

THREDUP

INVESTOR PRESENTATION

Fourth Quarter and Full Year 2022

Safe Harbor

This presentation contains forward-looking statements within the meaning of the federal securities laws, which are statements that involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as “may,” “will,” “shall,” “should,” “expects,” “plans,” “anticipates,” “could,” “intends,” “target,” “projects,” “contemplates,” “believes,” “estimates,” “predicts,” “potential” or “continue” or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans or intentions. Forward-looking statements in this presentation include, but are not limited to, guidance on financial results for the first quarter and full year of 2023; statements about future operating results and our long term growth; the momentum of our business; the growth rates in the markets in which we compete; the impact of the COVID-19 pandemic and its varied social and macroeconomic consequences, inflationary pressures, increased interest rates and general global economic uncertainty on consumer behavior and our business; our investments in technology and infrastructure; our ability to successfully integrate and realize the benefits of our past or future strategic acquisitions, investments or restructuring activities; the success and expansion of our RaaS model and the timing and plans for future RaaS clients; and our ability to attract new active buyers.

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

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

This presentation includes certain non-GAAP financial measures. In addition to our results determined in accordance with GAAP, we believe that Adjusted EBITDA and Adjusted EBITDA margin, non-GAAP measures, are useful in evaluating our operating performance. We use Adjusted EBITDA and Adjusted EBITDA margin to evaluate and assess our operating performance and the operating leverage in our business, and for internal planning and forecasting purposes. We believe that Adjusted EBITDA and Adjusted EBITDA margin, when taken collectively with our GAAP results, may be helpful to investors because 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. Adjusted EBITDA and Adjusted EBITDA margin are presented for supplemental informational purposes only, should not be considered a substitute for financial information presented in accordance with GAAP and may be different from similarly-titled non-GAAP measures 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, stock-based compensation expense, depreciation and amortization, impairment of non-marketable equity investment, restructuring charges, interest expense, acquisition-related expenses, provision for income taxes, change in fair value of convertible preferred stock warrant liability.

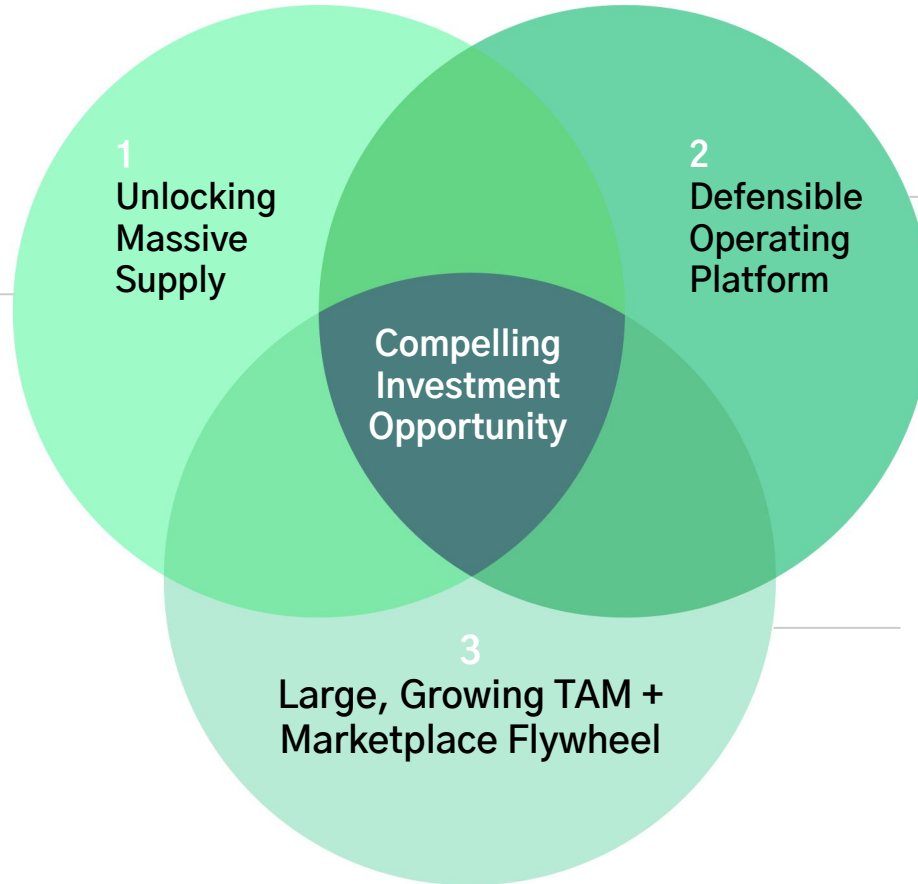
Investors are encouraged to review our results determined in accordance with GAAP and the reconciliation of Adjusted EBITDA to net loss.



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

Investment Thesis

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



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

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

thredUP at a Glance

Founded in **2009**

Headquartered in
Oakland, CA

55K Brands²

100 Different categories

Distribution centers in

5 strategic locations
across the globe

9M Unique items in capacity

\$71M

Q4 2022 Revenue

\$45M | 63%

Q4 2022 Gross Profit / Gross Profit %

\$288M

2022 Revenue

\$192M | 67%

2022 Gross Profit / Gross Profit %

\$0 Direct marketing
spend to acquire supply

1.7M

Quarterly Active buyers

6.5M

Annual Orders

1.3B Pounds of carbon
emissions saved¹

2.6BkWH of energy saved¹

5.9B Gallons of water saved¹

Note: All data as of December 31, 2022 unless otherwise indicated.

¹As of December 31, 2021. Sustainability estimates based in part on information provided by GreenStory Inc.

²As of June 30, 2022.

thredUP's Operating System

Our competitive advantage



Patented World-Class
Infrastructure



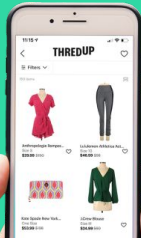
Powerful Technology
and Software



Proprietary
Data

Managed Marketplace

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



Resale-as-a-Service (RaaS)

We power resale for leading fashion brands and retailers.



Operating Platform Designed for Resale at Scale

Proprietary technology and processing infrastructure create significant barriers to entry



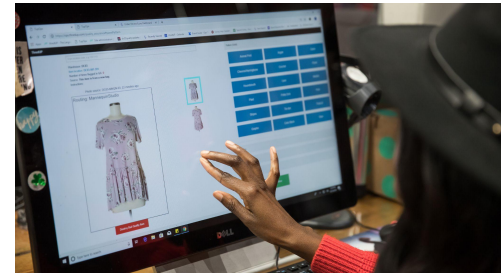
Distributed Processing Infrastructure

- Tech-driven processing, storage and fulfillment; purpose-built for “single SKU” logistics
- 5 Strategic global distribution centers



Proprietary Systems, Automation and Software

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



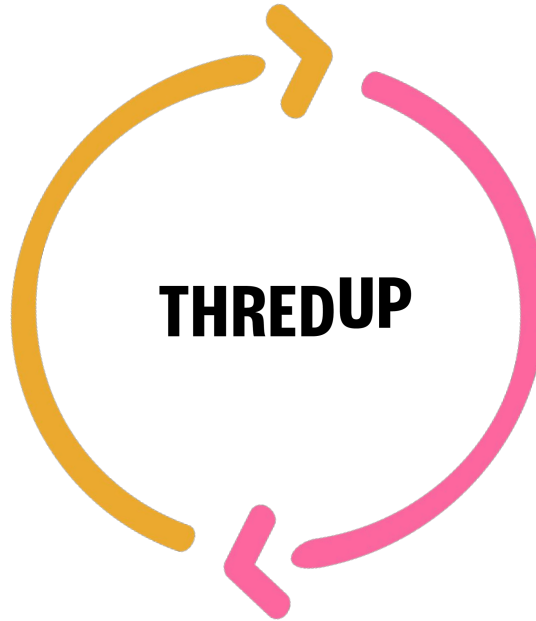
Data Science Expertise

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

Managed Marketplace Model Unlocks Supply, Creates Buyer Trust

Buyers Love...

- Incredible value, up to 90% off estimated retail price
- Wide selection of 55K brands, 100 categories
- Fresh, ever-changing assortment



Sellers Love...

- Convenient Clean Out Kits
- End-to-end services
- Make money, do good with their proceeds

Note: Data as of December 31, 2021.

Operating Platform: Distributed Processing Infrastructure

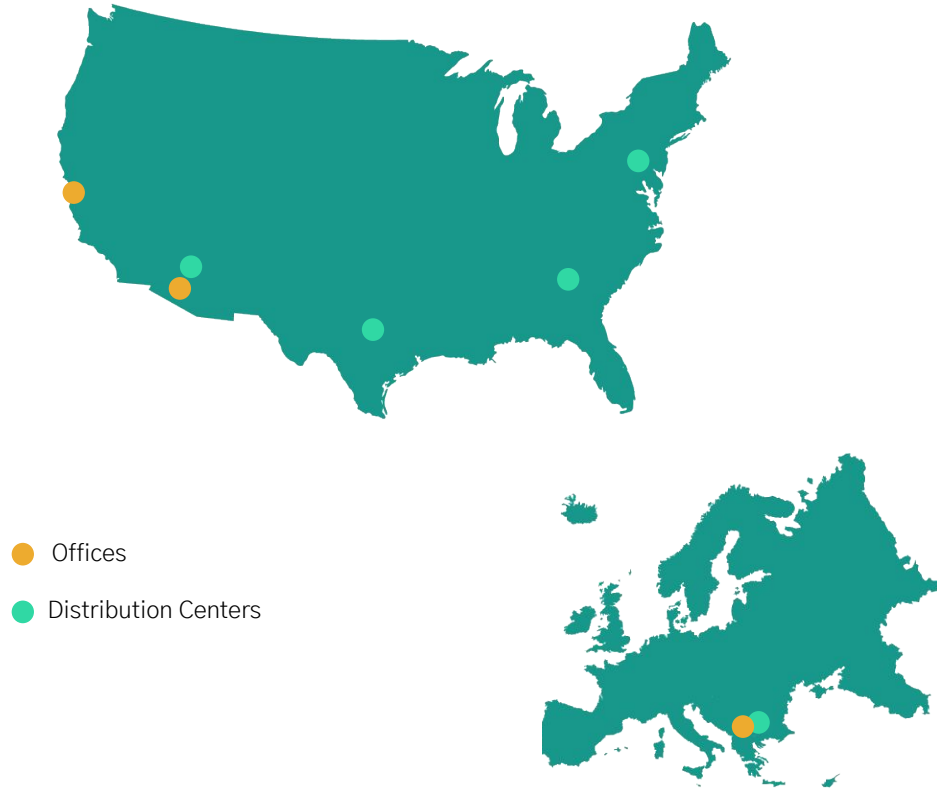
4 U.S. Distribution Center locations with 9M Item capacity

4 Largest item on-hanger systems¹

Dallas, TX (opened in December 2022) will ultimately increase capacity by +150%

1 European Distribution Center

Sofia, Bulgaria



Data as of December 31, 2022

¹ We believe we operate the 4 largest item on-hanger systems in the U.S.

RaaS Go-to-Market Strategy

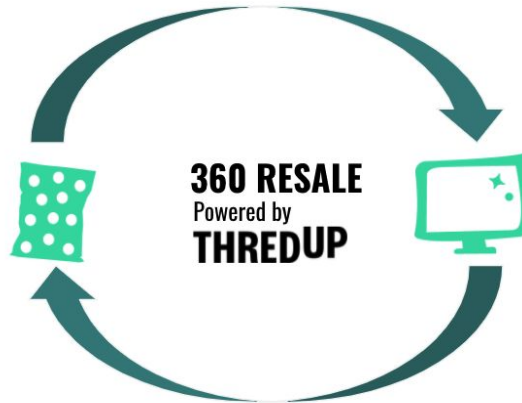
Start with clean-out programs and expand into thredUP-powered resale shops

RaaS Goals

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

Take Back Program

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



Branded Online Resale Shop

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

Economics

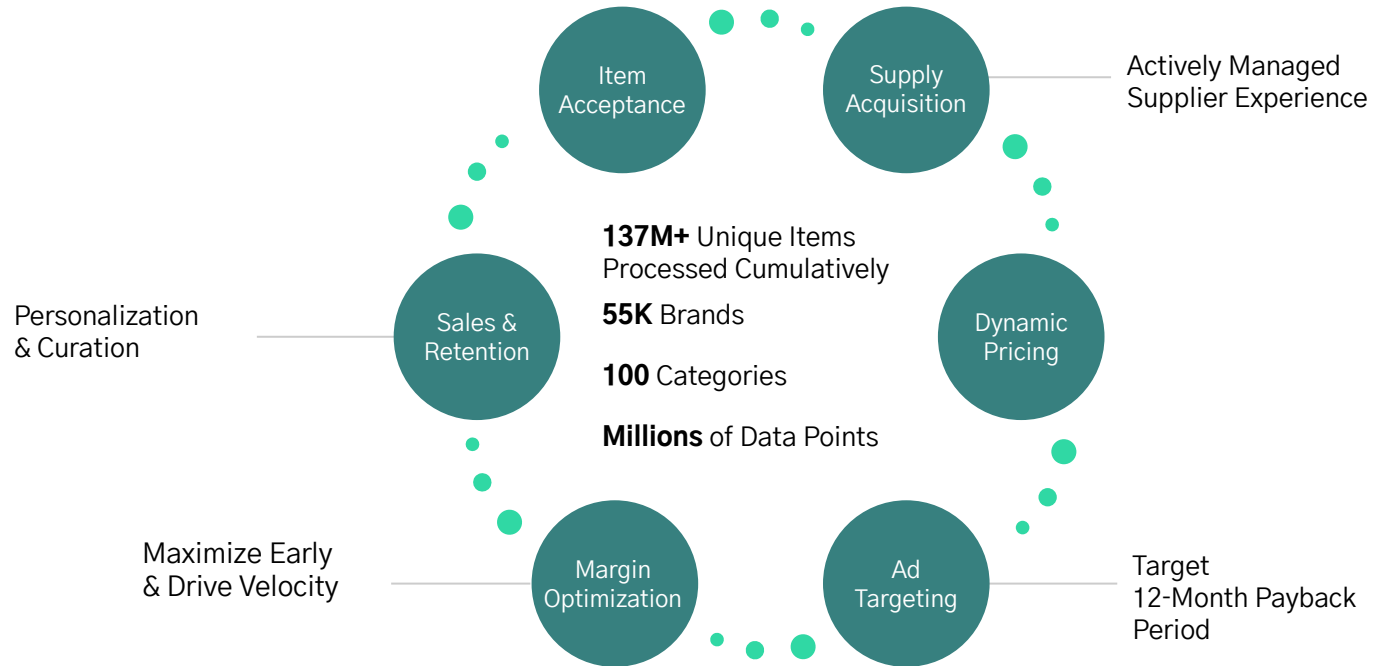
- One time integration fee
- Ongoing service fees and/or usage-based pricing

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

LAND AND EXPAND →

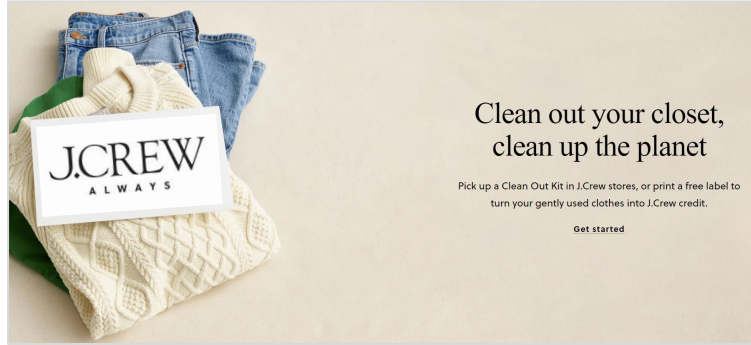
Data Science Expertise

Data is at the center of everything we do



Source: Company information
Data as of June 30, 2022

Diversified RaaS Strategies to Serve Clients Unique Needs



Launching New Resale Shops

- Developing resale shops for retailers interested in taking part in a 360 resale platform.
- Recent resale shop launches include J. Crew, Kate Spade, Francesca's, Tommy Hilfiger, Hot Topic, Vera Bradley, Pacsun, and Michael Stars.



Expand Existing Relationships

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

Large and Growing Market Opportunity

Online resale driving TAM growth

U.S. Demand-Side Secondhand TAM¹

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



¹ Source: GlobalData 2022 Market Survey

² CAGR represents 2021 – 2026 growth in Total Secondhand Market

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

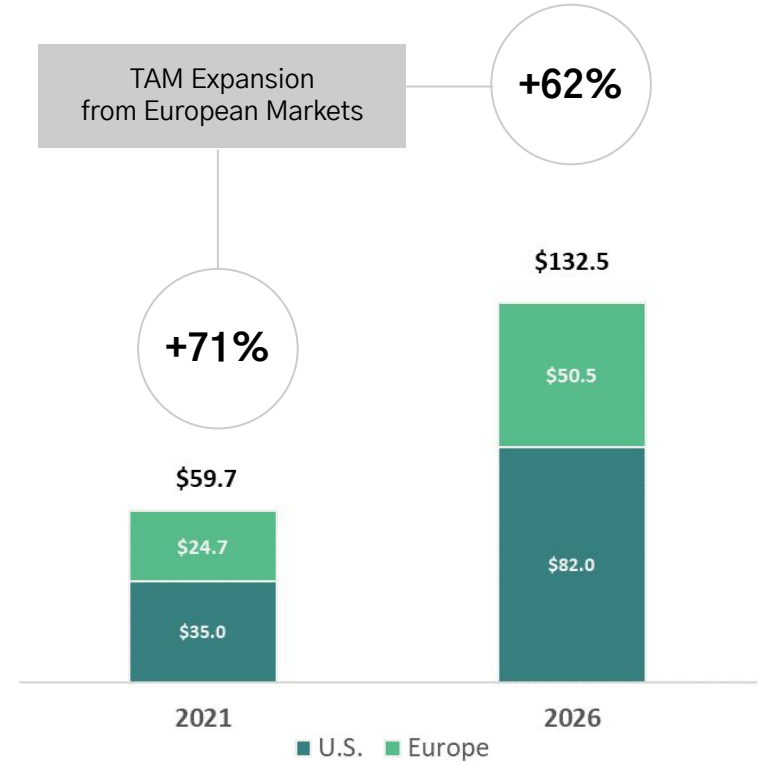
U.S. Supply-Side Secondhand TAM

~17 BILLION

Pounds of apparel thrown away in the U.S. that could be recycled and reused³

The equivalent of
~1 BILLION
thredUP Clean Out Kits

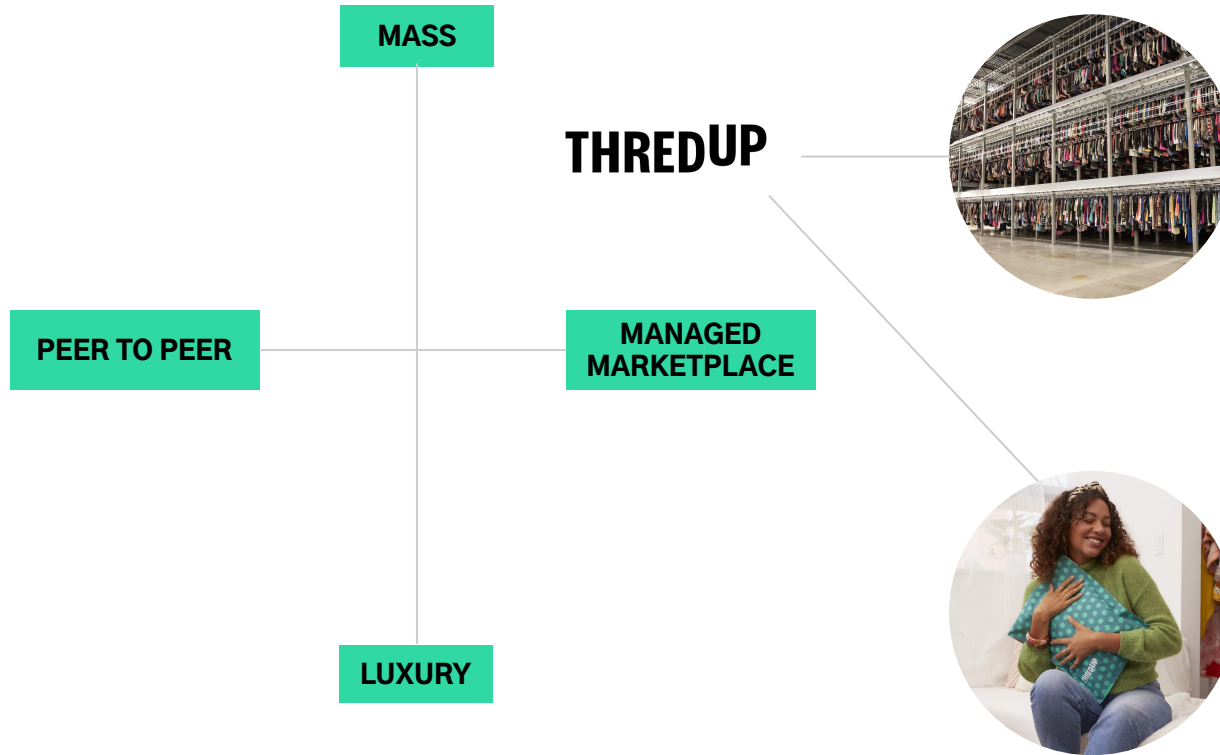
Remix Acquisition Expands TAM Opportunity and Accelerates International Strategy



Source: Estimates from GlobalData 2022 Market Survey

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

thredUP's Competitive Advantage & Landscape



Managed Marketplace

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

Mass Fashion

- U.S. Resale is projected to grow to \$51B in 2026¹
- Mass market TAM is **6X larger** than luxury²
- Supply chain moat creates greater barriers to entry

¹ GlobalData 2022 Market Survey

² GlobalData Luxury and Mass Apparel Study, January 2021

ESG Overview: Key Focus Areas



Environmental Stewardship

The planet is one of the most important stakeholders, and combating disposable fashion's harmful effect is one of our greatest goals.



Social Responsibility

At thredUP, we're on a mission to extend the lives of millions of unique clothing items. It takes a passionate and committed team to make it happen every day. We are proud to have fostered a workplace that is one-of-a-kind.



Good Governance

Our governance framework promoted accountability for ESG matters with our board of directors as well as throughout our company. Our board has a formal oversight responsibility over our ESG practices. Currently, our board composition is 50/50 female/male and 20% non-white.



Product Circularity & End of Life

Processed

137 MILLION

unique secondhand items to-date, extending the life of clothes and diverting products from landfill.

Closed 2021 with

28 BRAND CLIENTS

through our Resale-as-a-Service program, helping retailers implement more circular business practices with resale programs.



Climate Change & GHG Emissions

Displaced

1.3 BILLION

pounds of carbon emissions to-date by making it easy to buy and sell secondhand items in our marketplace and decreased U.S.-based shipping emissions by 54% in 2021.

ESG: Impact Report includes Scope 1–3 GHG analysis and SASB/GRI disclosures



thredup.com/impact

Highlights:

- Overview of our ESG strategy
- Coverage of 12 material ESG factors
- Scope 1–3 Greenhouse Gas (GHG) emissions analysis
- DEIB and employee engagement statistics

Links:

- [Full Report](#)
- [SASB & GRI Disclosures](#)

¹ thredUP's 2021 Impact Report includes activities undertaken during the reporting period from January 1, 2021 to December 31, 2021 as well as select activities from previous years to provide a holistic picture of its progress as a mission-driven company.

ESG Spotlight: Environmental – thredUP’s Impact on the Planet is Significant



Processed 137 million unique secondhand items to-date (as of year-end 2021).



Displaced 1.3 billion pounds of carbon emissions.



Completed our 2020–2021 Greenhouse Gas (GHG) inventory assessment (including Scope 1–3 emissions).



Improved solutions for products sold through our aftermarket program.

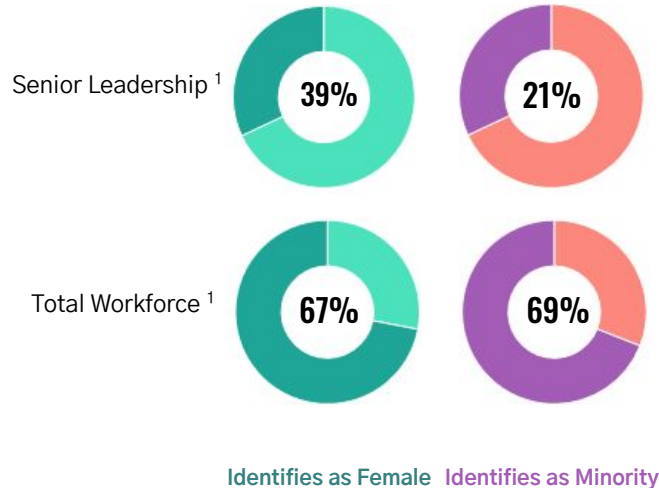


Streamlined packaging to include sustainable, reusable, and recyclable materials.

ESG Spotlight: Social – We Do the Right Thing for Our Employees and Communities

Leadership and Workforce

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



Employee Satisfaction

- 95% of employees say they trust the decisions of senior leadership ²
- 92% of employees say their opinion seems to count at thredUP ²

Information Security & Privacy

- SOC 2 Type 2 report and security controls evaluated on an annual basis with external auditor
- Privacy policy enables access, deletion and do not sell requests
- Automated privacy tools allow consumers to manage cookie tracking preferences

¹ Company information as of March 31, 2022.

² 2021 thredUP Impact Report, released October 4, 2022

ESG Spotlight: Governance – We Foster Effective Leadership and Resilience

Corporate Social Responsibility Committee

Stewardship and participation from senior leaders across thredUP, reporting to the Board

Diversity and Representative Board Governance

Five female directors (50% of our board), including Board chairperson¹

Board Independence

All directors, other than CEO, independent according to Nasdaq listing standards

Upholding an Ethical Culture

Whistleblower program for compliance, ethics and fraud, reporting to the Audit Committee



¹ Company information as of December 31, 2022

There is Much Still to Do

Increase Selection of High-Quality Items



Increase Lifetime Value of Existing Buyers



Increase Brand Awareness



Attract New Buyers



2. Expand Marketplace

New Categories



Expand Internationally



Expand RaaS Clients and Offerings



3. Expand Platform

1. Widen Competitive Moat through Continuous Operations Innovation & Scale

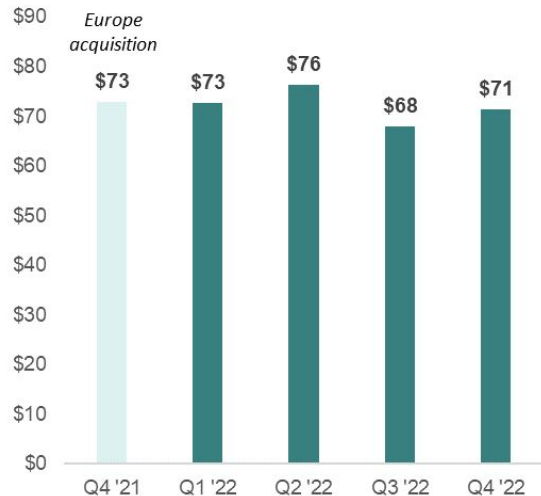
FINANCIAL HIGHLIGHTS

Quarterly Financial Snapshot

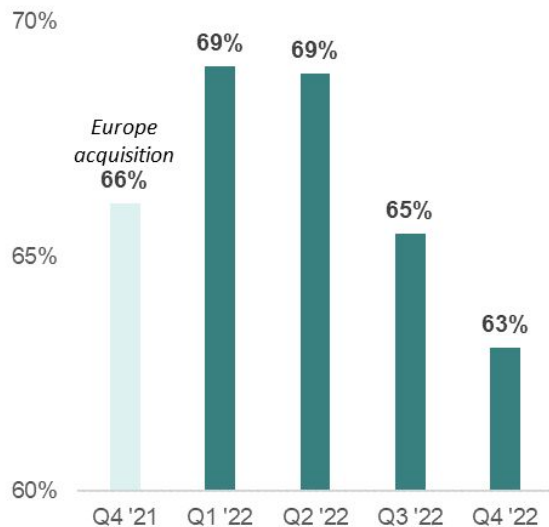
\$ in millions

Revenue

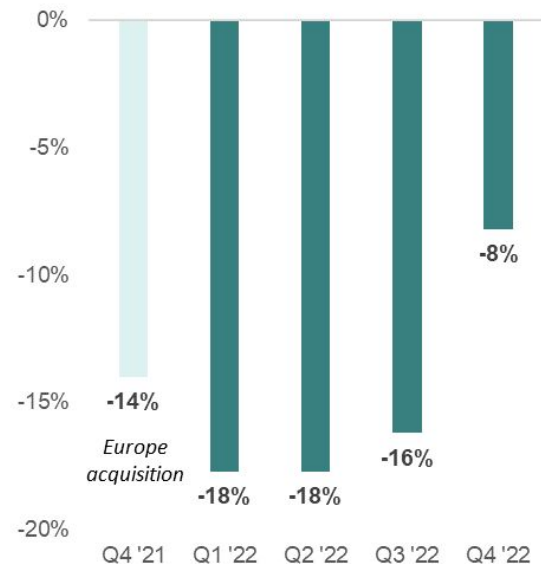
YoY: +68% +31% +27% +7% -2%



Gross Margin



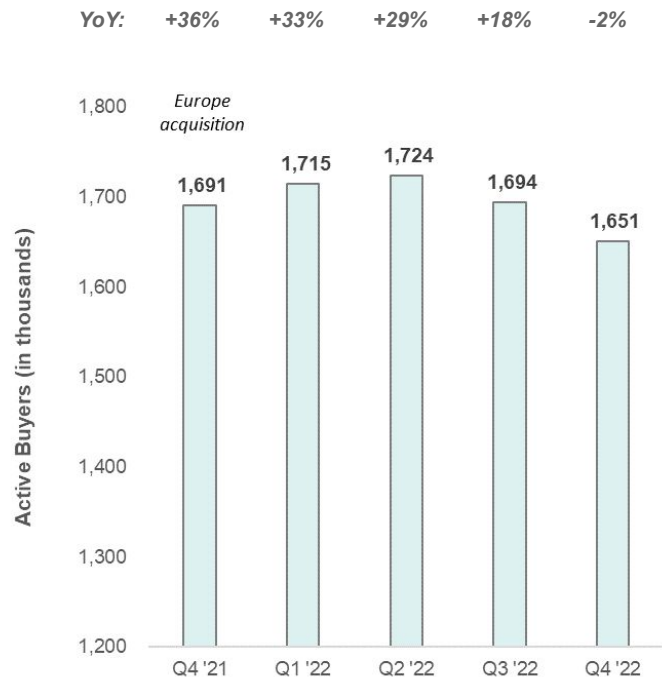
Adj. EBITDA¹ Margin



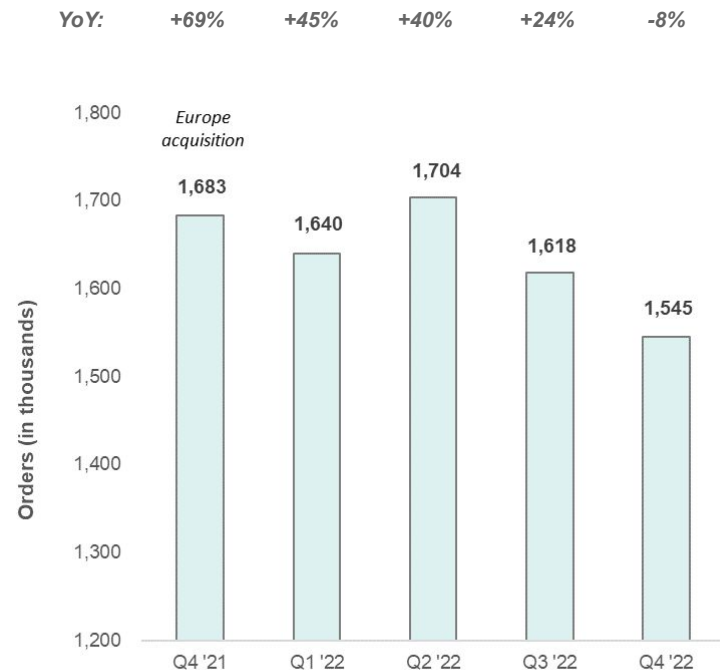
¹ Refer to Appendix for Adjusted EBITDA reconciliation

Quarterly Buyer and Order Growth

Active Buyers and Growth



Total Orders and Growth



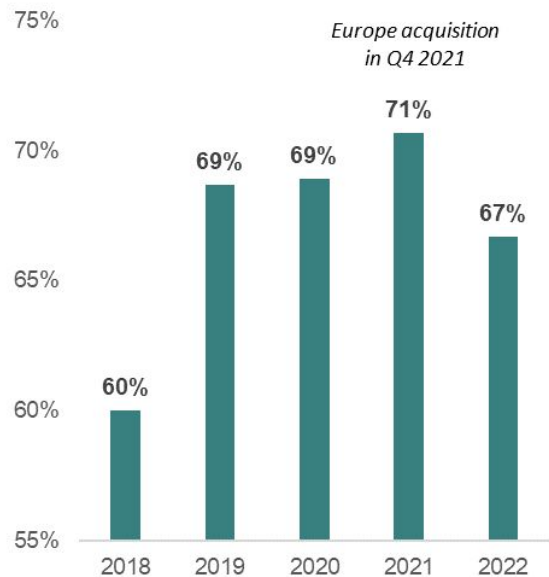
Annual Financial Snapshot

\$ in millions

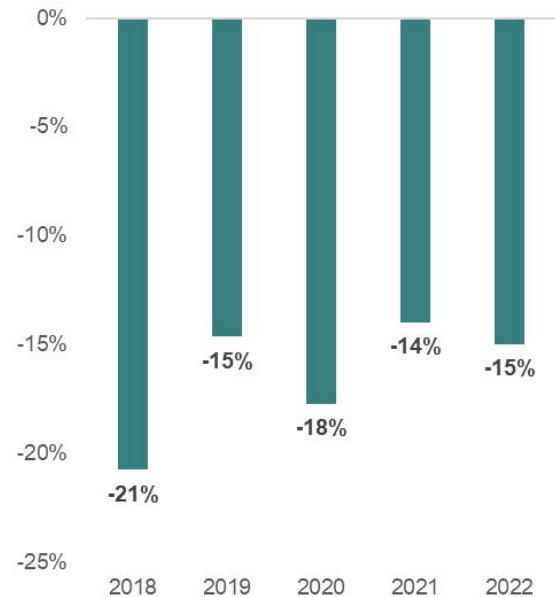
Revenue



Gross Margin



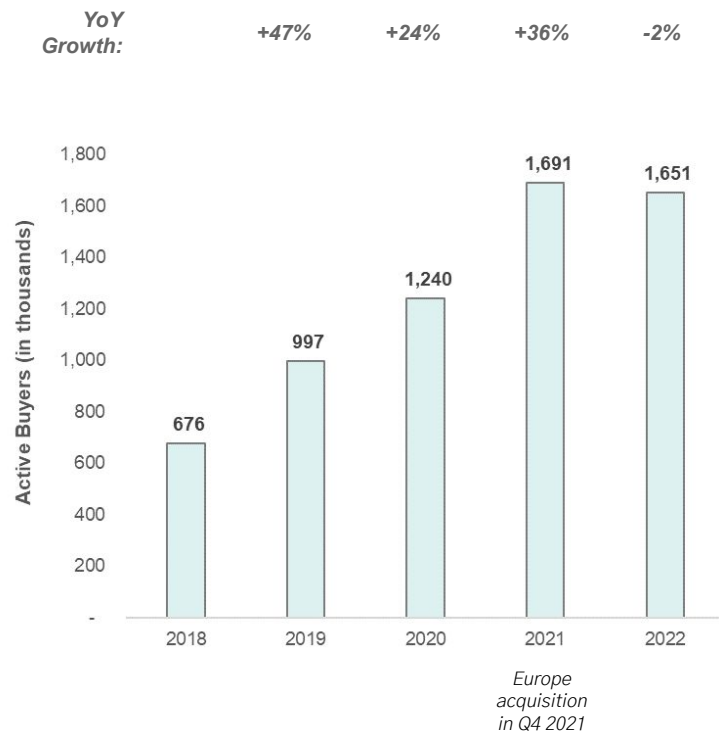
Adj. EBITDA¹ Margin



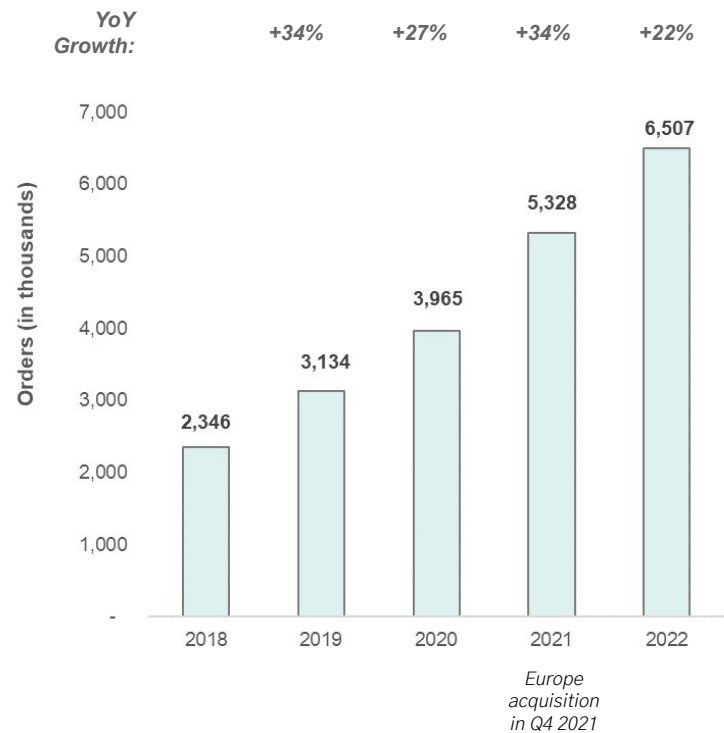
¹ Refer to Appendix for Adjusted EBITDA reconciliation

Annual Buyer and Order Growth

Active Buyers and Growth



Total Orders and Growth



Long-Term Target Model

As % of Revenue	FY 2019	FY 2020	FY 2021	FY 2022	Long-Term Target Model
Gross Profit	69%	69%	71%	67%	75-78%
Non-GAAP Operations, Product and Technology Expense	48%	53%	49%	50%	30-35%
Non-GAAP Marketing Expense	27%	24%	25%	21%	15-18%
Non-GAAP SG&A	12%	14%	16%	17%	7-9%
Non-GAAP Adjusted EBITDA	-15%	-18%	-14%	-15%	20-25%

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

APPENDIX

Our Business Model

\$ in millions

Key Definitions

Shift to a primarily consignment model in 2019

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

Results

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2020	FY 2021	FY 2022
Total Revenue	\$72.7	\$76.4	\$67.9	\$71.3	\$186.0	\$251.8	\$288.4
% YoY Growth	30.6%	27.5%	7.4%	-2.1%	13.6%	35.4%	14.5%
Consignment Revenue	\$47.4	\$48.5	\$41.6	\$37.5	\$138.1	\$186.1	\$175.0
% YoY Growth	6.1%	-0.1%	-13.6%	-16.3%	41.3%	34.8%	-6.0%
% Total	65.3%	63.5%	61.2%	52.5%	74.2%	73.9%	60.7%
Product Revenue	\$25.3	\$27.9	\$26.4	\$33.8	\$47.9	\$65.7	\$113.4
% YoY Growth	129.8%	145.4%	73.6%	20.4%	-27.4%	37.1%	72.6%
% Total	34.7%	36.5%	38.8%	47.5%	25.8%	26.1%	39.3%
Total Gross Profit	\$50.2	\$52.6	\$44.5	\$45.0	\$128.1	\$178.1	\$192.3
% YoY Growth	26.4%	19.3%	-3.5%	-6.7%	13.9%	39.0%	8.0%
% Margin	69.1%	68.9%	65.5%	63.1%	68.9%	70.7%	66.7%
Consignment Gross Profit	\$37.4	\$38.3	\$32.5	\$29.8	\$103.9	\$144.3	\$138.0
% YoY Growth	10.4%	1.1%	-14.7%	-13.6%	38.6%	38.8%	-4.4%
% Margin	78.8%	78.9%	78.1%	78.6%	75.2%	77.5%	78.8%
% Total	74.4%	72.8%	73.0%	66.1%	81.1%	81.0%	71.7%
Product Gross Profit	\$12.8	\$14.3	\$12.0	\$15.2	\$24.2	\$33.9	\$54.4
% YoY Growth	119.1%	130.3%	48.5%	10.7%	-35.4%	39.8%	60.5%
% Margin	50.8%	51.4%	45.6%	43.5%	50.6%	51.6%	47.9%
% Total	25.6%	27.2%	27.0%	33.9%	18.9%	19.0%	28.3%

Our Business Model (cont.)

\$ in millions

Key Definitions

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

Results

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2020	FY 2021	FY 2022
Total Operating Expenses	\$70.8	\$81.0	\$68.7	\$61.4	\$174.7	\$240.5	\$281.8
% YoY Growth	30.2%	39.6%	11.5%	-7.8%	17.0%	37.6%	17.2%
% of Revenue	97.4%	106.0%	101.1%	86.0%	93.9%	95.5%	97.7%
Operations, product and technology	\$39.2	\$44.0	\$38.7	\$33.8	\$101.4	\$128.1	\$155.6
% YoY Growth	38.3%	41.5%	20.6%	-7.7%	23.6%	26.3%	21.5%
% of Revenue	53.9%	57.5%	57.0%	47.4%	54.5%	50.9%	54.0%
Marketing	\$17.0	\$19.6	\$14.8	\$13.0	\$44.8	\$63.6	\$64.4
% YoY Growth	9.9%	23.1%	-12.9%	-14.9%	-0.5%	42.1%	1.2%
% of Revenue	23.4%	25.7%	21.7%	18.2%	24.1%	25.3%	22.3%
Sales, general and administrative	\$14.7	\$17.4	\$15.2	\$14.5	\$28.6	\$48.8	\$61.8
% YoY Growth	37.8%	58.0%	21.2%	-0.5%	28.4%	70.9%	26.6%
% of Revenue	20.2%	22.7%	22.4%	20.4%	15.4%	19.4%	21.4%
Non-GAAP Adj. EBITDA	-\$13.0	-\$13.5	-\$11.0	-\$5.8	-\$33.4	-\$36.5	-\$43.4
% Margin	-17.8%	-17.7%	-16.2%	-8.2%	-18.0%	-14.5%	-15.0%

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

Adjusted EBITDA Reconciliation

\$ in millions

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2020	FY 2021	FY 2022
GAAP Net loss, as reported	-\$20.7	-\$28.4	-\$23.7	-\$19.5	-\$47.9	-\$63.2	-\$92.3
Add:							
Depreciation and amortization	3.3	3.4	3.5	3.8	5.6	9.2	14.0
Stock-based compensation expense	3.5	10.1	7.2	6.1	7.3	13.0	26.8
Interest expense	0.4	0.2	0.1	-	1.3	2.3	0.8
Acquisition and offering related expenses	0.2	0.1	-	-	-	1.3	0.3
Restructuring charges	0.3	1.1	1.8	-	-	-	3.2
Change in fair value of convertible preferred stock warrant liability	-	-	-	-	0.2	0.9	-
Provision for income taxes	-	-	-	-	0.1	0.1	-
Impairment of non-marketable equity investment	-	-	-	3.8	-	-	3.8
Non-GAAP Adjusted EBITDA	-\$13.0	-\$13.5	-\$11.0	-\$5.8	-\$33.4	-\$36.5	-\$43.4
Adjusted EBITDA Margin	-17.8%	-17.7%	-16.2%	-8.2%	-18.0%	-14.5%	-15.0%

SBC Expense Reconciliation

\$ in millions

	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2020	FY 2021	FY 2022
GAAP Operations, Product and Technology Expense	\$39.2	\$44.0	\$38.7	\$33.8	\$101.4	\$128.1	\$155.6
Less SBC, Operations, Product and Technology Expense	\$1.4	\$4.0	\$2.5	\$2.2	\$3.7	\$4.2	\$10.0
Non-GAAP Operations, Product and Technology Expense	\$37.8	\$40.0	\$36.2	\$31.6	\$97.7	\$123.9	\$145.6
Non-GAAP Operations, Product and Technology Expense as a % of Revenue	52.0%	52.3%	53.3%	44.3%	52.5%	49.2%	50.5%
GAAP Marketing Expense	\$17.0	\$19.6	\$14.8	\$13.0	\$44.8	\$63.6	\$64.4
Less SBC Marketing Expense	\$0.3	\$1.2	\$0.8	\$0.8	\$1.1	\$1.4	\$3.1
Non-GAAP Marketing Expense	\$16.6	\$18.4	\$13.9	\$12.2	\$43.7	\$62.2	\$61.2
Non-GAAP Marketing Expense as a % of Revenue	22.9%	24.1%	20.5%	17.2%	23.5%	24.7%	21.2%
GAAP SG&A Expense	\$14.7	\$17.4	\$15.2	\$14.5	\$28.6	\$48.8	\$61.8
Less SBC SG&A Expense	\$1.8	\$4.9	\$3.9	\$3.1	\$2.5	\$7.3	\$13.6
Non-GAAP SG&A Expense	\$12.9	\$12.5	\$11.4	\$11.4	\$26.0	\$41.5	\$48.2
Non-GAAP SG&A Expense as a % of Revenue	17.7%	16.4%	16.7%	16.0%	14.0%	16.5%	16.7%

Key Definitions

Active Buyers

- An Active Buyer is a thredUP buyer who has made at least one purchase in the last 12 months.
- A thredUP buyer is a customer who has created an account or purchased in our marketplaces, including through our RaaS clients.
- 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

- Orders means the total number of orders placed across our marketplaces, including through our RaaS clients, in a given period, net of cancellations.

Estimated Retail Price

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