

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

Form 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): May 6, 2024

THREDUP

ThredUp Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

001-40249

(Commission File Number)

26-4009181

(IRS Employer Identification No.)

**969 Broadway, Suite 200
Oakland, California**

(Address of principal executive offices)

94607

(Zip Code)

(415) 402-5202

(Registrant's telephone number, including area code)

Not applicable

(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value \$0.0001 per share	TDUP	The Nasdaq Stock Market LLC Long-Term Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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.

Item 2.02. Results of Operations and Financial Condition

On May 6, 2024, ThredUp Inc. (the "Company") issued a press release announcing its financial results for the quarter ended March 31, 2024. A copy of the press release is attached hereto as Exhibit 99.1. In addition, a copy of the supplemental financial information is attached hereto as Exhibit 99.2. The press release and supplemental financial information are incorporated herein by reference.

The information in this Current Report on Form 8-K and the exhibits attached hereto is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filing.

Item 9.01. Financial Statements and Exhibits

(d) Exhibits.

Exhibit Number	Description
99.1	Press Release dated May 6, 2024
99.2	Supplemental Financial Information dated May 6, 2024
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

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 hereunto duly authorized.

THREDUP INC.

By: /s/ SEAN SOBERS
Sean Sobers
Chief Financial Officer
(Principal Financial and Accounting Officer)

Date: May 6, 2024

THREDUP

ThredUp Announces First Quarter 2024 Results

- First quarter revenue of \$79.6 million, representing an increase of 5% year-over-year.
- First quarter gross margin of 69.5% and an increase in gross profit of 8% year-over-year.
- Active Buyers of 1.7 million and Orders of 1.7 million in Q1 2024, representing an increase of 4% and an increase of 9%, respectively, year-over-year.
- Issued an updated 2024 financial outlook, including positive adjusted EBITDA margin in the range of 2.0% to 4.0% and positive free cash flow on an annual basis.

Oakland, CA — May 6, 2024 — ThredUp Inc. (Nasdaq: TDUP, LTSE: TDUP), one of the largest online resale platforms for apparel, shoes, and accessories, announced today its financial results for the first quarter ended March 31, 2024 and updated full year 2024 financial outlook.

“We delivered another quarter of strong financial performance, demonstrating healthy gross profit growth and bottom-line leverage,” said ThredUp CEO and co-founder James Reinhart. “Looking ahead, we are focused on reshaping ThredUp into an AI-powered resale company by increasing investments in product, operations, and marketing, while reducing operating expenses and accelerating our path to free cash flow.”

First Quarter 2024 Financial Highlights

- **Revenue:** Total revenue of \$79.6 million, an increase of 5% year-over-year.
- **Gross Profit and Gross Margin:** Gross profit totaled \$55.3 million, representing an increase of 8% year-over-year. Gross margin was 69.5% as compared to 67.3% for the first quarter 2023.
- **Net Loss:** Net loss was \$16.6 million, or a negative 20.8% of revenue, for the first quarter 2024, compared to a net loss of \$19.8 million, or a negative 26.1% of revenue, for the first quarter 2023.
- **Adjusted EBITDA Loss and Adjusted EBITDA Loss Margin¹:** Adjusted EBITDA loss was \$0.7 million, or a negative 0.9% of revenue, for the first quarter 2024, compared to an Adjusted EBITDA loss of \$6.6 million, or a negative 8.7% of revenue, for the first quarter 2023.
- **Active Buyers and Orders:** Active Buyers of 1.729 million and Orders of 1.651 million, representing an increase of 4% and an increase of 9%, respectively, over the first quarter 2023.

¹ Adjusted EBITDA loss and Adjusted EBITDA loss margin are non-GAAP measures. See “Reconciliation of GAAP to Non-GAAP Financial Measures” for a detailed reconciliation of Adjusted EBITDA loss and Adjusted EBITDA loss margin to the most directly comparable GAAP measures and “Non-GAAP Financial Measures” for a discussion of why we believe these non-GAAP measures are useful.

Recent Business Highlights

- **Reorganization to Support AI-Driven Operating Model:** ThredUp reorganized several parts of the business, enabling it to take advantage of the emergent technological shifts in generative AI, which the company believes uniquely benefit its single-SKU model. As part of its strategic realignment, the company reduced its annualized operating expenses by approximately \$17 million and its global corporate headcount by approximately 20%. As a result, the company will invest more in AI product developments, boost processing in its distribution centers, and increase marketing spend.
- **AI Innovation:** ThredUp launched a new AI search experience, as well as two new AI-powered tools that allow customers to thrift any style that inspires them.
- **Launched Online Concept Store:** As ThredUp accelerates its innovation pipeline, the company launched thredup.com/concept, an online concept store that provides a first look at new and upcoming product features and enhancements in its marketplace.
- **Hired a New General Manager in Europe:** ThredUp announced the appointment of Florin Filote as the company's General Manager of Europe. Florin brings nearly two decades of experience in retail and ecommerce with an emphasis on building and scaling marketplace businesses and will oversee the company's European business operations, which currently span nine countries in Central and Eastern Europe.
- **Resale-as-a-Service® (RaaS®):** ThredUp continued to grow its RaaS client roster, launching eight new resale programs with brands including ELOQUII, Veda, and Goldie. The company is looking to expand its RaaS footprint in Europe.
- **Published 12th Annual Resale Report:** In partnership with GlobalData, ThredUp released the results of its 2024 Resale Report, revealing that the U.S. secondhand market grew 7 times faster than the broader retail clothing market in 2023 and is set to reach \$73 billion by 2028. The report also includes new insights about trends driving online resale's growth, momentum in branded resale, and a special section about the government's role in reducing fashion's impact.

Financial Outlook

For the second quarter 2024, ThredUp expects:

- Revenue in the range of \$81.0 million to \$83.0 million.
- Gross margin in the range of 71.0% to 73.0%, representing gross profit dollar growth of 6% year over year at the midpoint of revenue and gross margin guidance.
- Adjusted EBITDA margin in the range of 1.0% to 3.0%.

For the full fiscal year 2024, ThredUp expects:

- Revenue in the range of \$328.0 million to \$338.0 million.
- Gross margin in the range of 71.0% to 72.0%, representing gross profit dollar growth of 11% year over year at the midpoint of revenue and gross margin guidance.
- Adjusted EBITDA margin in the range of 2.0% to 4.0%.

ThredUp is not providing a quantitative reconciliation of forward-looking guidance of the Non-GAAP measure Adjusted EBITDA loss to net loss because certain items are out of ThredUp's control or cannot be reasonably predicted. Historically, these items have included, but are not limited to, stock-based compensation expense, depreciation and amortization, severance and other, interest expense, provision (benefit) for income taxes, acquisition and offering-related expenses, and impairment of non-marketable equity investment. Accordingly, a reconciliation for Adjusted EBITDA loss in order to calculate forward-looking Adjusted EBITDA loss margin is not available without unreasonable effort. However, for the second quarter of 2024 and full year 2024, depreciation and amortization is expected to be \$5.0 million and \$19.7 million, respectively. In addition, for the second quarter of 2024 and full year 2024, stock-based compensation expense is expected to be \$7.2 million and \$28.7 million, respectively. These items are uncertain, depend on various factors, and could result in projected net loss being materially less than is indicated by the currently estimated Adjusted EBITDA loss margin.

ThredUp is not providing a quantitative reconciliation for free cash flow estimates on a forward-looking basis because it is unable, without making unreasonable efforts, to provide a meaningful or reasonably accurate calculation or estimation of net cash provided by (used in) operating activities and certain reconciling items on a forward-looking basis, which could be significant to the Company's results.

Conference Call and Webcast Information

- The live and archived webcast and all related earnings materials will be available at ThredUp's investor relations website: ir.thredup.com/news-events/events-and-presentations.

ThredUp Inc.
Condensed Consolidated Balance Sheets
(unaudited)

	March 31, 2024	December 31, 2023
<i>(in thousands)</i>		
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 50,112	\$ 56,084
Marketable securities	12,399	8,100
Accounts receivable, net	6,929	7,813
Inventory	11,582	15,687
Other current assets	5,834	6,204
Total current assets	86,856	93,888
Operating lease right-of-use assets	47,138	42,118
Property and equipment, net	85,083	87,672
Goodwill	11,677	11,957
Intangible assets	7,329	8,156
Other assets	6,196	6,176
Total assets	<u>\$ 244,279</u>	<u>\$ 249,967</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 9,133	\$ 9,457
Accrued and other current liabilities	37,541	35,934
Seller payable	21,037	21,495
Operating lease liabilities, current	5,517	5,949
Current portion of long-term debt	3,843	3,838
Total current liabilities	77,071	76,673
Operating lease liabilities, non-current	49,750	44,621
Long-term debt, net of current portion	21,044	22,006
Other non-current liabilities	2,884	2,750
Total liabilities	150,749	146,050
Commitments and contingencies		
Stockholders' equity:		
Class A and B common stock, \$0.0001 par value; 1,120,000 shares authorized as of March 31, 2024 and December 31, 2023; 110,217 and 108,784 shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively	11	11
Additional paid-in capital	592,193	585,156
Accumulated other comprehensive loss	(3,245)	(2,375)
Accumulated deficit	(495,429)	(478,875)
Total stockholders' equity	93,530	103,917
Total liabilities and stockholders' equity	<u>\$ 244,279</u>	<u>\$ 249,967</u>

ThredUp Inc.
Condensed Consolidated Statements of Operations
(unaudited)

	Three Months Ended	
	March 31, 2024	March 31, 2023
	<i>(in thousands, except per share amounts)</i>	
Revenue:		
Consignment	\$ 61,225	\$ 46,479
Product	18,363	29,443
Total revenue	79,588	75,922
Cost of revenue:		
Consignment	10,502	9,220
Product	13,760	15,609
Total cost of revenue	24,262	24,829
Gross profit	55,326	51,093
Operating expenses:		
Operations, product, and technology	41,051	38,347
Marketing	13,413	16,870
Sales, general, and administrative	17,573	16,059
Total operating expenses	72,037	71,276
Operating loss	(16,711)	(20,183)
Interest expense	(677)	(77)
Other income, net	845	476
Loss before provision for income taxes	(16,543)	(19,784)
Provision for income taxes	11	9
Net loss	\$ (16,554)	\$ (19,793)
Loss per share, basic and diluted	\$ (0.15)	\$ (0.19)
Weighted-average shares used in computing loss per share, basic and diluted	109,292	101,984

ThredUp Inc.
Condensed Consolidated Statements of Comprehensive Loss
(unaudited)

	Three Months Ended	
	March 31, 2024	March 31, 2023
	<i>(in thousands)</i>	
Net loss	\$ (16,554)	\$ (19,793)
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments	(864)	544
Unrealized gain (loss) on available-for-sale securities	(6)	610
Total other comprehensive income (loss)	(870)	1,154
Total comprehensive loss	\$ (17,424)	\$ (18,639)

ThredUp Inc.
Condensed Consolidated Statements of Cash Flows
(unaudited)

	Three Months Ended	
	March 31, 2024	March 31, 2023
<i>(in thousands)</i>		
Cash flows from operating activities:		
Net loss	\$ (16,554)	\$ (19,793)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	4,933	3,681
Stock-based compensation expense	7,211	9,391
Reduction in carrying amount of right-of-use assets	1,667	1,207
Other	28	41
Changes in operating assets and liabilities:		
Accounts receivable, net	815	1,010
Inventory	3,825	(3,157)
Other current and non-current assets	312	22
Accounts payable	(223)	4,102
Accrued and other current liabilities	1,742	(1,851)
Seller payable	(442)	1,696
Operating lease liabilities	(1,986)	(2,062)
Other non-current liabilities	65	1,255
Net cash provided by (used in) operating activities	1,393	(4,458)
Cash flows from investing activities:		
Purchases of marketable securities	(8,665)	—
Maturities of marketable securities	4,500	24,579
Purchases of property and equipment	(1,620)	(5,679)
Net cash provided by (used in) investing activities	(5,785)	18,900
Cash flows from financing activities:		
Repayment of debt	(1,000)	(1,000)
Proceeds from issuance of stock-based awards	727	446
Payments of withholding taxes on stock-based awards	(1,207)	(638)
Net cash used in financing activities	(1,480)	(1,192)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(115)	(540)
Net change in cash, cash equivalents, and restricted cash	(5,987)	12,710
Cash, cash equivalents, and restricted cash, beginning of period	61,469	44,051
Cash, cash equivalents, and restricted cash, end of period	\$ 55,482	\$ 56,761

ThredUp Inc.
Reconciliation of GAAP to Non-GAAP Financial Measures
(unaudited)

Adjusted EBITDA Reconciliation

	Three Months Ended	
	March 31, 2024	March 31, 2023
	<i>(in thousands)</i>	
Net loss	\$ (16,554)	\$ (19,793)
Stock-based compensation expense	7,211	9,391
Depreciation and amortization	4,933	3,681
Severance and other	2,986	—
Interest expense	677	77
Provision for income taxes	11	9
Non-GAAP Adjusted EBITDA loss	<u>\$ (736)</u>	<u>\$ (6,635)</u>
Total revenue	79,588	75,922
Non-GAAP Adjusted EBITDA loss margin	(0.9)%	(8.7)%

Free Cash Flow Reconciliation

	Three Months Ended	
	March 31, 2024	March 31, 2023
	<i>(in thousands)</i>	
Net cash provided by (used in) investing activities	\$ 1,393	\$ (4,458)
Less: Purchases of property and equipment	(1,620)	(5,679)
Non-GAAP free cash flow	<u>\$ (227)</u>	<u>\$ (10,137)</u>

Investors

ir@thredup.com

Media

media@thredup.com

About ThredUp

ThredUp is transforming resale with technology and a mission to inspire the world to think secondhand first. By making it easy to buy and sell secondhand, ThredUp has become one of the world's largest online resale platforms for apparel, shoes and accessories. Sellers enjoy ThredUp because we make it easy to clean out their closets and unlock value for themselves or for the charity of their choice while doing good for the planet. Buyers enjoy shopping value, premium and luxury brands all in one place, at up to 90% off estimated retail price. Our proprietary operating platform is the foundation for our managed marketplace and consists of distributed processing infrastructure, proprietary software and systems and data science expertise. With ThredUp's Resale-as-a-Service, some of the world's leading brands and retailers are leveraging our platform to deliver customizable, scalable resale experiences to their customers. ThredUp has processed over 172 million unique secondhand items from 55,000 brands across 100 categories. By extending the life cycle of clothing, ThredUp is changing the way consumers shop and ushering in a more sustainable future for the fashion industry.

Forward-Looking Statements

This press release 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," "looking ahead" 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 release include, but are not limited to, guidance on financial results for the second quarter and full year of 2024; statements about future operating results, capital expenditures and other developments in our business in the U.S. and Europe and our long term growth; trends, consumer demand and growth in the global and U.S. online resale markets; the momentum of our business; our investments in technology and infrastructure, including with respect to AI technologies; our ability to successfully integrate and realize the benefits of our past or future strategic acquisitions, investments or reorganization activities, including our intention to reshape ThredUp into an AI-powered resale company; the impact, including on an annualized basis, of our reduction in corporate expenses and headcount; the success and expansion of our RaaS[®] model and the timing and plans for future RaaS[®] clients; and our ability to attract new Active Buyers.

Forward-looking statements are neither historical facts nor assurances of future performance. Forward-looking statements involve substantial risks and uncertainties that may cause actual results to differ materially from those that we expect. These risks and uncertainties include, but are not limited to: our reorganization actions may not have the desired effects on our business, and may lead to potential litigation or similar actions and could adversely impact our business, results of operations and financial condition; our ability to attract new users and convert users into buyers and active buyers; our ability to achieve profitability; the sufficiency of our cash, cash equivalents and capital resources to meet our liquidity needs; our ability to effectively manage or sustain our growth and to effectively expand our operations; our ability to continue to generate revenue from new RaaS[®] offerings as sources of revenue; risks from an intensely competitive market; our ability to effectively deploy new and evolving technologies, such as artificial intelligence and machine learning, in our offerings; risks arising from economic and industry trends, including the effects of foreign currency exchange rate fluctuations, inflationary pressures, increased interest rates, changing consumer habits, climate change and general global economic uncertainty; our ability to comply with applicable laws and regulations; and our ability to successfully integrate and realize the benefits of our past or future strategic acquisitions or investments. More information on these risks and other potential factors that could affect the Company's business, reputation, results of operations, financial condition, and stock price is included in the Company's filings with the Securities and Exchange Commission ("SEC"), including in the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of the Company's most recently filed periodic reports on Form 10-K and Form 10-Q and subsequent filings. The forward-looking statements in this release 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 or the SEC's website at www.sec.gov.

Channels for Disclosure of Information

ThredUp intends to announce material information to the public through the ThredUp Investor Relations website ir.thredup.com, SEC filings, press releases, public conference calls, and public webcasts. ThredUp uses these channels, as well as social media, to communicate with its investors, customers, and the public about the company, its offerings, and other issues. It is possible that the information ThredUp posts on social media could be deemed to be material information. As such, ThredUp encourages investors, the media, and others to follow the channels listed above, including the social media channels listed on ThredUp's investor relations website, and to review the information disclosed through such channels.

Non-GAAP Financial Measures and Other Operating and Business Metrics

This press release and the accompanying tables contain non-GAAP financial measures, including: Adjusted EBITDA loss and Adjusted EBITDA loss margin, free cash flow and other operating and business metrics. In addition to our results determined in accordance with GAAP, we believe that these non-GAAP measures and other operating and business metrics, are useful in evaluating our operating performance and enhancing an overall understanding of our financial position. We use these measures and metrics to evaluate and assess our operating performance, and for internal planning and forecasting purposes. We believe that these non-GAAP measures, when taken collectively with our GAAP results, may be helpful to investors because they provide consistency and comparability with past financial performance and assist in comparisons with other companies, some of which use similar non-GAAP financial information to supplement their GAAP results. Our non-GAAP measures and other operating and business metrics 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 similarly-titled non-GAAP measures and other operating and business metrics used by other companies.

We encourage investors to review our results determined in accordance with GAAP and the accompanying reconciliations for more information.

A reconciliation is provided above for Adjusted EBITDA loss to net loss, the most directly comparable financial measure stated in accordance with GAAP. We calculate Adjusted EBITDA loss as net loss adjusted to exclude, where applicable in a given period, stock-based compensation expense, depreciation and amortization, severance and other reorganization costs, interest expense, and provision for income taxes. Non-GAAP Adjusted EBITDA loss margin represents Non-GAAP Adjusted EBITDA loss divided by total revenue for the same period.

A reconciliation is provided above for free cash flow to cash flows from operations, the most directly comparable financial measure stated in accordance with GAAP. We calculate free cash flow as Net cash provided by (used in) operating activities adjusted to exclude Purchases of property and equipment.

An Active Buyer is a ThredUp buyer who has made at least one purchase in the last twelve months. A ThredUp buyer is a customer who has created an account and purchased in our marketplaces, including through our RaaS® clients, and is identified by a unique email address. A single person could have multiple ThredUp accounts and count as multiple Active Buyers.

Orders are defined as the total number of orders placed by buyers across our marketplaces, including through our RaaS® clients, in a given period, net of cancellations.

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ThredUp Inc. First Quarter 2024 Supplemental Financials

Key Financial Metrics for the Quarter

- Revenue of \$79.6 million
 - vs. \$75.9 million in 1Q23
 - Growth of 4.8% YoY
- Gross profit of \$55.3 million
 - vs. \$51.1 million in 1Q23
 - Growth of 8.3% YoY
- Gross margin of 69.5%
 - vs. 67.3% in 1Q23
- GAAP net loss of \$16.6 million
 - vs. net loss of \$19.8 million in 1Q23
- Adjusted EBITDA loss of \$0.7 million
 - vs. loss of \$6.6 million in 1Q23
- Adjusted EBITDA loss margin of 0.9%
 - vs. loss margin of 8.7% in 1Q23
- Cash, cash equivalents, restricted cash and short-term marketable securities were \$67.9 million at the quarter end
- Total quarter Active Buyers of 1.729 million
 - vs. 1.668 million in 1Q23
 - A increase of 3.7% YoY
- Total Orders of 1.651 million
 - vs. 1.511 million in 1Q23
 - An increase of 9.3% YoY

Conference Call and Webcast

- The live and archived webcast and all related earnings materials will be available at ThredUp's investor relations website: ir.thredup.com/news-events/events-and-presentations.

Financial Outlook

For second quarter 2024, ThredUp expects:

- Revenue in the range of \$81.0 million to \$83.0 million
- Gross margin in the range of 71.0% to 73.0%
- Adjusted EBITDA margin in the range of 1.0% to 3.0%
- Depreciation and amortization of approximately \$5.0 million
- Stock-based compensation of approximately \$7.2 million
- Weighted-average shares of approximately 112 million

For fiscal year 2024, ThredUp expects:

- Revenue in the range of \$328.0 million to \$338.0 million
- Gross margin in the range of 71.0% to 72.0%
- Adjusted EBITDA margin in the range of 2.0% to 4.0%
- Depreciation and amortization of approximately \$19.7 million
- Stock-based compensation of approximately \$28.7 million
- Weighted-average shares of approximately 114 million

ThredUp Inc.								
Condensed Consolidated Statements of Operations								
(in thousands, except percentages, unaudited)								
Three Months Ended	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024
Revenue:								
Consignment	\$ 48,536	\$ 41,553	\$ 37,470	\$ 46,479	\$ 53,415	\$ 57,838	\$ 55,877	\$ 61,225
Product	27,885	26,392	33,848	29,443	29,243	24,211	25,516	18,363
Total revenue	<u>76,421</u>	<u>67,945</u>	<u>71,318</u>	<u>75,922</u>	<u>82,658</u>	<u>82,049</u>	<u>81,393</u>	<u>79,588</u>
Cost of revenue:								
Consignment	10,218	9,087	7,661	9,220	9,580	10,131	10,801	10,502
Product	13,555	14,362	18,691	15,609	17,346	15,291	20,239	13,760
Total cost of revenue	<u>23,773</u>	<u>23,449</u>	<u>26,352</u>	<u>24,829</u>	<u>26,926</u>	<u>25,422</u>	<u>31,040</u>	<u>24,262</u>
Gross profit	52,648	44,496	44,966	51,093	55,732	56,627	50,353	55,326
Gross margin % of revenue	68.9 %	65.5 %	63.1 %	67.3 %	67.4 %	69.0 %	61.9 %	69.5 %
Operating expenses:								
Operations, product and technology	43,961	38,702	33,818	38,347	39,771	40,355	38,239	41,051
Marketing	19,640	14,752	12,999	16,870	18,643	19,406	11,354	13,413
Sales, general and administrative	17,380	15,232	14,538	16,059	16,030	15,058	15,510	17,573
Total operating expenses	<u>80,981</u>	<u>68,686</u>	<u>61,355</u>	<u>71,276</u>	<u>74,444</u>	<u>74,819</u>	<u>65,103</u>	<u>72,037</u>
Operating expenses % of revenue	106.0 %	101.1 %	86.0 %	93.9 %	90.1 %	91.2 %	80.0 %	90.5 %
Operating loss	(28,333)	(24,190)	(16,389)	(20,183)	(18,712)	(18,192)	(14,750)	(16,711)
Operating loss % of revenue	(37.1)%	(35.6)%	(23.0)%	(26.6)%	(22.6)%	(22.6)%	(18.1)%	(21.0)%
Interest expense	(238)	(103)	(41)	(77)	(721)	(732)	(709)	(677)
Other income (expense), net	181	624	(3,065)	476	685	845	841	845
Loss before income taxes	<u>(28,390)</u>	<u>(23,669)</u>	<u>(19,495)</u>	<u>(19,784)</u>	<u>(18,748)</u>	<u>(18,079)</u>	<u>(14,618)</u>	<u>(16,543)</u>
Provision (benefit) for income taxes	9	9	4	9	12	3	(5)	11
Net loss	<u>\$ (28,399)</u>	<u>\$ (23,678)</u>	<u>\$ (19,499)</u>	<u>\$ (19,793)</u>	<u>\$ (18,760)</u>	<u>\$ (18,082)</u>	<u>\$ (14,613)</u>	<u>\$ (16,554)</u>
Net loss margin	(37.2)%	(34.8)%	(27.3)%	(26.1)%	(22.7)%	(22.0)%	(18.0)%	(20.8)%

ThredUp Inc.

Reconciliation of Net Loss to Adjusted EBITDA

(in thousands, except percentages, unaudited)

Three Months Ended	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024
Net loss	\$ (28,399)	\$ (23,678)	\$ (19,499)	\$ (19,793)	\$ (18,760)	\$ (18,082)	\$ (14,613)	\$ (16,554)
Stock-based compensation expense	10,058	7,177	6,059	9,391	7,628	7,888	6,775	7,211
Depreciation and amortization	3,407	3,539	3,816	3,681	4,836	5,364	4,851	4,933
Severance and other	1,076	1,809	(14)	—	551	507	138	2,986
Interest expense	238	103	41	77	721	732	709	677
Provision (benefit) for income taxes	9	9	4	9	12	3	(5)	11
Acquisition and offering-related expenses	70	—	—	—	—	—	—	—
Impairment of non-marketable equity investment	—	—	3,750	—	—	—	—	—
Adjusted EBITDA loss	<u>\$ (13,541)</u>	<u>\$ (11,041)</u>	<u>\$ (5,843)</u>	<u>\$ (6,635)</u>	<u>\$ (5,012)</u>	<u>\$ (3,588)</u>	<u>\$ (2,145)</u>	<u>\$ (736)</u>
Adjusted EBITDA loss margin	(17.7)%	(16.2)%	(8.2)%	(8.7)%	(6.1)%	(4.4)%	(2.6)%	(0.9)%

ThredUp Inc.								
Reconciliation of GAAP Operating Expenses to Non-GAAP Operating Expenses (in thousands, except percentages, unaudited)								
Three Months Ended	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024
Operations, product, and technology	\$ 43,961	\$ 38,702	\$ 33,818	\$ 38,347	\$ 39,771	\$ 40,355	\$ 38,239	\$ 41,051
Marketing	19,640	14,752	12,999	16,870	18,643	19,406	11,354	13,413
Sales, general, and administrative	17,380	15,232	14,538	16,059	16,030	15,058	15,510	17,573
Total operating expenses	80,981	68,686	61,355	71,276	74,444	74,819	65,103	72,037
Less: Stock-based compensation expense	(10,058)	(7,177)	(6,059)	(9,391)	(7,628)	(7,888)	(6,775)	(7,211)
Less: Severance and other	\$ (1,076)	\$ (1,809)	\$ 14	\$ —	\$ (551)	\$ (507)	\$ (138)	\$ (2,986)
Total non-GAAP operating expenses	\$ 69,847	\$ 59,700	\$ 55,310	\$ 61,885	\$ 66,265	\$ 66,424	\$ 58,190	\$ 61,840
Non-GAAP operating expenses % of revenue	91.4 %	87.9 %	77.6 %	81.5 %	80.2 %	81.0 %	71.5 %	77.7 %

ThredUp Inc.								
Stock-Based Compensation Expense Details (in thousands, unaudited)								
Three Months Ended	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024
Operations, product, and technology	\$ 3,970	\$ 2,480	\$ 2,193	\$ 3,671	\$ 2,913	\$ 2,858	\$ 2,625	\$ 2,571
Marketing	1,226	818	767	1,205	923	1,264	392	202
Sales, general, and administrative	4,862	3,879	3,099	4,515	3,792	3,766	3,758	4,438
Total stock-based compensation expense	\$ 10,058	\$ 7,177	\$ 6,059	\$ 9,391	\$ 7,628	\$ 7,888	\$ 6,775	\$ 7,211

ThredUp Inc.								
Severance and Other Details (in thousands, unaudited)								
Three Months Ended	June 30, 2022	September 30, 2022	December 31, 2022	March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024
Operations, product, and technology	\$ 634	\$ 1,260	\$ (22)	\$ —	\$ 115	\$ 148	\$ 78	\$ 1,197
Marketing	99	99	—	—	255	243	59	537
Sales, general, and administrative	343	450	8	—	181	116	1	1,252
Total severance and other	\$ 1,076	\$ 1,809	\$ (14)	\$ —	\$ 551	\$ 507	\$ 138	\$ 2,986

ThredUp Inc.				
Condensed Consolidated Balance Sheets				
(in thousands, unaudited)				
	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024
Assets:				
Current assets:				
Cash and cash equivalents	\$ 51,073	\$ 68,552	\$ 56,084	\$ 50,112
Marketable securities	25,856	5,575	8,100	12,399
Accounts receivable, net	3,782	5,993	7,813	6,929
Inventory	20,362	18,173	15,687	11,582
Other current assets	8,238	7,199	6,204	5,834
Total current assets	<u>109,311</u>	<u>105,492</u>	<u>93,888</u>	<u>86,856</u>
Operating lease right-of-use assets	45,265	43,090	42,118	47,138
Property and equipment, net	93,786	90,270	87,672	85,083
Goodwill	11,756	11,455	11,957	11,677
Intangible assets	9,346	8,460	8,156	7,329
Other assets	6,867	6,621	6,176	6,196
Total assets	<u>\$ 276,331</u>	<u>\$ 265,388</u>	<u>\$ 249,967</u>	<u>\$ 244,279</u>
Liabilities and Stockholders' Equity:				
Current liabilities:				
Accounts payable	\$ 8,780	\$ 12,426	\$ 9,457	\$ 9,133
Accrued and other current liabilities	43,334	40,225	35,934	37,541
Seller payable	19,471	21,516	21,495	21,037
Operating lease liabilities, current	5,834	6,383	5,949	5,517
Current portion of long-term debt	3,830	3,834	3,838	3,843
Total current liabilities	<u>81,249</u>	<u>84,384</u>	<u>76,673</u>	<u>77,071</u>
Operating lease liabilities, non-current	47,356	45,257	44,621	49,750
Long-term debt, net of current portion	23,928	22,968	22,006	21,044
Other non-current liabilities	3,200	3,231	2,750	2,884
Total liabilities	<u>155,733</u>	<u>155,840</u>	<u>146,050</u>	<u>150,749</u>
Commitments and contingencies				
Stockholders' equity:				
Common stock	11	11	11	11
Additional paid-in capital	569,780	577,740	585,156	592,193
Accumulated other comprehensive loss	(3,013)	(3,941)	(2,375)	(3,245)
Accumulated deficit	(446,180)	(464,262)	(478,875)	(495,429)
Total stockholders' equity	<u>120,598</u>	<u>109,548</u>	<u>103,917</u>	<u>93,530</u>
Total liabilities and stockholders' equity	<u>\$ 276,331</u>	<u>\$ 265,388</u>	<u>\$ 249,967</u>	<u>\$ 244,279</u>

ThredUp Inc.				
Condensed Consolidated Statements of Cash Flows				
(in thousands, unaudited)				
Three Months Ended	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024
Cash flows from operating activities:				
Net loss	\$ (18,760)	\$ (18,082)	\$ (14,613)	\$ (16,554)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:				
Depreciation and amortization	4,836	5,364	4,851	4,933
Stock-based compensation expense	7,628	7,888	6,775	7,211
Reduction in carrying amount of right-of-use assets	1,970	1,611	1,567	1,667
Other	250	(232)	798	28
Changes in operating assets and liabilities:				
Accounts receivable, net	(94)	(2,289)	(1,753)	815
Inventory	487	1,797	3,082	3,825
Other current and non-current assets	(721)	1,754	125	312
Accounts payable	(3,925)	3,872	(2,352)	(223)
Accrued and other current liabilities	101	(2,581)	(4,761)	1,742
Seller payable	1,605	2,057	(46)	(442)
Operating lease liabilities	(2,178)	(1,186)	(1,669)	(1,986)
Other non-current liabilities	(1,580)	250	21	65
Net cash provided by (used in) operating activities	<u>(10,381)</u>	<u>223</u>	<u>(7,975)</u>	<u>1,393</u>
Cash flows from investing activities:				
Purchases of marketable securities	(7,878)	(1,973)	(8,064)	(8,665)
Maturities of marketable securities	24,900	22,500	5,600	4,500
Purchases of property and equipment	(6,613)	(1,483)	(2,209)	(1,620)
Net cash provided by (used in) investing activities	<u>10,409</u>	<u>19,044</u>	<u>(4,673)</u>	<u>(5,785)</u>
Cash flows from financing activities:				
Repayment of debt	(1,000)	(1,000)	(1,000)	(1,000)
Proceeds from issuance of stock-based awards	1,690	1,625	1,401	727
Payment of withholding taxes on stock-based awards	(1,247)	(1,859)	(1,021)	(1,207)
Net cash used in financing activities	<u>(557)</u>	<u>(1,234)</u>	<u>(620)</u>	<u>(1,480)</u>
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	864	(554)	162	(115)
Net change in cash, cash equivalents, and restricted cash	335	17,479	(13,106)	(5,987)
Cash, cash equivalents, and restricted cash, beginning of period	56,761	57,096	74,575	61,469
Cash, cash equivalents, and restricted cash, end of period	<u>\$ 57,096</u>	<u>\$ 74,575</u>	<u>\$ 61,469</u>	<u>\$ 55,482</u>

ThredUp Inc.**Reconciliation of GAAP Cash Flow to Non-GAAP Free Cash Flow
(in thousands, unaudited)**

Three Months Ended	June 30, 2023	September 30, 2023	December 31, 2023	March 31, 2024
Net cash provided by (used in) operating activities	\$ (10,381)	\$ 223	\$ (7,975)	\$ 1,393
Less: Purchases of property and equipment	(6,613)	(1,483)	(2,209)	(1,620)
Non-GAAP free cash flow	\$ (16,994)	\$ (1,260)	\$ (10,184)	\$ (227)

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About ThredUp

ThredUp is transforming resale with technology and a mission to inspire the world to think secondhand first. By making it easy to buy and sell secondhand, ThredUp has become one of the world's largest online resale platforms for apparel, shoes and accessories. Sellers enjoy ThredUp because we make it easy to clean out their closets and unlock value for themselves or for the charity of their choice while doing good for the planet. Buyers enjoy shopping value, premium and luxury brands all in one place, at up to 90% off estimated retail price. Our proprietary operating platform is the foundation for our managed marketplace and consists of distributed processing infrastructure, proprietary software and systems and data science expertise. With ThredUp's Resale-as-a-Service, some of the world's leading brands and retailers are leveraging our platform to deliver customizable, scalable resale experiences to their customers. ThredUp has processed over 172 million unique secondhand items from 55,000 brands across 100 categories. By extending the life cycle of clothing, ThredUp is changing the way consumers shop and ushering in a more sustainable future for the fashion industry.

Forward-Looking Statements

This financial supplement 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," "looking ahead" 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 financial supplement include, but are not limited to, guidance on financial results for the second quarter and full year of 2024; statements about future operating results and our long term growth; trends, consumer demand and growth in the global and U.S. online resale markets; the momentum of our business; our investments in technology and infrastructure, including with respect to AI technologies; our ability to successfully integrate and realize the benefits of our past or future strategic acquisitions, investments or reorganization activities, including our intention to reshape ThredUp into an AI-powered resale company; the impact, including on an annualized basis, of our reduction in corporate expenses and headcount; the success and expansion of our RaaS[®] model and the timing and plans for future RaaS[®] clients; and our ability to attract new Active Buyers.

More information on these risks and other potential factors that could affect the Company's business, reputation, results of operations, financial condition, and stock price is included in the Company's filings with the Securities and Exchange Commission ("SEC"), including in the "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" sections of the Company's most recently filed periodic reports on Form 10-K and Form 10-Q and subsequent filings. The forward-looking statements in this financial supplement 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 financial supplement.

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 or the SEC's website at www.sec.gov.

Non-GAAP Financial Measures and Other Operating and Business Metrics

This financial supplement and the accompanying tables contain non-GAAP financial measures: Adjusted EBITDA loss, Adjusted EBITDA loss margin, free cash flow, Non-GAAP operating expenses, and other operating and business metrics. In addition to our results determined in accordance with GAAP, we believe that these non-GAAP financial measures and other operating and business metrics are useful in evaluating our operating performance and enhancing an overall understanding of our financial position. We use these measures and metrics to evaluate and assess our operating performance, and for internal planning and forecasting purposes. We believe that these non-GAAP financial measures, when taken collectively with our GAAP results, may be helpful to investors because they provide consistency and comparability with past financial performance and assist in comparisons with other companies, some of which use similar non-GAAP financial information to supplement their GAAP results. Our non-GAAP financial measures and other operating and business metrics 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 similarly-titled non-GAAP measures and other operating and business metrics used by other companies.

A reconciliation is provided above for Adjusted EBITDA loss to net loss and Non-GAAP operating expenses to total operating expenses, the most directly comparable financial measures stated in accordance with GAAP. We calculate Adjusted EBITDA loss as net loss adjusted to exclude, where applicable in a given period, stock-based compensation expense, depreciation and amortization, severance and other reorganization costs, interest expense, provision (benefit) for income taxes, acquisition and offering-related expenses, and impairment of non-marketable equity investment. Non-GAAP Adjusted EBITDA loss margin represents Non-GAAP Adjusted EBITDA loss divided by total revenue for the same period. Non-GAAP operating expenses are operating expenses adjusted to exclude stock-based compensation expense and severance and other.

A reconciliation is provided above for free cash flow to Net cash provided by (used in) operating activities, the most directly comparable financial measure stated in accordance with GAAP. We calculate free cash flow as Net cash provided by (used in) operating activities adjusted to exclude Purchases of property and equipment.

We encourage investors to review our results determined in accordance with GAAP and the accompanying reconciliations for more information.

An Active Buyer is a ThredUp buyer who has made at least one purchase in the last twelve months. A ThredUp buyer is a customer who has created an account and purchased in our marketplaces, including through our RaaS[®] clients, and is identified by a unique email address. A single person could have multiple ThredUp accounts and count as multiple Active Buyers.

Orders are defined as the total number of orders placed by buyers across our marketplaces, including through our RaaS[®] clients, in a given period, net of cancellations.