

An aerial photograph of a two-lane asphalt road winding through a dense, lush green forest. A small red car is driving on the road, positioned in the lower right quadrant of the image. The text 'vrooom' is overlaid in large, white, italicized lowercase letters on the left side of the image.

# *vrooom*

**UACC Transaction Overview**

**October 2021**

# disclaimer

## Industry and Market Data

This presentation includes estimates regarding market and industry data. Unless otherwise indicated, information concerning the industry and the markets in which the Company operates, including its general expectations, market position, market opportunity and market size, are based on management's knowledge and experience in the markets in which we operate, together with currently available information obtained from various sources, including publicly available information, industry reports and publications, surveys, our customers, trade and business organizations and other contacts in the markets in which the Company operates. Certain information is based on management estimates, which have been derived from third-party sources, as well as data from internal research, and are based on certain assumptions that management believes to be reasonable. While such information is believed to be reliable, for the purposes used herein, we make no representation or warranty with respect to the accuracy of such information.

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This presentation contains forward-looking statements about the Company. All statements other than statements of current or historical facts contained in this presentation or made orally during this presentation are forward-looking statements and are based on information available to, and assumptions and estimates made by, management as of the date hereof.

Statements regarding our future results of operations and financial position, business strategy and plans and objectives of management for future operations, including, among others, statements regarding the merger, future revenues, expenses, earnings, capital expenditures, deposits or stock price and factors and trends affecting our business, as well as the assumptions upon which expectations are based, are forward-looking statements. In some cases, you can identify forward-looking statements by terms such as "anticipate," "believe," "contemplate," "continue," "could," "design," "estimate," "expect," "intend," "may," "plan," "potentially," "predict," "project," "should," "target," "will," "would," or the negative of these terms or other similar terms or expressions, although not all forward-looking statements contain these identifying words. The forward-looking statements in this presentation are only predictions. We have based these forward-looking statements

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Risks and uncertainties that forward-looking statements involve include, among others, (1) the risk that any cost savings, revenue synergies and other anticipated benefits of the proposed acquisition may not be realized or may take longer than anticipated to be realized, (2) disruption to the parties' businesses as a result of the announcement and pendency of the proposed acquisition and diversion of management's attention from ongoing business operations and opportunities, (3) the occurrence of any event that could give rise to the right of one or both of the parties to terminate the merger agreement, (4) the failure to obtain required governmental approvals or a delay in obtaining such approvals (and the risk that such approvals may result in the imposition of conditions that could adversely affect the Company or the expected benefits of the proposed acquisition), (5) the failure of any of the closing conditions in the merger agreement to be satisfied on a timely basis or at all, (6) delays in closing the proposed acquisition, (7) the possibility that the proposed acquisition may be more costly or difficult to complete than anticipated, (8) other factors that may affect future results of the Company and (9) the impact of the ongoing global COVID-19 pandemic on the Company's business or ability to complete the proposed acquisition.

For discussion of these and other risks and uncertainties that may cause actual results to differ from expectations, refer to the Company's Annual Report on Form 10-K for the year ended December 31, 2020, on file with the Securities and Exchange Commission (the "SEC"), including the section entitled "Risk Factors", and all subsequent filings with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934. In addition, factors other than those risks also could adversely affect the Company's results, and you should not consider these risks to be a complete set of all potential risks or uncertainties.

# today's presenters



**paul hennessy**  
Chief Executive Officer



**bob krakowiak**  
Chief Financial Officer

# ***uacc is a proven leader in auto financing***

## ***united auto credit corporation overview***

- Leading non-prime auto finance company with a nationwide network of independent auto dealers (7,300+) founded in 1996
- Extensive application processing, underwriting, securitization, and servicing capabilities
- Disciplined credit culture with robust profitability, return on equity (ROE), and stable risk-adjusted yields
- Pre-tax earnings of \$38 million, originations of ~\$350 million, and after-tax ROE of 30%+ for the 12-month period ended June 2021
- Seasoned management team to join Vroom post-closing

## ***leading capabilities***



***underwriting & servicing  
auto finance platform***

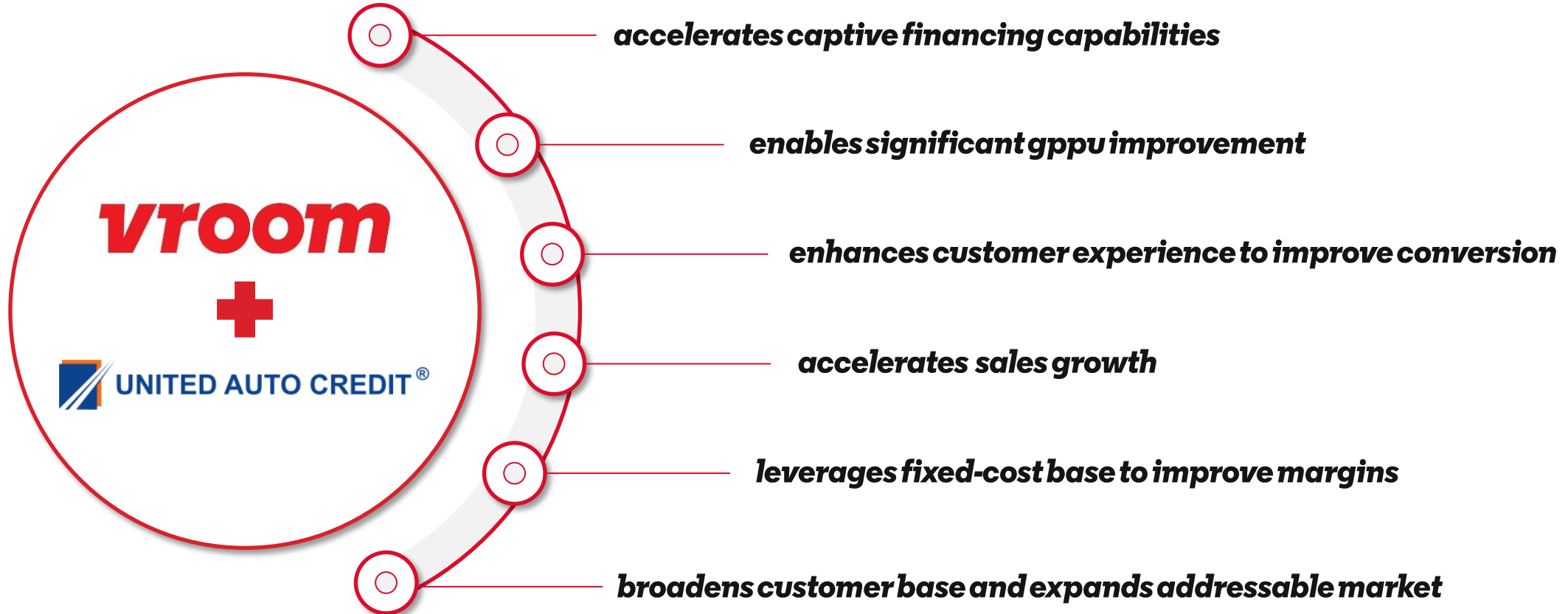
***disciplined credit culture  
and long-term track record***

***successful capital markets  
securitization experience***

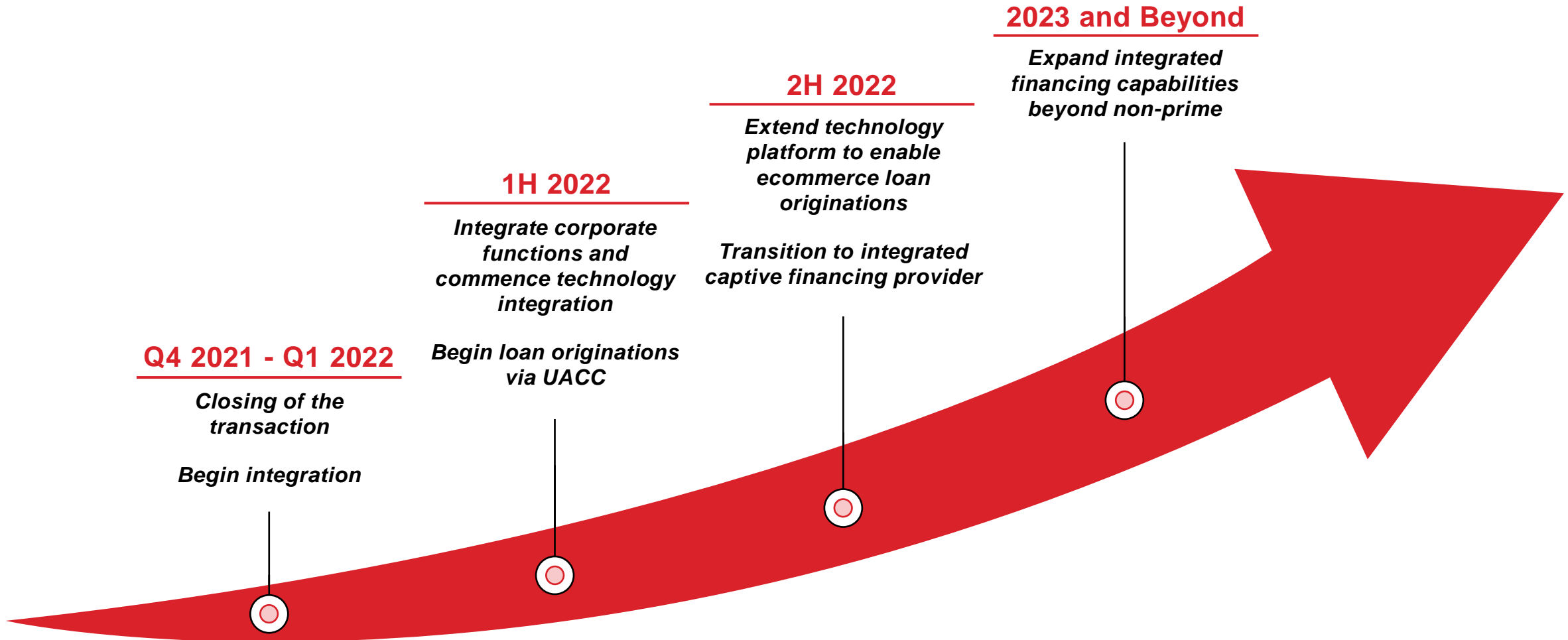
***strong profitability and  
management expertise***

# strategic rationale

*uacc unlocks the benefits of our asset-light captive finance strategy*



# anticipated integration milestones



# asset-light funding strategy

**vroom will transition uacc to an originate-to-securitize/sell model**

**0-12 months**

**12+ months**

**Balance Sheet Treatment**

Whole loans originated pre-closing to be either sold via a portfolio sale or removed from the balance sheet utilizing a gain on sale securitization transaction to remain in-line with our asset light model

Existing securitizations – to remain outstanding until callable

Loans originated post-closing – to be funded via existing warehouse lines and sold via forward flow arrangements and off-balance sheet securitizations

**Balance Sheet Treatment**

All future loans to be funded via existing warehouse lines and sold to third-party investors via forward flow arrangements and off-balance sheet securitizations

*Note: A portion of UACC's existing loans are expected to be retained on the balance sheet immediately post-close; additionally, per SEC risk retention requirements, a minimal economic interest of all securitizations is required to be retained on-balance sheet over the duration of the security.*

# ***uplift to financial model***

## ***unit sales***

- Increases ecommerce unit sales

## ***average selling price***

- Reduces ASP through initial acceleration of non-prime sales

## ***revenue***

- Accelerates total revenue growth

## ***gross profit***

- Enhances aggregate gross profit and GPPU

## ***profitability***

- Leverages fixed cost base



# transaction summary

## structure

- Acquisition whereby United Auto Credit Corp. (UACC), and related entities, will become wholly owned by Vroom

## consideration\*

- \$300mm cash consideration

## expected closing

- Expected to close late fourth quarter of 2021 or first quarter of 2022, subject to regulatory approvals and customary closing conditions

## management retention

- Jim Vagim (CEO), Ravi Gandhi (CFO) and their team will oversee auto finance operations

*\*Subject to customary post-closing adjustment*

# **vroom investment highlights**

## **market**

Massive and ripe for disruption, supports multiple winners

## **value proposition**

Frictionless ecommerce, data obsessed, national scale

## **business model**

Scalable, asset-light, and flexible

## **leadership**

Experienced and culture builders

## **competitive differentiation**

Difficult to replicate at scale

## **path forward**

Significant runway for growth and a clear path to profitability

## **acquisition of uacc**

Enhanced customer experience, accelerated revenue growth and profitability, expanded market opportunity

***thank you!***

