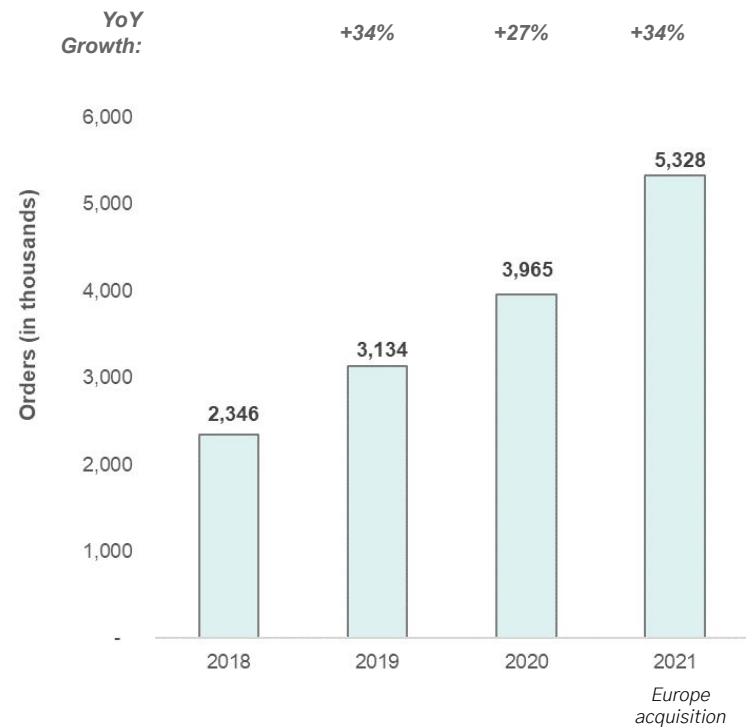


# Annual Buyer and Order Growth

## Active Buyers and Growth



## Total Orders and Growth



## Long-Term Target Model

As % of Revenue	FY 2019	FY 2020	FY 2021	Long-Term Target Model
Gross Profit	69%	69%	71%	75–78%
Non-GAAP Operations, Product and Technology Expense	48%	53%	49%	30–35%
Non-GAAP Marketing Expense	27%	24%	25%	15–18%
Non-GAAP SG&A	12%	14%	16%	7–9%
Adjusted EBITDA	(15)%	(18)%	(14)%	20–25%

Note: excludes SBC expense. Refer to Appendix for SBC GAAP Reconciliation.

# APPENDIX

# Our Business Model

\$ in millions

## Key Definitions

Shift to a primarily consignment model in 2019

- **Consignment Revenue:** Revenue recognized net of seller payouts, discounts, incentives and returns
- **Product Revenue:** Revenue recognized from the sale of items that we own
- **Cost of Consignment Revenue:** Includes outbound shipping, outbound labor and packaging costs
- **Cost of Product Revenue:** Includes inventory cost, inbound shipping related to the sold merchandise, outbound shipping, outbound labor, packaging costs and inventory write-downs
- To measure growth, cost efficiencies and operating leverage, we use gross profit growth to normalize for this mix shift

## Results

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	FY 2020	FY 2021
<b>Total Revenue</b>	<b>\$ 55.7</b>	<b>\$ 60.0</b>	<b>\$ 63.3</b>	<b>\$ 72.9</b>	<b>\$ 72.7</b>	<b>\$ 76.4</b>	<b>\$186.0</b>	<b>\$251.8</b>
% YoY Growth	15.2 %	26.7 %	34.8 %	67.8 %	30.6 %	27.5 %	13.6 %	35.4 %
<b>Consignment Revenue</b>	<b>\$ 44.7</b>	<b>\$ 48.6</b>	<b>\$ 48.1</b>	<b>\$ 44.8</b>	<b>\$ 47.4</b>	<b>\$ 48.5</b>	<b>\$138.1</b>	<b>\$186.1</b>
% YoY Growth	26.5 %	39.2 %	42.8 %	30.8 %	6.1 %	(0.1)%	41.3 %	34.8 %
% Total	80.3 %	81.1 %	76.0 %	61.4 %	65.3 %	63.5 %	74.2 %	73.9 %
<b>Product Revenue</b>	<b>\$ 11.0</b>	<b>\$ 11.4</b>	<b>\$ 15.2</b>	<b>\$ 28.1</b>	<b>\$ 25.3</b>	<b>\$ 27.9</b>	<b>\$ 47.9</b>	<b>\$ 65.7</b>
% YoY Growth	(15.5)%	(8.5)%	14.5 %	204.9 %	129.8 %	145.4 %	(27.4)%	37.1 %
% Total	19.7 %	18.9 %	24.0 %	38.6 %	34.7 %	36.5 %	25.8 %	26.1 %
<b>Total Gross Profit</b>	<b>\$ 39.7</b>	<b>\$ 44.1</b>	<b>\$ 46.1</b>	<b>\$ 48.2</b>	<b>\$ 50.2</b>	<b>\$ 52.6</b>	<b>\$128.1</b>	<b>\$178.1</b>
% YoY Growth	21.7 %	33.7 %	40.6 %	62.1 %	26.5 %	19.3 %	13.9 %	39.0 %
% Margin	71.3 %	73.6 %	72.8 %	66.1 %	69.1 %	68.9 %	68.9 %	70.7 %
<b>Consignment Gross Profit</b>	<b>\$ 33.9</b>	<b>\$ 37.9</b>	<b>\$ 38.0</b>	<b>\$ 34.5</b>	<b>\$ 37.4</b>	<b>\$ 38.3</b>	<b>\$103.9</b>	<b>\$144.3</b>
% YoY Growth	27.8 %	42.4 %	48.0 %	37.3 %	10.4 %	1.1 %	38.6 %	38.8 %
% Margin	75.8 %	78.0 %	79.0 %	77.1 %	78.8 %	78.9 %	75.2 %	77.5 %
% Total	85.2 %	85.9 %	82.4 %	71.6 %	74.4 %	72.8 %	81.1 %	81.0 %
<b>Product Gross Profit</b>	<b>\$ 5.9</b>	<b>\$ 6.2</b>	<b>\$ 8.1</b>	<b>\$ 13.7</b>	<b>\$ 12.8</b>	<b>\$ 14.3</b>	<b>\$ 24.2</b>	<b>\$ 33.9</b>
% YoY Growth	(4.3)%	(2.7)%	14.1 %	196.8 %	119.1 %	130.3 %	(35.4)%	39.8 %
% Margin	53.3 %	54.8 %	53.3 %	48.7 %	50.8 %	51.4 %	50.6 %	51.6 %
% Total	14.8 %	14.1 %	17.6 %	28.4 %	25.6 %	27.2 %	18.9 %	19.0 %

# Our Business Model (cont.)

\$ in millions

## Key Definitions

- Operations, Product and Technology Expenses:** Include distribution center operating costs (inbound shipping, personnel, distribution center rent, maintenance and equipment depreciation) and product and technology expenses (personnel costs for design and development of product and technology, merchandise science, website development and related expenses)
- Marketing Expense:** Includes advertising, public relations expenditures and personnel costs for employees engaged in marketing
- Sales, General and Administrative Expenses:** Include personnel costs for employees involved in general corporate functions, customer service and retail stores, payment processing fees and professional fees

## Results

	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	FY 2020	FY 2021
<b>Total Operating Expenses</b>	<b>\$ 58.0</b>	<b>\$ 61.6</b>	<b>\$ 66.5</b>	<b>\$ 70.8</b>	<b>\$ 81.0</b>	<b>\$174.7</b>	<b>\$240.5</b>
% YoY Growth	46.9 %	42.0 %	44.7 %	30.2 %	39.6 %	17.0 %	37.6 %
% of Revenue	96.8 %	97.3 %	91.3 %	97.4 %	106.0 %	93.9 %	95.5 %
<b>Operations, product and technology</b>	<b>\$ 31.1</b>	<b>\$ 32.1</b>	<b>\$ 36.6</b>	<b>\$ 39.2</b>	<b>\$ 44.0</b>	<b>\$101.4</b>	<b>\$128.1</b>
% YoY Growth	40.2 %	24.1 %	31.1 %	38.3 %	41.5 %	23.6 %	26.3 %
% of Revenue	51.8 %	50.7 %	50.3 %	53.9 %	57.5 %	54.5 %	50.9 %
<b>Marketing</b>	<b>\$ 16.0</b>	<b>\$ 16.9</b>	<b>\$ 15.3</b>	<b>\$ 17.0</b>	<b>\$ 19.6</b>	<b>\$ 44.8</b>	<b>\$ 63.6</b>
% YoY Growth	46.4 %	59.6 %	49.1 %	9.9 %	23.1 %	(0.5)%	42.1 %
% of Revenue	26.6 %	26.8 %	21.0 %	23.4 %	25.7 %	24.1 %	25.3 %
<b>Sales, general and administrative</b>	<b>\$ 11.0</b>	<b>\$ 12.6</b>	<b>\$ 14.6</b>	<b>\$ 14.7</b>	<b>\$ 17.4</b>	<b>\$ 28.6</b>	<b>\$ 48.8</b>
% YoY Growth	70.8 %	82.4 %	87.2 %	37.8 %	58.0 %	28.4 %	70.9 %
% of Revenue	18.3 %	19.9 %	20.0 %	20.2 %	22.7 %	15.4 %	19.4 %
<b>Adj. EBITDA</b>	<b>\$ (9.0)</b>	<b>\$ (7.8)</b>	<b>\$ (10.5)</b>	<b>\$ (13.0)</b>	<b>\$ (13.5)</b>	<b>\$ (33.4)</b>	<b>\$ (36.5)</b>
% YoY growth	176.3 %	4.6 %	(13.8)%	42.2 %	49.9 %	37.2 %	9.3 %
% Margin	(15.1)%	(12.4)%	(14.5)%	(17.8)%	(17.7)%	(18.0)%	(14.5)%

<sup>1</sup> Each expense item also includes an allocation of corporate facilities and information technology costs such as equipment, depreciation and rent.

## Adjusted EBITDA Reconciliation

(\$ in millions)	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	FY 2020	FY 2021
GAAP net loss	\$ (16.2)	\$ (14.4)	\$ (14.7)	\$ (17.9)	\$ (20.7)	\$ (28.4)	\$ (47.9)	\$ (63.2)
Add:								
Depreciation and amortization	2.0	1.9	2.2	3.0	3.3	3.4	5.6	9.2
Stock-based compensation expense	3.5	2.9	3.0	3.6	3.5	10.1	7.3	13.0
Interest expense	0.6	0.6	0.6	0.5	0.4	0.2	1.3	2.3
Acquisition and offering related expenses	—	—	1.0	0.3	0.2	0.1	—	1.3
Restructuring charges	—	—	—	—	0.3	1.1	—	—
Change in value of preferred stock warrant liability	0.9	—	—	—	—	—	0.2	0.9
Provision for income taxes	—	—	—	—	—	—	0.1	0.1
<b>Non-GAAP Adjusted EBITDA</b>	<b>\$ (9.1)</b>	<b>\$ (9.0)</b>	<b>\$ (7.8)</b>	<b>\$ (10.5)</b>	<b>\$ (13.0)</b>	<b>\$ (13.5)</b>	<b>\$ (33.4)</b>	<b>\$ (36.5)</b>
Adjusted EBITDA Margin	(16.4)%	(15.1)%	(12.4)%	(14.5)%	(17.8)%	(17.7)%	(18.0)%	(14.5)%



# SBC Expense Reconciliation

(\$ in millions)	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	FY 2020	FY 2021
GAAP Operations, Product and Technology Expense	\$ 31.1	\$ 32.1	\$ 36.6	\$ 39.2	\$ 44.0	\$101.4	\$128.1
Less SBC Operations, Product and Technology Expense	\$ 1.0	\$ 1.0	\$ 0.9	\$ 1.4	\$ 4.0	\$ 3.7	\$ 4.2
Non-GAAP Operations, Product and Technology Expense	\$ 30.1	\$ 31.1	\$ 35.7	\$ 37.8	\$ 40.0	\$ 97.7	\$123.9
<b>Operations, Product and Technology Expense as a % of Revenue</b>	<b>50.2 %</b>	<b>49.1 %</b>	<b>49.0 %</b>	<b>52.0 %</b>	<b>52.3 %</b>	<b>52.5 %</b>	<b>49.2 %</b>
GAAP Marketing Expense	\$ 16.0	\$ 16.9	\$ 15.3	\$ 17.0	\$ 19.6	\$ 44.8	\$ 63.6
Less SBC Marketing Expense	\$ 0.3	\$ 0.3	\$ 0.3	\$ 0.3	\$ 1.2	\$ 1.1	\$ 1.4
Non-GAAP Marketing Expense	\$ 15.7	\$ 16.6	\$ 15.0	\$ 16.6	\$ 18.4	\$ 43.7	\$ 62.2
<b>Marketing Expense as a % of Revenue</b>	<b>26.1 %</b>	<b>26.2 %</b>	<b>20.5 %</b>	<b>22.9 %</b>	<b>24.1 %</b>	<b>23.5 %</b>	<b>24.7 %</b>
GAAP SG&A Expense	\$ 11.0	\$ 12.6	\$ 14.6	\$ 14.7	\$ 17.4	\$ 28.6	\$ 48.8
Less SBC SG&A Expense	\$ 1.6	\$ 1.6	\$ 2.3	\$ 1.8	\$ 4.9	\$ 2.5	\$ 7.3
Non-GAAP SG&A Expense	\$ 9.4	\$ 10.9	\$ 12.3	\$ 12.9	\$ 12.5	\$ 26.0	\$ 41.5
<b>SG&amp;A Expense as a % of Revenue</b>	<b>15.6 %</b>	<b>17.3 %</b>	<b>16.8 %</b>	<b>17.7 %</b>	<b>16.4 %</b>	<b>14.0 %</b>	<b>16.5 %</b>

# Key Definitions

## Active Buyers

- An Active Buyer is a thredUP buyer who has made at least one purchase in the last 12 months.
  - A thredUP buyer is a customer who has created an account in our marketplace.
  - A thredUP buyer is identified by a unique email address and a single person could have multiple thredUP accounts and count as multiple Active Buyers.
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## Orders

- Orders means the total number of orders placed across our marketplace, including through our RaaS partners, in a given period, net of cancellations.
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## Estimated Retail Price

- The Estimated Retail Price of an item is based on the estimated original retail price of a comparable item of the same quality, construction and material offered elsewhere in new condition. Our estimated original retail prices are set by our team of merchants who periodically monitor market prices for the brands and styles that we offer on our marketplace.