

**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): **November 8, 2021**

**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**  
(I.R.S. Employer  
Identification No.)

**969 Broadway, Suite 200**  
**Oakland, California**  
(Address of principal executive offices)

**94607**  
(Zip Code)

Registrant's telephone number, including area code: **(415) 402-5202**

**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

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 November 8, 2021, **ThredUp Inc.** (the "Company") issued a press release announcing its financial results for the quarter ended September 30, 2021. 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

<u>Exhibit No.</u>	<u>Description</u>
99.1	<a href="#">Press Release dated November 8, 2021</a>
99.2	<a href="#">Supplemental Financial Information dated November 8, 2021</a>
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.

Date: November 9, 2021

THREDUP INC.

By: /s/ Sean Sobers

Sean Sobers

Chief Financial Officer

(Principal Financial and Accounting Officer)

## thredUP Announces Third Quarter 2021 Results

- All-time quarterly revenue high of \$63.3 million, representing 35% growth year-over-year
- Third quarter gross margin of 73% and gross profit growth of 41% year-over-year
- Record number of Active Buyers and Orders
- Announced the newest distribution center in Texas, expected to more than double our current capacity when fully operational
- Established new Resale-as-a-Service<sup>®</sup> (RaaS<sup>®</sup>) programs with adidas, Crocs, and Michael Stars

**Oakland, CA – November 8, 2021** – ThredUp Inc. (Nasdaq: TDUP), one of the largest online resale platforms for women’s and kids’ apparel, shoes, and accessories, announced today its financial results for the third quarter ended September 30, 2021.

“Third-quarter marked another quarter of exceptional financial performance, with our platform demonstrating strong resilience amidst headwinds posed by the pandemic,” said James Reinhart, CEO and co-founder at thredUP. “Supply continues to appear endless, demand for secondhand is increasing with more first-time buyers trying thredUP, and we’re doubling down on infrastructure investments so we can continue providing our buyers with a vast and ever-changing selection of great brands at great prices.”

### Third Quarter 2021 Financial Highlights

- **Revenue:** Third quarter total revenue of \$63.3 million, an increase of 35% year-over-year.

# THREDUP

- **Gross Profit and Gross Margin:** Gross profit totaled \$46.1 million representing growth of 41% year-over-year. Gross margin expanded to 73% from 70% in the comparable quarter last year.
- **Net Loss:** The GAAP net loss was \$14.7 million, or 23% of revenue, for the third quarter 2021, compared to a GAAP net loss of \$11.0 million, or 23% of revenue, for the third quarter 2020.
- **Adjusted EBITDA and EBITDA Margin:** The Adjusted EBITDA loss was \$7.8 million, or 12% of revenue, for the third quarter 2021, compared to the Adjusted EBITDA loss of \$7.5 million, or 16% of revenue, for the third quarter 2020.
- **Active Buyers and Orders:** Active Buyers of 1.4 million and Orders of 1.3 million growing 14% and 28%, respectively, over the comparable quarter last year.
- **New Distribution Center outside Dallas, Texas:** This four-level facility, which will be thredUP's largest and most-automated distribution center to-date, is expected to boost our total distribution network capacity to 16.5 million items when fully operational, more than doubling our current capacity.

## Recent Business Highlights

- **Closed the Remix Acquisition:** Acquisition closed in October (Q4), kickstarting our international expansion.
- **Resale-as-a-Service® (RaaS®):** thredUP announced new RaaS programs with adidas, Crocs, and Michael Stars and expanded its ongoing partnership with Madewell by launching "A Circular Store" in Brooklyn, NY.
- **Strategic Investment in Latin America:** thredUP completed a strategic investment in Vopero, a resale marketplace serving Latin America.

## Remix Acquisition Closes

thredUP closed the acquisition of Remix in early October. The transaction marks thredUP's official entry into Europe.

CEO and co-founder James Reinhart further commented, “thredUP is thrilled to bring our proprietary resale infrastructure and technology to Remix. We’re starting to integrate our proprietary software and systems into their existing operating platform and believe this will elevate the resale experience for buyers and sellers in Central and Eastern Europe.”

## Financial Outlook

Guidance for the fourth quarter 2021 includes estimates for the Remix acquisition, which closed on October 7.

For the fourth quarter 2021, thredUP expects:

- Revenue in the range of \$69 million to \$71 million
- Gross margin in the range of 65% to 67%
- Adjusted EBITDA margin loss in the range of 17.0% to 15.0%

For the full fiscal year 2021, thredUP expects:

- Revenue in the range of \$248 million to \$250 million
- Gross margin of approximately 71%
- Adjusted EBITDA margin loss of approximately 15%

## Conference Call and Webcast Information

- **Conference Call:** The live call is accessible in the U.S. and Canada at +1 800-353-6461 (code 3975322) and outside of the U.S. and Canada at +1 334-323-0501 (code 3975322).
- **Webcast:** The live and archived webcast and related earnings materials will be available at thredUP’s investor relations website: [ir.thredup.com](http://ir.thredup.com).

## **About thredUP**

thredUP is transforming resale with technology and a mission to inspire a new generation of consumers to think secondhand first. By making it easy to buy and sell secondhand, thredUP has become one of the world's largest resale platforms for women's and kids' apparel, shoes and accessories. Sellers love 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 love 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. In 2018, we expanded our platform with thredUP's Resale-as-a-Service (RaaS<sup>®</sup>), which facilitates modern resale for a number of the world's leading brands and retailers. thredUP has processed over 125 million unique secondhand items from 35,000 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” 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 fourth quarter and full year of 2021;

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 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 or investments; the success of our RaaS<sup>®</sup> model and the timing and plans for future RaaS<sup>®</sup> clients; and our ability to attract new Active Buyers.

The forward-looking statements contained in this release 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" in the final prospectus for our initial public offering filed on March 26, 2021 and in our Quarterly Report on Form 10-Q that will be filed following this earnings release. 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](http://ir.thredup.com) or the SEC's website at [www.sec.gov](http://www.sec.gov).

## **Operating Metrics**

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 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.



Orders are defined as the total number of orders placed by buyers across our marketplace, including through our RaaS<sup>®</sup> partners, in a given period, net of cancellations.

## **Non-GAAP Financial Measures**

This press release and the accompanying tables contain non-GAAP financial measures: Adjusted EBITDA and Adjusted EBITDA margin. 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 is 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, acquisition and offering related expenses, interest expense, 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 is not providing a

quantitative reconciliation of forward-looking guidance of Adjusted EBITDA 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, depreciation and amortization, stock-based compensation expense, change in fair value of convertible preferred stock warrant liability and provision for income taxes. Accordingly, a reconciliation for Adjusted EBITDA in order to calculate forward-looking Adjusted EBITDA margin is not available without unreasonable effort. However, for the fourth quarter of 2021 and full year 2021, depreciation and amortization is expected to be \$2.7 million and \$8.9 million, respectively. In addition, for the fourth quarter of 2021 and full year 2021, stock-based compensation expense is expected to be \$3.0 million and \$12.4 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 margin.

**ThredUp Inc.**  
**Condensed Consolidated Balance Sheets**  
(in thousands)  
(unaudited)

	September 30, 2021	December 31, 2020
<b>Assets</b>		
Current assets		
Cash and cash equivalents	\$ 160,912	\$ 64,485
Marketable securities	100,762	—
Accounts receivable, net	1,895	1,823
Inventory, net	4,106	3,519
Other current assets	7,773	5,332
Total current assets	275,448	75,159
Operating lease right-of-use assets	20,455	23,656
Property and equipment, net	49,451	41,131
Other assets	4,864	2,965
Total assets	\$ 350,218	\$ 142,911
<b>Liabilities, Convertible Preferred Stock and Stockholders' Equity</b>		
Current liabilities		
Accounts payable	\$ 8,407	\$ 9,386
Accrued and other current liabilities	46,427	32,541
Seller payable	18,306	13,724
Operating lease liabilities, current	2,757	3,643
Current portion of long-term debt	7,757	3,270
Total current liabilities	83,654	62,564
Operating lease liabilities, non-current	19,225	21,574
Long-term debt	29,478	31,190
Other non-current liabilities	2,187	2,719
Total liabilities	134,544	118,047
Convertible preferred stock	—	247,041
Stockholders' equity:		
Common stock	10	1
Additional paid-in capital	513,124	29,989
Accumulated other comprehensive loss	(28)	—
Accumulated deficit	(297,432)	(252,167)
Total stockholders' equity (deficit)	215,674	(222,177)
Total liabilities, convertible preferred stock and stockholders' equity	\$ 350,218	\$ 142,911

**ThredUp Inc.**  
**Condensed Consolidated Statements of Operations**  
(in thousands, except share and per share data)  
(unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
<b>Revenue:</b>				
Consignment	\$ 48,071	\$ 33,657	\$ 141,356	\$ 103,885
Product	15,203	13,275	37,557	38,697
Total revenue	<u>63,274</u>	<u>46,932</u>	<u>178,913</u>	<u>142,582</u>
<b>Cost of revenue:</b>				
Consignment	10,080	7,984	31,599	25,097
Product	7,100	6,172	17,370	19,072
Total cost of revenue	<u>17,180</u>	<u>14,156</u>	<u>48,969</u>	<u>44,169</u>
Gross profit	<u>46,094</u>	<u>32,776</u>	<u>129,944</u>	<u>98,413</u>
<b>Operating expenses:</b>				
Operations, product and technology	32,081	25,856	91,455	73,480
Marketing	16,941	10,614	48,344	34,513
Sales, general and administrative	12,569	6,891	34,206	20,762
Total operating expenses	<u>61,591</u>	<u>43,361</u>	<u>174,005</u>	<u>128,755</u>
Operating loss	<u>(15,497)</u>	<u>(10,585)</u>	<u>(44,061)</u>	<u>(30,342)</u>
Interest and other (expense) income, net	799	(419)	(1,147)	(534)
Loss before provision for income taxes	<u>(14,698)</u>	<u>(11,004)</u>	<u>(45,208)</u>	<u>(30,876)</u>
Provision for income taxes	17	—	57	—
Net loss	<u>\$ (14,715)</u>	<u>\$ (11,004)</u>	<u>\$ (45,265)</u>	<u>\$ (30,876)</u>
Net loss per share attributable to common stockholders, basic and diluted	<u>\$ (0.15)</u>	<u>\$ (0.93)</u>	<u>\$ (0.65)</u>	<u>\$ (2.77)</u>
Weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted	<u>96,348,658</u>	<u>11,810,075</u>	<u>70,112,601</u>	<u>11,144,362</u>

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

	Nine months ended September 30,	
	2021	2020
<b>Cash flows from operating activities</b>		
Net loss	\$ (45,265)	\$ (30,876)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	6,147	3,868
Stock-based compensation expense	9,389	5,057
Reduction in the carrying amount of right-of-use assets	3,201	2,882
Changes in fair value of convertible preferred stock warrants and others	1,768	166
Changes in operating assets and liabilities:		
Accounts receivable, net	(72)	1,032
Inventory, net	(587)	31
Other current and non-current assets	(4,720)	(176)
Accounts payable	574	6,029
Accrued and other current liabilities	14,082	4,252
Seller payable	4,582	4,023
Operating lease liabilities	(3,235)	(2,851)
Other non-current liabilities	4	1,700
Net cash used in operating activities	<u>(14,132)</u>	<u>(4,863)</u>
<b>Cash flows from investing activities</b>		
Purchases of marketable securities	(102,715)	—
Maturities of marketable securities	1,600	—
Purchase of property and equipment	(15,207)	(14,359)
Net cash used in investing activities	<u>(116,322)</u>	<u>(14,359)</u>
<b>Cash flows from financing activities</b>		
Proceeds from debt issuance, net of issuance costs	4,625	13,427
Repayment of debt	(2,000)	(1,190)
Proceeds from issuance of Class A common stock upon initial public offering and the follow-on offering, net of underwriting discounts and commissions	226,905	—
Proceeds from exercise of common stock options and withholding taxes for the net share settlement of restricted stock units	3,753	1,810
Payment of costs for the initial public offering and the follow-on offering	(4,251)	(651)
Net cash provided by financing activities	<u>229,032</u>	<u>13,396</u>
Net increase (decrease) in cash, cash equivalents and restricted cash and cash equivalents	98,578	(5,826)
<b>Cash, cash equivalents and restricted cash and cash equivalents</b>		
Beginning of period	67,539	87,853
End of period	<u>\$ 166,117</u>	<u>\$ 82,027</u>

**ThredUp Inc.**  
**Reconciliation of GAAP to Non-GAAP Financial Measures**  
(in thousands, except percentages)  
(unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2021	2020	2021	2020
<b>Adjusted EBITDA Reconciliation:</b>				
Net loss	\$ (14,715)	\$ (11,004)	\$ (45,265)	\$ (30,876)
Depreciation and amortization	2,248	1,425	6,147	3,868
Stock-based compensation expense	2,995	1,649	9,389	5,057
Acquisition and offering related expenses	1,020	—	1,020	—
Interest expense	619	368	1,751	865
Change in fair value of convertible preferred stock warrant liability	—	89	930	(84)
Provision for income taxes	17	—	57	—
Adjusted EBITDA	<u>\$ (7,816)</u>	<u>\$ (7,473)</u>	<u>\$ (25,971)</u>	<u>\$ (21,170)</u>
Adjusted EBITDA margin %	(12.4)%	(15.9)%	(14.5)%	(14.8)%

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# THREDUP

ThredUp Inc.

## Third Quarter 2021 Supplemental Financials

### Key Financial Metrics for the Quarter

- Revenue of \$63.3 million
  - vs. \$46.9 million in Q3'FY 2020
  - Growth of 34.8% Y/Y
- Gross profit of \$46.1 million
  - vs. \$32.8 million in Q3'FY 2020
  - Growth of 40.6% Y/Y
- Gross margin of 72.8%
  - vs. 69.8% in Q3'FY 2020
  - 300 basis points of expansion Y/Y
- GAAP net loss of \$14.7 million
  - vs. \$11.0 million loss in Q3'FY 2020
- Adjusted EBITDA loss of \$7.8 million
  - vs. \$7.5 million loss in Q3'FY 2020
- Adjusted EBITDA margin loss of 12.4%
  - vs. loss of 15.9% in Q3'FY 2020
- Cash, cash equivalents, restricted cash and short-term marketable securities were \$266.9 million at the quarter end
- Total quarter Active Buyers of 1.439 million
  - vs. 1.257 million in Q3'FY 2020
  - An increase of 14.4% Y/Y
- Total Orders of 1.300 million
  - vs. 1.012 million in Q3'FY 2020
  - An increase of 28.4% Y/Y

### Conference Call and Webcast

- The live call is accessible in the U.S and Canada at +1 800-353-6461 (code 3975322) and outside of the U.S. and Canada at +1 334-323-0501 (code 3975322)
- The live and archived webcast and all related earnings materials will be available at thredUP's investor relations website: [ir.thredup.com](http://ir.thredup.com)

### Financial Outlook

(includes the acquisition of Remix)

For fourth quarter 2021, thredUP expects:

- Revenue in the range of \$69 million to \$71 million
- Gross margin in the range of 65% to 67%
- An adjusted EBITDA margin loss in the range of 17.0% to 15.0%
- Depreciation and amortization of approximately \$2.7 million
- Stock-based compensation of approximately \$3.0 million
- Weighted-average shares of approximately 98.1 million

For fiscal year 2021, thredUP expects:

- Revenue in the range of \$248 million to \$250 million
- Gross margin of approximately 71%
- An adjusted EBITDA margin loss of approximately 15%
- Depreciation and amortization of approximately \$8.9 million
- Stock-based compensation of approximately \$12.4 million
- Weighted-average shares of approximately 77.1 million

# THREDUP

## ThredUp Inc. Third Quarter 2021 Supplemental Financials

ThredUp Inc.									
Condensed Consolidated Income Statements									
(in thousands, unaudited)									
Three Months Ended	September 30, 2019	December 31, 2019	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021	June 30, 2021	September 30, 2021
Revenue:									
Consignment revenue	\$ 27,338	\$ 32,026	\$ 35,314	\$ 34,914	\$ 33,657	\$ 34,211	\$ 44,688	\$ 48,597	\$ 48,071
Product revenue	18,612	12,611	13,001	12,421	13,275	9,222	10,992	11,362	15,203
Total revenue	45,950	44,637	48,315	47,335	46,932	43,433	55,680	59,959	63,274
Cost of revenue:									
Cost of consignment revenue	5,837	7,599	8,816	8,297	7,984	9,087	10,832	10,687	10,080
Cost of product revenue	7,579	5,660	6,873	6,027	6,172	4,611	5,130	5,140	7,100
Total cost of revenue	13,416	13,259	15,689	14,324	14,156	13,698	15,962	15,827	17,180
Gross profit	32,534	31,378	32,626	33,011	32,776	29,735	39,718	44,132	46,094
Gross margin % of revenue	70.8 %	70.3 %	67.5 %	69.7 %	69.8 %	68.5 %	71.3 %	73.6 %	72.8 %
Operating expenses									
Operations, product and technology	20,831	25,580	25,475	22,149	25,856	27,928	28,312	31,062	32,081
Marketing	13,557	12,674	13,001	10,898	10,614	10,252	15,446	15,957	16,941
Sales, general and administrative	5,199	7,971	7,433	6,438	6,891	7,802	10,638	10,999	12,569
Total operating expenses	39,587	46,225	45,909	39,485	43,361	45,982	54,396	58,018	61,591
Operating expenses % of revenue	86.2 %	103.6 %	95.0 %	83.4 %	92.4 %	105.9 %	97.7 %	96.8 %	97.3 %
Operating income (loss)	(7,053)	(14,847)	(13,283)	(6,474)	(10,585)	(16,247)	(14,678)	(13,886)	(15,497)
Operating loss % of revenue	(15.3)%	(33.3)%	(27.5)%	(13.7)%	(22.6)%	(37.4)%	(26.4)%	(23.2)%	(24.5)%
Interest and other (expense) income, net	(191)	(94)	68	(183)	(419)	(698)	(1,466)	(480)	799
Income (loss) before provision for income taxes	(7,244)	(14,941)	(13,215)	(6,657)	(11,004)	(16,945)	(16,144)	(14,366)	(14,698)
Provision for (benefit from) income taxes	—	36	—	—	—	56	27	13	17
Net income (loss)	\$ (7,244)	\$ (14,977)	\$ (13,215)	\$ (6,657)	\$ (11,004)	\$ (17,001)	\$ (16,171)	\$ (14,379)	\$ (14,715)
Net income margin %	(15.8)%	(33.6)%	(27.4)%	(14.1)%	(23.4)%	(39.1)%	(29.0)%	(24.0)%	(23.3)%

ThredUp Inc.									
Adjusted EBITDA Reconciliation									
(in thousands, unaudited)									
Three Months Ended	September 30, 2019	December 31, 2019	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021	June 30, 2021	September 30, 2021
Adjusted EBITDA reconciliation									
Net income (loss)	\$ (7,244)	\$ (14,977)	\$ (13,215)	\$ (6,657)	\$ (11,004)	\$ (17,001)	\$ (16,171)	\$ (14,379)	\$ (14,715)
Add (deduct):									
Depreciation and amortization	1,044	1,090	1,245	1,198	1,425	1,713	2,038	1,861	2,248
Stock-based compensation expense	941	5,118	1,442	1,966	1,649	2,279	3,498	2,896	2,995
Acquisition and offering related expenses	—	—	—	—	—	—	—	—	1,020
Interest expense	379	365	273	224	368	440	559	573	619
Change in value of preferred stock warrant	(3)	(3)	(172)	(1)	89	285	930	—	—
Loss on extinguishment of debt	—	—	—	—	—	—	—	—	—
Provision for income taxes	—	36	—	—	—	56	27	13	17
Adjusted EBITDA	\$ (4,883)	\$ (8,371)	\$ (10,427)	\$ (3,270)	\$ (7,473)	\$ (12,228)	\$ (9,119)	\$ (9,036)	\$ (7,816)
Adjusted EBITDA margin %	(10.6)%	(18.8)%	(21.6)%	(6.9)%	(15.9)%	(28.2)%	(16.4)%	(15.1)%	(12.4)%



# THREDUP

ThredUp Inc.  
Third Quarter 2021 Supplemental Financials (continued)

ThredUp Inc.									
Reconciliation of GAAP Operating Expenses to Non-GAAP Operating Expenses									
(in thousands, unaudited)									
Three Months Ended	September 30, 2019	December 31, 2019	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021	June 30, 2021	September 30, 2021
Operations, product and technology	\$ 20,831	\$ 25,580	\$ 25,475	\$ 22,149	\$ 25,856	\$ 27,928	\$ 28,312	\$ 31,062	\$ 32,081
Marketing	13,557	12,674	13,001	10,898	10,614	10,252	15,446	15,957	16,941
Sales, general and administrative	5,199	7,971	7,433	6,438	6,891	7,802	10,638	10,999	12,569
Total operating expenses	39,587	46,225	45,909	39,485	43,361	45,982	54,396	58,018	61,591
Less: Total stock based compensation	941	5,118	1,442	1,966	1,649	2,279	3,498	2,896	2,995
Total non-GAAP operating expenses	\$ 38,646	\$ 41,107	\$ 44,467	\$ 37,519	\$ 41,712	\$ 43,703	\$ 50,898	\$ 55,122	\$ 58,596
Non-GAAP operating expenses as a % of revenue	84.1 %	92.1 %	92.0 %	79.3 %	88.9 %	100.6 %	91.4 %	91.9 %	92.6 %

ThredUp Inc.									
Stock Based Compensation Details									
(in thousands, unaudited)									
Three Months Ended	September 30, 2019	December 31, 2019	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020	March 31, 2021	June 30, 2021	September 30, 2021
Stock Based Compensation									
Operations, product and technology	\$ 486	\$ 2,479	\$ 715	\$ 870	\$ 987	\$ 1,167	\$ 1,350	\$ 984	\$ 1,024
Marketing	142	687	174	283	278	332	437	289	341
Sales, general and administrative	313	1,952	553	813	384	780	1,711	1,623	1,630
Total	\$ 941	\$ 5,118	\$ 1,442	\$ 1,966	\$ 1,649	\$ 2,279	\$ 3,498	\$ 2,896	\$ 2,995

# THREDUP

ThredUp Inc.  
Third Quarter 2021 Supplemental Financials (continued)

ThredUp Inc.					
Condensed Consolidated Balance Sheets					
(in thousands, unaudited)					
	September 30, 2020	December 31, 2020	March 31, 2021	June 30, 2021	September 30, 2021
<b>Assets</b>					
Current assets					
Cash and cash equivalents	\$ 78,760	\$ 64,485	\$ 246,514	\$ 173,058	\$ 160,912
Marketable securities	—	—	—	57,382	100,762
Accounts receivable, net	1,020	1,823	1,726	1,545	1,895
Inventory, net	3,862	3,519	3,482	4,362	4,106
Other current assets	4,257	5,332	3,168	6,425	7,773
Total current assets	87,899	75,159	254,890	242,772	275,448
Operating lease right-of-use assets	24,808	23,656	22,338	21,272	20,455
Property and equipment, net	37,900	41,131	43,562	45,490	49,451
Other assets	3,144	2,965	2,980	2,837	4,864
Total assets	\$ 153,751	\$ 142,911	\$ 323,770	\$ 312,371	\$ 350,218
<b>Liabilities and Stockholder's Equity</b>					
Current liabilities					
Accounts payable	\$ 11,893	\$ 9,386	\$ 14,540	\$ 11,359	\$ 8,407
Accrued and other current liabilities	30,883	32,541	37,720	39,515	46,427
Seller payable	13,340	13,724	15,194	16,709	18,306
Operating lease liabilities, current	3,838	3,643	3,095	2,845	2,757
Current portion of long-term debt	1,318	3,270	5,736	7,746	7,757
Total current liabilities	61,272	62,564	76,285	78,174	83,654
Operating lease liabilities, non-current	22,352	21,574	20,811	20,029	19,225
Long-term debt	28,217	31,190	33,320	31,393	29,478
Non-current liabilities	2,684	2,719	1,927	1,937	2,187
Total liabilities	114,525	118,047	132,343	131,533	134,544
Convertible preferred stock	247,041	247,041	—	—	—
Common stock	1	1	9	9	10
Additional paid in capital	27,350	29,989	459,756	463,582	513,124
Accumulated other comprehensive loss	—	—	—	(36)	(28)
Accumulated deficit	(235,166)	(252,167)	(268,338)	(282,717)	(297,432)
Total stockholder's (deficit) equity	(207,815)	(222,177)	191,427	180,838	215,674
Total liabilities and stockholder's equity	\$ 153,751	\$ 142,911	\$ 323,770	\$ 312,371	\$ 350,218

# THREDUP

## ThredUp Inc. Third Quarter 2021 Supplemental Financials (continued)

ThredUp Inc.					
Condensed Consolidated Cash Flows					
(in thousands, unaudited)					
Three Months Ended	September 30, 2020	December 31, 2020	March 31, 2021	June 30, 2021	September 30, 2021
<b>Cash flows from operating activities</b>					
Net loss	\$ (11,004)	\$ (17,001)	\$ (16,171)	\$ (14,379)	\$ (14,715)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:					
Depreciation and amortization	1,425	1,713	2,038	1,861	2,248
Stock-based compensation expense	1,649	2,279	3,498	2,896	2,995
Reduction of the carrying amount of right-of-use assets	1,017	1,152	1,318	1,066	817
Changes in fair value of convertible preferred stock warrants and others	173	395	1,048	131	589
Changes in operating assets and liabilities:					
Accounts receivable, net	1,158	(803)	97	181	(350)
Inventory, net	(534)	343	37	(880)	256
Other current and non-current assets	(312)	208	(457)	(2,907)	(1,356)
Accounts payable	(332)	(2,560)	4,722	(2,006)	(2,142)
Accrued and other current liabilities	2,340	930	4,784	3,387	5,911
Seller payable	955	384	1,470	1,515	1,597
Operating lease liabilities	(872)	(973)	(1,311)	(1,032)	(892)
Other non-current liabilities	941	(309)	4	—	—
Net cash (used in) provided by operating activities	(3,396)	(14,242)	1,077	(10,167)	(5,042)
<b>Cash flows from investing activities</b>					
Purchases of marketable securities	—	—	—	(57,418)	(45,297)
Purchase of property and equipment	(3,664)	(5,065)	(4,099)	(4,900)	(6,208)
Maturities of marketable securities	—	—	—	—	1,600
Net cash used in investing activity	(3,664)	(5,065)	(4,099)	(62,318)	(49,905)
<b>Cash flows from financing activities</b>					
Proceeds from debt issuances, net of issuance costs	5,000	4,925	4,625	—	—
Repayment of debt	—	—	—	—	(2,000)
Proceeds from issuance of Class A common stock upon initial public offering and the follow-on offering, net of underwriting discounts and commissions	—	—	180,284	—	46,621
Proceeds from exercise of common stock options and withholding taxes for the net share settlement of RSU's	1,568	360	1,875	930	948
Payment of costs for the initial public offering and follow-on	(570)	(466)	(1,733)	(1,900)	(618)
Net cash (used in) provided by financing activities	5,998	4,819	185,051	(970)	44,951
Net increase (decrease) in cash, cash equivalents and restricted cash and cash equivalents	(1,062)	(14,488)	182,029	(73,455)	(9,996)
<b>Cash, cash equivalents and restricted cash and cash equivalents</b>					
Beginning of period	83,089	82,027	67,539	249,568	176,113
End of period	\$ 82,027	\$ 67,539	\$ 249,568	\$ 176,113	\$ 166,117

## **About ThredUp Inc.**

thredUP is transforming resale with technology and a mission to inspire a new generation of consumers to think secondhand first. By making it easy to buy and sell secondhand, thredUP has become one of the world's largest resale platforms for women's and kids' apparel, shoes and accessories. Sellers love 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 love 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. In 2018, we expanded our platform with thredUP's Resale-As-A-Service (RaaS<sup>®</sup>), which facilitates modern resale for a number of the world's leading brands and retailers. thredUP has processed over 125 million unique secondhand items from 35,000 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" 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 fourth quarter and full year of 2021; 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 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 or investments; the success of our RaaS<sup>®</sup> model and the timing and plans for future RaaS<sup>®</sup> 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" in the final prospectus for our initial public offering filed on March 26, 2021 and in our most recent Quarterly Reports on Form 10-Q. 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 presentation.

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).

## **Operating Metrics**

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 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.

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

## **Non-GAAP Financial Measures**

This presentation contains non-GAAP financial measures: Adjusted EBITDA, Adjusted EBITDA margin and non-GAAP operating expenses. In addition to our results determined in accordance with GAAP, we believe that Adjusted EBITDA, Adjusted EBITDA margin and non-GAAP operating expenses, non-GAAP measures, are useful in evaluating our operating performance. We use Adjusted EBITDA, Adjusted EBITDA margin and non-GAAP operating expenses 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, Adjusted EBITDA margin and non-GAAP operating expenses, 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, Adjusted EBITDA margin and non-GAAP operating expenses 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 above for Adjusted EBITDA to net loss and non-GAAP operating expenses to total operating expenses, respectively, the most directly comparable financial measures 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, acquisition and offering related expenses, interest expense, change in fair value of convertible preferred stock warrant liability and provision for income taxes. We calculate non-GAAP operating expenses as total operating expenses less stock-based compensation expenses.

Investors are encouraged to review our results determined in accordance with GAAP and the reconciliation of Adjusted EBITDA to net loss and non-GAAP operating expenses to total operating expenses. thredUP is not providing a quantitative reconciliation of forward-looking guidance of Adjusted EBITDA 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, depreciation and amortization, stock-based compensation expense, change in fair value of convertible preferred stock warrant liability and provision for income taxes. Accordingly, a reconciliation for Adjusted EBITDA in order to calculate forward-looking Adjusted EBITDA margin is not available without unreasonable effort. However, for the fourth quarter of 2021 and full year 2021, depreciation and amortization is expected to be \$2.7 million and \$8.9 million,

respectively. In addition, for the fourth quarter of 2021 and full year 2021, stock-based compensation expense is expected to be \$3.0 million and \$12.4 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 margin.