

First Quarter 2020

Financial Highlights

Non-GAAP Measures

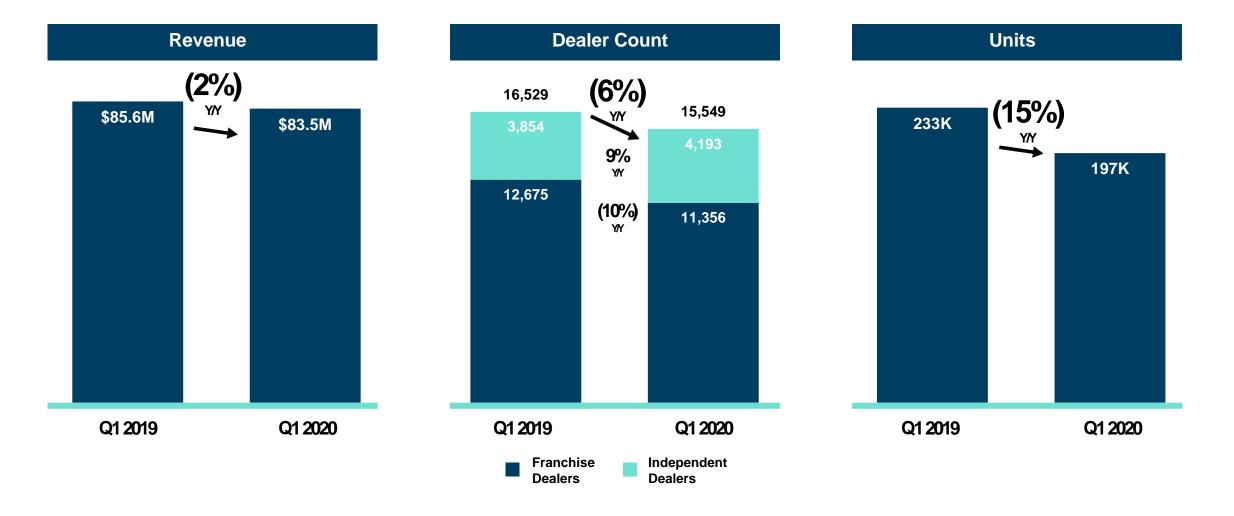
In addition to U.S. GAAP financial measures, this presentation includes certain non-GAAP financial measures. These non-GAAP measures are in addition to, not a substitute for or superior to, measures of financial performance prepared in accordance with U.S. GAAP. A reconciliation of these non-GAAP financial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

Q1 2020 Highlights

- First quarter total revenue down 2% from a year ago at \$83.5 million
- Total dealer count of 15,549 dealers, down 6% year-over-year
 - Total franchise dealer count of 11,356 dealers, down 10% year-over-year
 - Monthly franchise revenue per franchise dealer of \$1,634
 - Total independent dealer count of 4,193 dealers, up 9% year-over-year
 - Monthly independent revenue per independent dealer of \$854
- TrueCar users purchased 197,002 units from TrueCar Certified Dealers, down 15% year-over-year
- Adjusted EBITDA of \$9.5 million, representing an Adjusted EBITDA margin of 11.4%

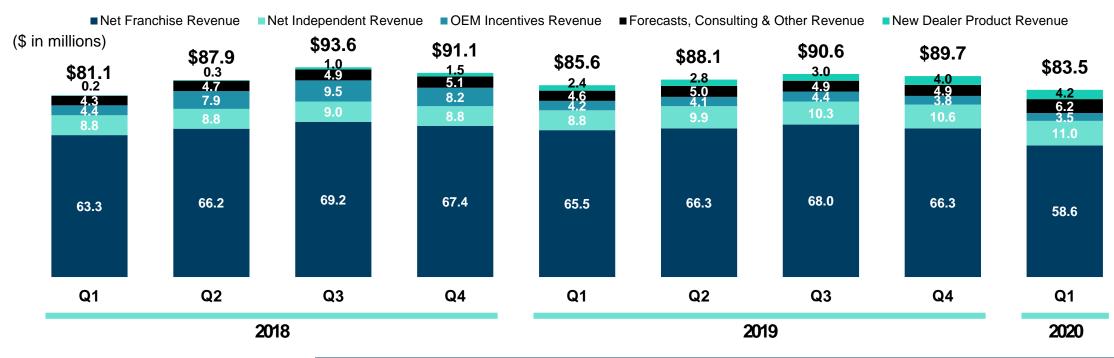


Q1 2020 Key Highlights





Revenue



Note: Forecasting, Consulting & Other Revenue includes revenue from the Transition Services Agreement with USAA Federal Savings Bank in the first quarter of 2020.

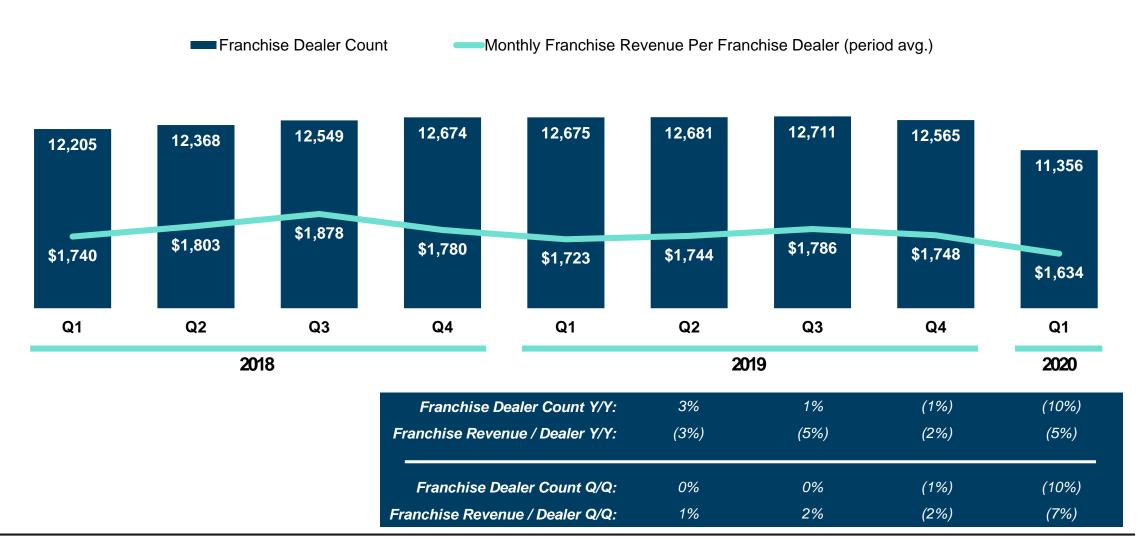
New Dealer Product Revenue includes Trade, DealerScience, TrueCar Reach, Sponsored Listings and DealerSync.

Certain amounts may not add up due to rounding.

Total Revenue Y/Y:	0%	(3%)	(2%)	(2%)
New Dealer Product Revenue Y/Y:	920%	211%	158%	70%
Forecasts, Consulting & Other Revenue Y/Y:	7%	0%	(4%)	36%
OEM Incentives Revenue Y/Y:	(48%)	(54%)	(53%)	(16%)
Net Independent Revenue Y/Y:	12%	14%	20%	24%
Net Franchise Revenue Y/Y:	0%	(2%)	(2%)	(11%)

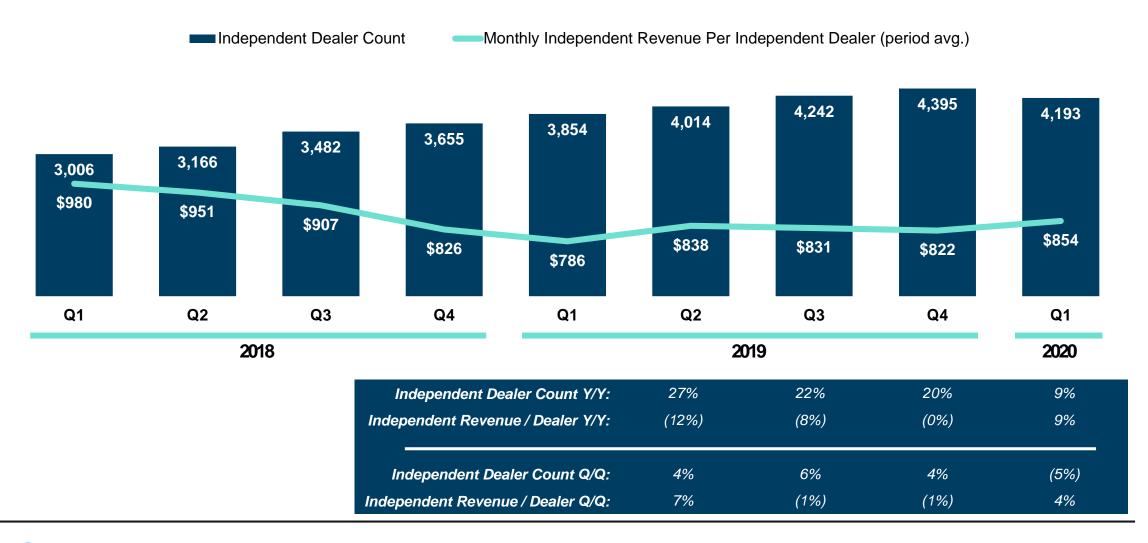


Franchise Dealer Overview





Independent Dealer Overview

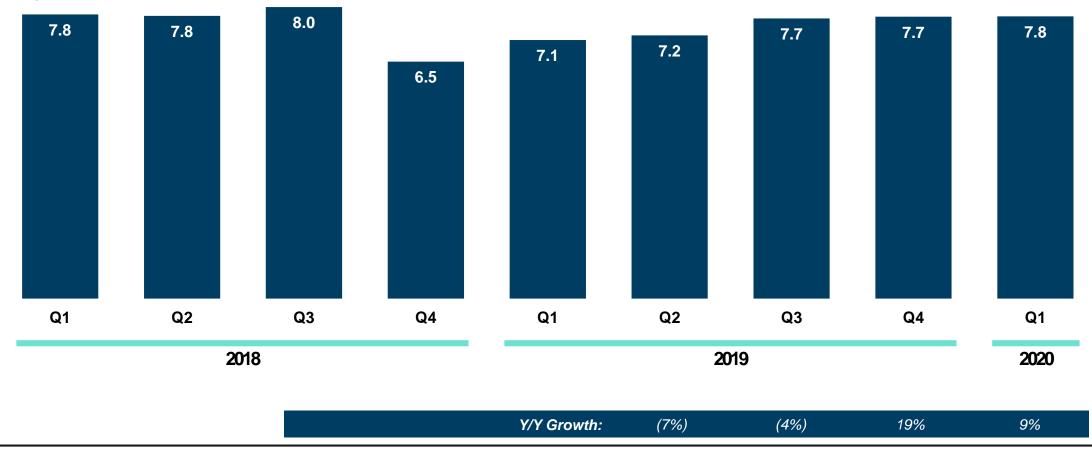




Traffic

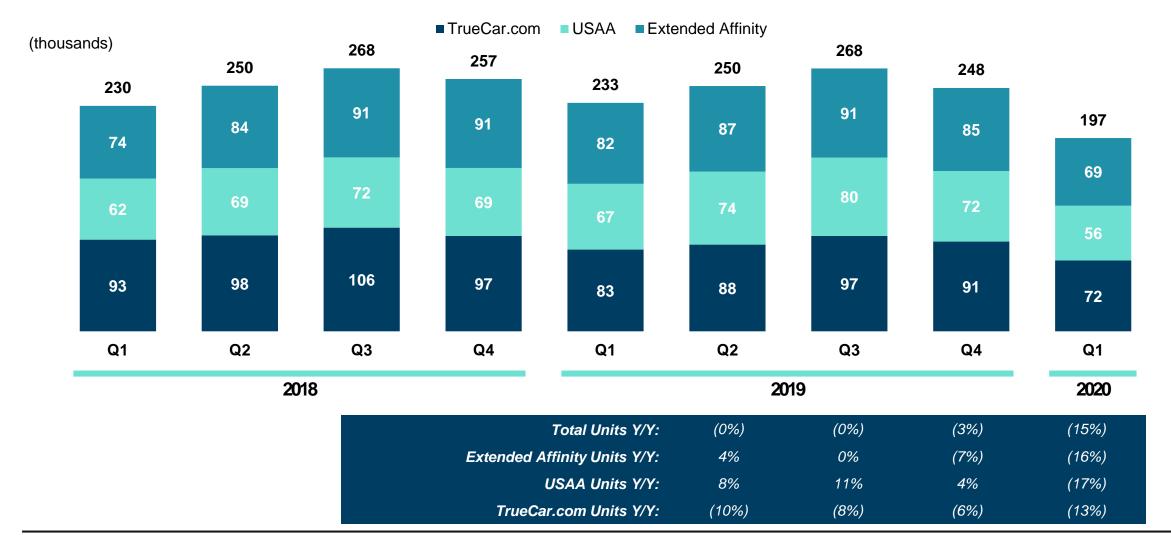
Average Monthly Unique Visitors

(millions)



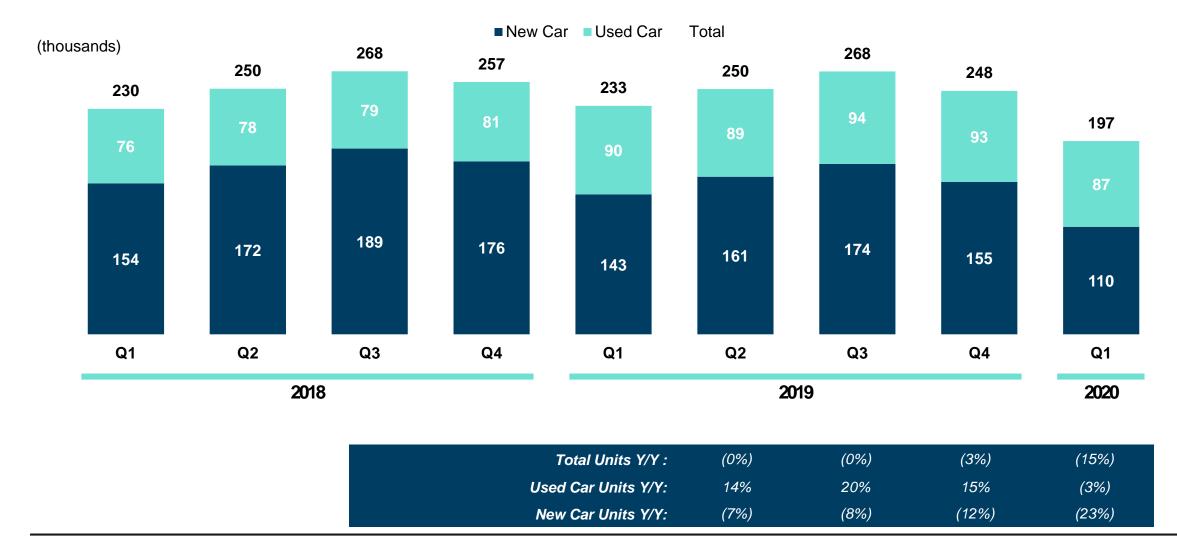


Units by Acquisition Channel

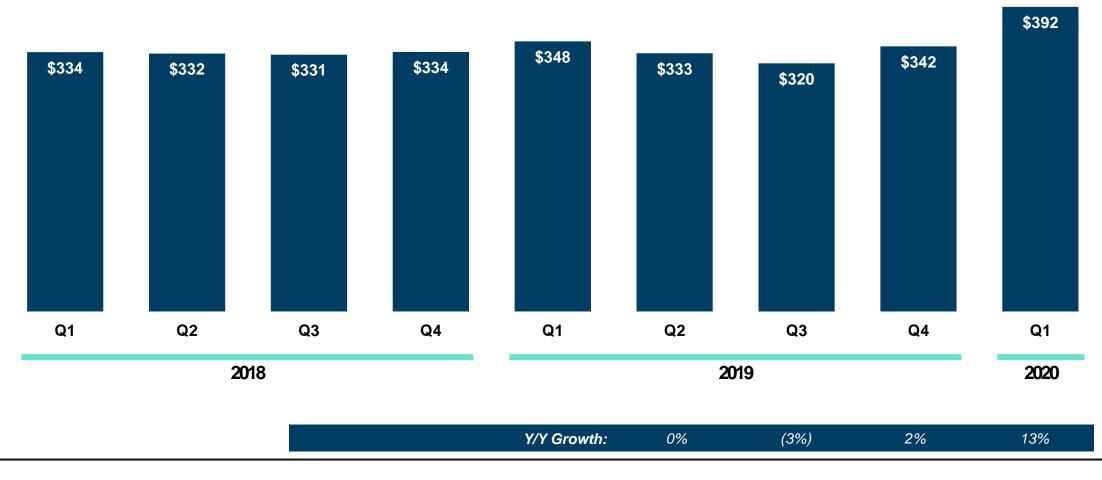




Units by New v. Used

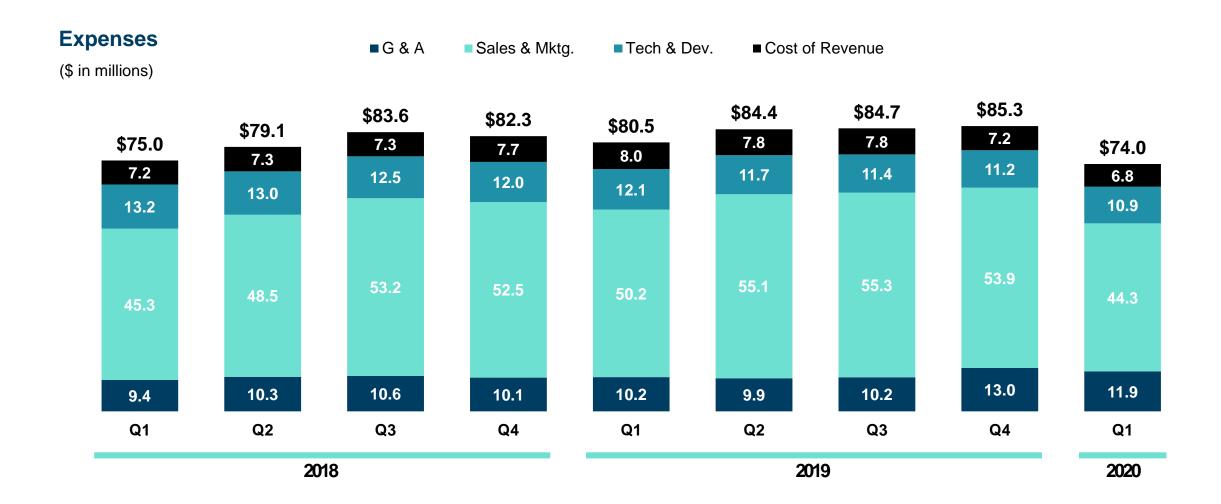


Monetization



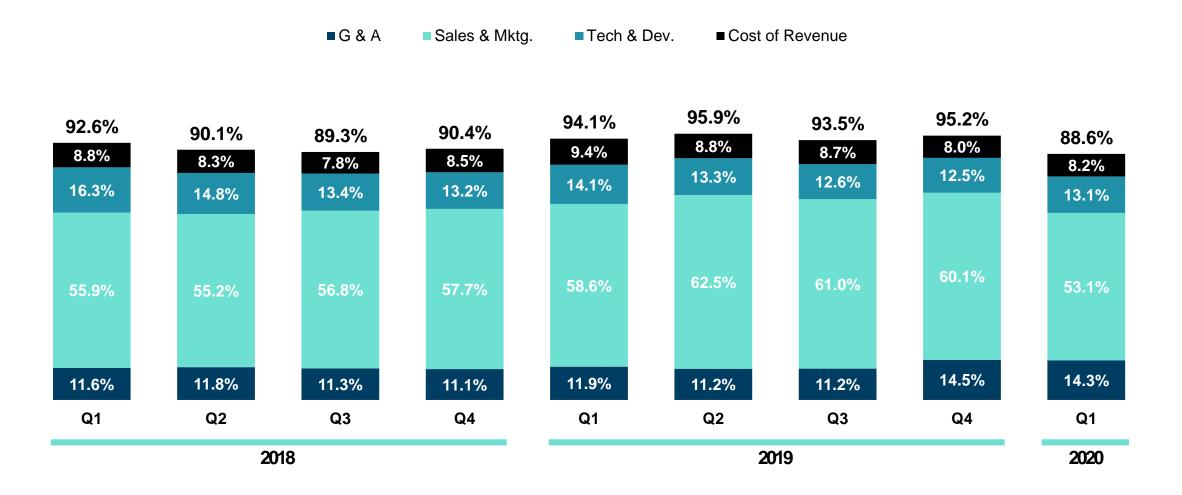


Non-GAAP Expenses



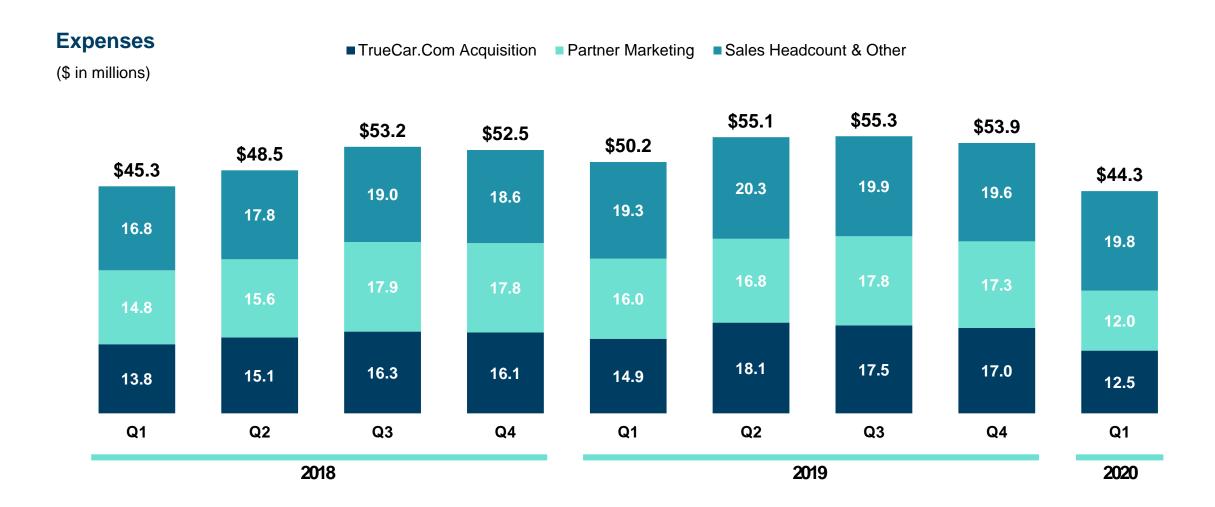


Non-GAAP Expenses as a Percentage of Revenue



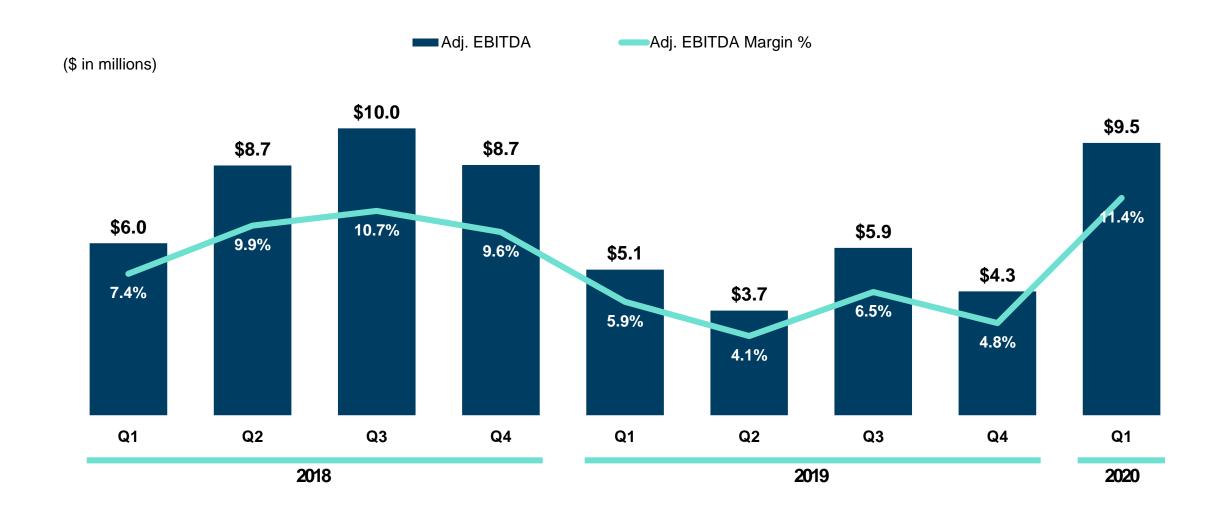


Non-GAAP Sales & Marketing Expenses





Adjusted EBITDA





Appendix



Reconciliation of Net Loss to Adjusted EBITDA (Unaudited)

		3 Months Er	nded				3 Months	Ended				3 Months	Ended			3 Months Ended
	Mar 31,	Jun 30, S	Sep 30,	Dec 31,	FY	Mar 31,	Jun 30,	Sep 30,	Dec 31,	FY	Mar 31,	Jun 30,	Sep 30,	Dec 31,	FY	Mar 31,
(In thousands)	2017			2017	20		018		2018		2019)		2019	2020	
Reconciliation of Net Loss to Adjusted EBITDA:																
Net loss	\$ (6,795)	\$ (8,060) \$	(9,519) \$	(8,475)	\$ (32,849)	\$ (9,055)	\$ (6,622)	\$ (6,251) \$	(6,393)	\$ (28,321)	\$ (14,365) \$	(24,060) \$	(7,652) \$	(8,813)	\$ (54,890)	\$ (10,669)
Interest income	(133)	(249)	(402)	(476)	(1,260)	(604)	(750)	(888)	(1,072)	(3,314)	(1,001)	(966)	(855)	(673)	(3,495)	(533)
Interest expense	649	652	654	655	2,610	661	662	662	664	2,649	-	-	-	-	-	-
Depreciation and amortization	6,084	5,668	5,765	4,955	22,472	5,175	5,641	5,992	5,869	22,677	6,415	6,767	6,145	6,264	25,591	6,271
Stock-based compensation (1)	5,907	6,846	9,908	9,580	32,241	9,097	8,972	10,247	8,903	37,219	8,635	15,556	7,191	6,592	37,974	6,177
Share of net loss of equity method investment	-	-	-	-	-	-	-	-	-	-	-	273	464	543	1,280	382
Certain litigation costs (2)	350	2,299	1,491	3,827	7,967	799	862	335	161	2,157	928	351	157	139	1,575	(1,939)
Executive departure costs (3)	-	-	-	-	-	-	-	-	-	-	-	4,681	270	138	5,089	-
Restructuring charges (4)	-	-	-	-	-	-	-	-	-	-	3,280	-	-	-	3,280	-
Transaction costs (5)	-	-	-	-	-	-	-	-	620	620	1,094	832	-	-	1,926	-
Change in the fair value of contingent consideration	-	-	-	-	-	-	-	-	-	-	-	150	75	75	300	75
Lease exit costs (6)	(133)	-	-	-	(133)	-	-	-	-	-	-	-	-	-	-	-
Goodwill impairment (7)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,187
Provision for / (benefit from) income taxes	121	201	121	(2,607)	(2,164)	(61)	(35)	(72)	(9)	(177)	101	69	56	63	289	(436)
Adjusted EBITDA	\$ 6,050	\$ 7,357 \$	8,018 \$	7,459	\$ 28,884	\$ 6,012	\$ 8,730	\$ 10,025 \$	8,743	\$ 33,510	\$ 5,087 \$	3,653	5,851 \$	4,328	\$ 18,919	\$ 9,515

- (1) For the year ended December 31, 2019, includes stock-based compensation of \$7.2 million incurred in the second quarter of 2019 associated with the acceleration of certain executives, including our former chief executive officer.

 (2) The excluded amounts relate to legal costs incurred in connection with complaints filed by non-TrueCar dealers against TrueCar and consumer class action lawsuits. For the three months ended March 31, 2020, the excluded amount also includes a \$2.0 million payment
- received from one of our insurance carriers in settlement of a lawsuit we brought in the fourth quarter of 2017 to recover insured legal fees. We believe the exclusion of these costs and recovery is appropriate to facilitate comparisons of our core operating performance on a period-to-period basis.

 Based on the nature of the specific claims underlying the excluded litigation matters, once these matters, are resolved, we do not believe our operations are likely to entail defending against the types of claims raised by these matters. We expect the cost of defending these claims to continue to be significant pending that resolution.
- (3) The excluded amounts represent severance charges associated with the separation of our former chief executive officer and the termination of executive-level employees in connection with a change in chief executive officer and related recruiting fees for the search for a new chief executive officer.

 We believe excluding the impact of these terminations and the associated chief executive officer recruiting fees is consistent with our use of these non-GAAP measures as we do not believe they are a useful indicator of our ongoing operating results.
- (4) The excluded amounts represent charges associated with a restructuring plan initiated and completed in the first quarter of 2019 to improve efficiency and reduce expenses. We believe excluding the impact of these charges is consistent with our use of these non-GAAP measures as we do not believe they are a useful indicator of our consistency and reduce expenses.
- (5) The excluded amounts represent external legal, accounting, consulting and other third-party fees and costs we incurred in connection with the evaluation and negotiation of potential acquisition transactions. These expenses are included in general and administrative expenses in our consolidated statements of operations. We consider these fees and costs, which are associated with potential merger and acquisition transactions outside the normal course of our operations, to be unrelated to our underlying results of operations and believe that their exclusion provides investors with a more complete understanding of the factors and trends affecting our business operations.
- (6) The excluded amounts represent updates to the initial estimate of our lease termination costs associated with the consolidation of our office locations in Santa Monica, California in December 2015. We believe that their exclusion is appropriate to facilitate period-to-period operating performance comparisons.
- (7) The excluded amount represents a non-cash impairment charge we recognized on our goodwill during the first quarter of 2020.



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

	3 Months Ended						3 Months	Ended				3 Months	Ended			3 Months Ended
	Mar 31,	Jun 30,	Sep 30,	Dec 31,	FY	Mar 31,	Jun 30,	Sep 30,	Dec 31,	FY	Mar 31,	Jun 30,	Sep 30,	Dec 31,	FY	Mar 31,
(In thousands)		2017			2017		2018	3		2018		2019	•		2019	2020
Reconciliation of GAAP Expenses to Non-GAAP Expenses:																
Cost of revenue, as reported	6,392	7,130	7,088	7,617	28,227	7,452	7,752	7,737	8,213	31,154	8,936	8,332	8,391	7,768	33,427	7,221
Stock-based compensation (1)	203	233	339	330	1,105	298	443	469	516	1,726	499	553	549	556	2,157	399
Restructuring charges (2)		-	-	-			-	-	-		395	-	-	-	395	
Non-GAAP cost of revenue	\$ 6,189	\$ 6,897 \$	6,749	\$ 7,287	\$ 27,122	\$ 7,154	7,309	7,268	7,697	\$ 29,428	\$ 8,042	\$ 7,779	7,842	\$ 7,212	\$ 30,875	\$ 6,822
Sales and marketing, as reported	42,182	46,933	48,383	47,899	185,397	48,418	52,014	57,031	55,952	213,415	54,738	60,233	57,961	56,410	229,342	46,575
Stock-based compensation (1)	1,745	2,160	3,358	3,090	10,353	3,127	3,543	3,852	3,428	13,950	3,472	4,716	2,697	2,477	13,362	2,256
Restructuring charges (2)	-	-	-	-	-	-	-	-	-	-	1,116	-	-	-	1,116	-
Executive departure costs (3)		-	-	-			-	-				434	-	-	434	
Non-GAAP sales and marketing	\$ 40,437	\$ 44,773 \$	45,025	\$ 44,809	\$ 175,044	\$ 45,291	\$ 48,471	53,179	52,524	\$ 199,465	\$ 50,150	\$ 55,083 \$	\$ 55,264	\$ 53,933	\$ 214,430	\$ 44,319
Technology and development, as reported	13,629	14,131	15,357	15,953	59,070	15,594	15,694	15,345	14,715	61,348	15,654	16,045	13,027	12,462	57,188	12,216
Stock-based compensation (1)	1,298	1,600	2,598	2,564	8,060	2,353	2,698	2,829	2,709	10,589	1,946	3,463	1,615	1,232	8,256	1,280
Restructuring charges (2)	-	-	-	-	-	-	-	-	-	-	1,629	-	-	-	1,629	-
Executive departure costs (3)		-	-				-	-				911	-		911	
Non-GAAP technology and development	\$ 12,331	\$ 12,531 \$	12,759	\$ 13,389	\$ 51,010	\$ 13,241	12,996	12,516	12,006	\$ 50,759	\$ 12,079	\$ 11,671 \$	\$ 11,412	\$ 11,230	\$ 46,392	\$ 10,936
General and administrative, as reported	13,628	15,413	14,993	17,612	61,646	13,481	13,494	14,030	13,135	54,140	15,104	21,382	13,018	15,644	65,148	12,312
Stock-based compensation (1)	2,661	2,853	3,613	3,596	12,723	3,319	2,288	3,097	2,250	10,954	2,718	6,824	2,330	2,327	14,199	2,242
Restructuring charges (2)	-	-	-	-	-	-	-	-	-	-	140	-	-	-	140	-
Executive departure costs (3)	-	-	-	-	-	-	-	-	-	-	-	3,336	270	138	3,744	-
Certain litigation costs (4)	350	2,299	1,491	3,827	7,967	799	862	335	161	2,157	928	351	157	139	1,575	(1,939)
Lease exit costs (5)	(133)	-	-	-	(133)	-	-	-	-	-	-	-	-	-	-	-
Transaction costs (6)	-	-	-	-	-	-	-	-	620	620	1,094	832			1,926	
Change in the fair value of contingent consideration	- 10.775	- 10.001 1		- 10.105	- 11.055		-	- 10 505	- 10.10:	- 10.155	- 10.00:	150	75	75	300	75
Non-GAAP general and administrative	\$ 10,750	\$ 10,261 \$	9,889	\$ 10,189	\$ 41,089	\$ 9,363	10,344	10,598	10,104	\$ 40,409	\$ 10,224	\$ 9,889 \$	\$ 10,186	\$ 12,965	\$ 43,264	\$ 11,934

⁽¹⁾ For the year ended December 31, 2019, includes stock-based compensation of \$7.2 million incurred in the second quarter of 2019 associated with the acceleration of certain vested stock options related to the departures of certain executives, including our former chief executive officer.



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

⁽³⁾ The excluded amounts represent severance charges associated with the separation of our former chief executive officer and the termination of executive-level employees in connection with a change in chief executive officer and related recruiting fees for the search for a new chief executive officer.

We believe excluding the impact of these terminations and the associated chief executive officer recruiting fees is consistent with our use of these non-GAAP measures as we do not believe they are a useful indicator of our ongoing operating results.

⁽⁴⁾ The excluded amounts relate to legal costs incurred in connection with complaints filed by non-TrueCar dealers against TrueCar and consumer class action lawsuits. For the three months ended March 31, 2020, the excluded amount also includes a \$2.0 million payment received from one of our insurance carriers in settlement of a lawsuit we brought in the fourth quarter of 2017 to recover insured legal fees. We believe the exclusion of these costs and recovery are appropriate to facilitate comparisons of our core operating performance on a period-to-period basis.

Based on the nature of the specific claims underlying the excluded litigation matters, once these matters are resolved, we do not believe our operations are likely to entail defending against the types of claims raised by these matters. We expect the cost of defending these claims to continue to be significant pending that resolution.

⁽⁵⁾ The excluded amounts represent updates to the initial estimate of our lease termination costs associated with the consolidation of our office locations in Santa Monica, California in December 2015. We believe that their exclusion is appropriate to facilitate period-to-period operating performance comparisons.

⁽⁶⁾ The excluded amounts represent external legal, accounting, consulting and other third-party fees and costs we incurred in connection with the evaluation and negotiation of potential acquisition transactions. These expenses are included in general and administrative expenses in our consolidated statements of operations. We consider these fees and costs, which are associated with potential merger and acquisition transactions outside the normal course of our operations, to be unrelated to our underlying results of operations and believe that their exclusion provides investors with a more complete understanding of the factors and trends affecting our business operations.

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

	3 Months Ended										3 M	onths E	nded					3 Month	s End	ded			3 Мо	nths Ended
	N	Mar 31, J	Jun 30,	Sep 3	0, Ι	Dec 31,		FY	I	Mar 31,	Jun 30	<u> </u>	Sep 30,	Dec 31,	FY	M	ar 31,	Jun 30,		ер 30,	Dec 31,	FY		Mar 31,
(In thousands, except per share data)			201	7			2	2017				2018			2018			20	19			2019		2020
Reconciliation of GAAP Net Loss to Non-GAAP Net (Loss) Income :																								
Net loss, as reported	\$	(6,795) \$	(8,060)	\$ (9,	519) \$	(8,475)	\$	(32,849)	\$	(9,055) \$	6,6	522) \$	(6,251) \$	(6,393)	\$ (28,321)	\$	(14,365) \$	(24,060)	\$	(7,652) \$	(8,813)	\$ (54,890)	\$	(10,669)
Stock-based compensation (1)		5,907	6,846	9,	908	9,580		32,241		9,097	8,9	972	10,247	8,903	37,219		8,635	15,556		7,191	6,592	37,974		6,177
Loss from equity method investment		-	-		-	-		-		-		-	-	-	-		-	273		464	543	1,280		382
Certain litigation costs (2)		350	2,299	1,	491	3,827		7,967		799	8	362	335	161	2,157		928	351		157	139	1,575		(1,939)
Executive departure costs (3)		-	-		-	-		-		-		-	-	-	-		-	4,681		270	138	5,089		-
Restructuring charges (4)		-	-		-	-		-		-		-	-	-	-		3,280	-		-	-	3,280		-
Transaction costs (5)		-	-		-	-		-		-		-	-	620	620		1,094	832		-	-	1,926		-
Change in the fair value of contingent consideration		-	-		-	-		-		-		-	-	-	-		-	150		75	75	300		75
Lease exit costs (6)		(133)	-		-	-		(133)		-		-	-	-	-		-	-		-	-	-		-
Goodwill impairment (7)		-	-		-	-		-		-		-	-	-	-		-	-		-	-	-		10,187
Non-GAAP net (loss) income (8)	\$	(671) \$	1,085	\$ 1,	880 \$	4,932	\$	7,226	\$	841 \$	\$ 3,2	212 \$	4,331 \$	3,291	\$ 11,675	\$	(428) \$	(2,217)	\$	505 \$	(1,326)	\$ (3,466)	\$	4,213
Basic shares for non-GAAP EPS		86,783	93,745	00	665	100,081		94,865		100,571	101,1	150	102,765	104,065	102,149		104,788	105,485		106,239	106,681	105,805		107,024
			•			•									•			•		•	•			,
Diluted shares for non-GAAP EPS		86,783	103,265	105,	751	103,645		99,923		100,301	102,7	771	105,747	105,945	104,378		104,788	105,485	•	106,321	106,681	105,805		107,339
Non-GAAP net (loss) income per share - basic	\$	(0.01) \$	0.01	\$ (0.02 \$	0.05	\$	0.08	\$	0.01	\$ 0	.03 \$	0.04 \$	0.03	\$ 0.11	\$	(0.00) \$	(0.02)	\$	0.00 \$	(0.01)	\$ (0.03)	\$	0.04
Non-GAAP net (loss) income per share - diluted	\$	(0.01) \$	0.01	\$ (0.02 \$	0.05	\$	0.07	\$	0.01	\$ 0	.03 \$	0.04 \$	0.03	\$ 0.11	\$	(0.00) \$	(0.02)	\$	0.00 \$	(0.01)	\$ (0.03)	\$	0.04

⁽¹⁾ For the year ended December 31, 2019, includes stock-based compensation of \$7.2 million incurred in the second quarter of 2019 associated with the acceleration of certain executive officer.

(2) The excluded amounts relate to legal costs incurred in connection with complaints filed by non-TrueCar dealers against TrueCar and consumer class action lawsuits. For the three months ended March 31, 2020, the excluded amount also includes a \$2.0 million payment

Based on the nature of the specific claims underlying the excluded litigation matters, once these matters are resolved, we do not believe our operations are likely to entail defending against the types of claims raised by these matters. We expect the cost of defending these claims to continue to be significant pending that resolution.



received from one of our insurance carriers in settlement of a lawsuit we brought in the fourth quarter of 2017 to recover insured legal fees. We believe the exclusion of these costs and recovery are appropriate to facilitate comparisons of our core operating performance on a period-to-period basis.

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⁽⁷⁾ The excluded amount represents a non-cash impairment charge we recognized on our goodwill during the first quarter of 2020.

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