

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**  
WASHINGTON, D.C. 20549  

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**FORM 10-Q**  

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**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the quarterly period ended June 30, 2024

or

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the transition period from \_\_\_\_\_ to \_\_\_\_\_  
Commission file number: 001-39315

**VROOM, INC.**

(Exact Name of Registrant as Specified in Its Charter)

Delaware  
(State or Other Jurisdiction of  
Incorporation or Organization)

90112566  
(I.R.S. Employer  
Identification No.)

3600 W Sam Houston Pkwy S, Floor 4  
Houston, Texas 77042  
(Address of principal executive offices) (Zip code)  
(518) 535-9125  
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.001 par value	VRM	Nasdaq Global Select

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES  NO

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). YES  NO

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). YES  NO

As of August 5, 2024, 1,820,462 shares of the registrants' common stock were outstanding.

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## SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended, (the "Exchange Act"), about us and our industry that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this Quarterly Report on Form 10-Q, including statements regarding general economic and market conditions, our future results of operations and financial condition, business strategy, and plans and objectives of management for future operations, including the impact of the Value Maximization Plan and Ecommerce Wind-Down, the ongoing activities of and potential growth of our UACC and CarStory businesses, the amendment and renewal of the Warehouse Credit Facilities (as defined herein), the retention of key employees, and the impact, if any, of identified errors in our financial statements, and the impact, if any, of identified errors in our financial statements, are forward-looking statements. In some cases, forward-looking statements may be identified by words 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 Quarterly Report on Form 10-Q are only predictions. Forward-looking statements are based on our management's beliefs and assumptions and on information currently available. These forward-looking statements are subject to a number of known and unknown risks, uncertainties, assumptions, and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including:

- there are risks associated with the discontinuance of our ecommerce operations and wind-down of our used vehicle dealership business;
- our Value Maximization Plan may not be successful, and may not lead to growth and enhanced profitability for our UACC or CarStory businesses;
- we may not generate sufficient liquidity to operate our business;
- our recent reverse stock split may not result in a sustained market price per share of our common stock at or in excess of the \$1.00 minimum bid price as required by The Nasdaq Stock Market LLC ("Nasdaq"), or have any of its other anticipated impacts;
- we may be unable to satisfy other Nasdaq continued listing rules, including the requirement that we maintain at least \$10 million in stockholders' equity;
- our level of indebtedness could have a material adverse effect on our ability to generate sufficient cash to fulfill our obligations under such indebtedness, to react to changes in our business and to incur additional indebtedness to fund future needs;
- our indebtedness and liabilities could limit the cash flow available for our operations, expose us to risks that could materially adversely affect our business, financial condition and results of operations and impair our ability to satisfy our debt obligations;
- our business may be adversely affected by general business and economic conditions and risks related to the larger automotive ecosystem, including consumer demand;
- we have a history of losses and we may not achieve or maintain profitability in the future;
- we depend on key personnel to operate our business, and if we are unable to retain, integrate, adequately compensate, and attract qualified personnel, our ability to develop and successfully grow our business could be harmed;
- the geographic concentration of UACC's borrowers or dealerships creates an exposure to local and regional downturns or severe weather or catastrophic occurrences that may materially and adversely affect our business, financial condition and results of operations;
- UACC may be unable to sell automotive finance receivables and generate gains on sales of those finance receivables, which could harm our business, results of operations, and financial condition;
- UACC's securitizations may expose it to financing and other risks, and there can be no assurance that it will be able to access the securitization market in the future, which may require it to seek more costly financing;

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- UACC is currently experiencing increasing credit losses in interests it holds in automotive finance receivables and its credit scoring systems may not effectively forecast its automotive receivables loss rates. Higher than anticipated credit losses or prepayments or the inability to effectively forecast loss rates may negatively impact our operating results;
- if UACC loses servicing rights on its automobile contracts, our results of operations would be negatively impacted;
- if we or our third-party providers sustain cyber-attacks or other privacy or data security incidents that result in security breaches, we could suffer a loss of sales and increased costs, exposure to significant liability, reputational harm and other negative consequences;
- we operate in a highly regulated industry and are subject to a wide range of federal, state and local laws and regulations and failure to comply with these laws and regulations could have a material adverse effect on our business, financial condition and results of operations;
- we are, and may in the future be, subject to legal proceedings in the ordinary course of our business. If the outcomes of these proceedings are adverse to us, it could have a material adverse effect on our business, financial condition and results of operations;
- our actual operating results may differ significantly from our guidance; and
- the risks described in the section titled "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023 and elsewhere in this Quarterly Report on Form 10-Q.

Other sections of this Quarterly Report on Form 10-Q include additional factors that could harm our business and financial performance. Moreover, we operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time, and it is not possible for our management to predict all risk factors nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ from those contained in, or implied by, any forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. We cannot assure you that the events and circumstances reflected in the forward-looking statements will be achieved or occur. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. These forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q. Except as required by law, we undertake no obligation to update publicly any forward-looking statements for any reason after the date of this report or to conform these statements to actual results or to changes in our expectations. You should read this Quarterly Report on Form 10-Q and the documents that we reference or incorporate by reference in this Quarterly Report on Form 10-Q and have filed as exhibits to this report with the understanding that our actual future results, levels of activity, performance, and achievements may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements.

**PART I – FINANCIAL INFORMATION**

**Item 1. Financial Statements**

**VROOM, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in thousands, except share and per share amounts)  
(unaudited)

	As of June 30, 2024	As of December 31, 2023
<b>ASSETS</b>		
Cash and cash equivalents	\$ 63,393	\$ 135,585
Restricted cash (including restricted cash of consolidated VIEs of \$47.3 million and \$49.1 million, respectively)	48,205	73,234
Finance receivables at fair value (including finance receivables of consolidated VIEs of \$429.3 million and \$341.4 million, respectively)	466,905	348,670
Finance receivables held for sale, net (including finance receivables of consolidated VIEs of \$399.3 million and \$457.2 million, respectively)	413,670	503,546
Interest receivable (including interest receivables of consolidated VIEs of \$13.9 million and \$13.7 million, respectively)	14,973	14,484
Property and equipment, net	2,219	4,982
Intangible assets, net	118,381	131,892
Operating lease right-of-use assets	8,918	7,063
Other assets (including other assets of consolidated VIEs of \$9.6 million and \$13.3 million, respectively)	33,908	59,429
Assets from discontinued operations	10,137	196,537
<b>Total assets</b>	<b>\$ 1,180,709</b>	<b>\$ 1,475,422</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Warehouse credit facilities of consolidated VIEs	\$ 270,784	\$ 421,268
Long-term debt (including securitization debt of consolidated VIEs of \$272.4 million at amortized cost and \$199.8 million at fair value as of June 30, 2024 and \$314.1 million at fair value as of December 31, 2023)	794,734	626,583
Operating lease liabilities	11,587	10,459
Other liabilities (including other liabilities of consolidated VIEs of \$16.0 million and \$14.3 million, respectively)	51,581	61,321
Liabilities from discontinued operations	8,881	228,120
<b>Total liabilities</b>	<b>1,137,567</b>	<b>1,347,751</b>
Commitments and contingencies (Note 11)		
Stockholders' equity:		
Common stock, \$0.001 par value; 500,000,000 shares authorized as of June 30, 2024 and December 31, 2023; 1,806,777 and 1,791,286 shares issued and outstanding as of June 30, 2024 and December 31, 2023, respectively	2	2
Additional paid-in-capital	2,092,657	2,088,381
Accumulated deficit	(2,049,517)	(1,960,712)
<b>Total stockholders' equity</b>	<b>43,142</b>	<b>127,671</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 1,180,709</b>	<b>\$ 1,475,422</b>

*See accompanying notes to these unaudited condensed consolidated financial statements.*

**VROOM, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(in thousands, except share and per share amounts)  
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Interest income	\$ 51,862	\$ 46,995	\$ 102,939	\$ 81,363
Interest expense:				
Warehouse credit facility	6,986	3,658	16,457	6,757
Securitization debt	7,995	5,981	12,864	10,326
Total interest expense	14,981	9,639	29,321	17,083
Net interest income	36,881	37,356	73,618	64,280
Realized and unrealized losses, net of recoveries	18,729	23,187	49,548	38,915
Net interest income after losses and recoveries	18,152	14,169	24,070	25,365
Noninterest income:				
Servicing income	1,587	2,551	3,606	5,405
Warranties and GAP income (loss), net	1,378	751	(8,264)	3,586
CarStory revenue	2,913	3,224	5,892	6,394
Gain on debt extinguishment	—	10,931	—	19,640
Other income	3,141	3,071	5,925	6,103
Total noninterest income	9,019	20,528	7,159	41,128
Expenses:				
Compensation and benefits	27,176	21,341	51,286	44,562
Professional fees	1,488	2,444	4,831	7,417
Software and IT costs	4,036	4,804	8,658	10,050
Depreciation and amortization	7,232	7,190	14,858	14,422
Interest expense on corporate debt	1,549	1,527	2,940	2,867
Impairment charges	—	—	2,752	—
Other expenses	4,961	4,571	9,416	9,773
Total expenses	46,442	41,877	94,741	89,091
Loss from continuing operations before provision for income taxes	(19,271)	(7,180)	(63,512)	(22,598)
(Benefit) provision for income taxes from continuing operations	(167)	286	269	337
Net loss from continuing operations	\$ (19,104)	\$ (7,466)	\$ (63,781)	\$ (22,935)
Net loss from discontinued operations	\$ (2,084)	\$ (58,573)	\$ (25,025)	\$ (117,844)
Net loss	\$ (21,188)	\$ (66,039)	\$ (88,806)	\$ (140,779)
Net loss per share attributable to common stockholders, continuing operations, basic and diluted	\$ (10.61)	\$ (4.29)	\$ (35.49)	\$ (13.22)
Net loss per share attributable to common stockholders, discontinued operations, basic and diluted	\$ (1.16)	\$ (33.68)	\$ (13.92)	\$ (67.90)
Total net loss per share attributable to common stockholders, basic and diluted	\$ (11.77)	\$ (37.97)	\$ (49.41)	\$ (81.12)
Weighted-average number of shares outstanding used to compute net loss per share attributable to common stockholders, basic and diluted	1,800,486	1,739,336	1,797,394	1,735,486

*See accompanying notes to these unaudited condensed consolidated financial statements.*

**VROOM, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
(in thousands, except share amounts)  
(unaudited)

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount			
Balance at December 31, 2022	1,727,525	\$ 2	\$ 2,075,931	\$ (1,596,100)	\$ 479,833
Stock-based compensation	—	\$ —	\$ 2,041	\$ —	\$ 2,041
Vesting of restricted stock units	7,501	—	—	—	—
Net loss	—	—	—	(74,741)	(74,741)
Balance at March 31, 2023	1,735,026	\$ 2	\$ 2,077,972	\$ (1,670,841)	\$ 407,133
Stock-based compensation	—	\$ —	\$ 2,316	\$ —	\$ 2,316
Vesting of restricted stock units	10,591	—	—	—	—
Net loss	—	—	—	(66,039)	(66,039)
Balance at June 30, 2023	1,745,617	\$ 2	\$ 2,080,288	\$ (1,736,880)	\$ 343,410

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount			
Balance at December 31, 2023	1,791,286	\$ 2	\$ 2,088,381	\$ (1,960,712)	\$ 127,671
Stock-based compensation	—	\$ —	\$ 1,433	\$ —	\$ 1,433
Vesting of restricted stock units	4,340	—	—	—	—
Net loss	—	—	—	(67,617)	(67,617)
Balance at March 31, 2024	1,795,626	\$ 2	\$ 2,089,814	\$ (2,028,329)	\$ 61,487
Stock-based compensation	—	\$ —	\$ 2,843	\$ —	\$ 2,843
Vesting of restricted stock units	11,151	—	—	—	—
Net loss	—	—	—	(21,188)	(21,188)
Balance at June 30, 2024	1,806,777	\$ 2	\$ 2,092,657	\$ (2,049,517)	\$ 43,142

*See accompanying notes to these unaudited condensed consolidated financial statements.*

**VROOM, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)  
(unaudited)

	Six Months Ended June 30,	
	2024	2023
<b>Operating activities</b>		
Net loss from continuing operations	\$ (63,781)	\$ (22,935)
Adjustments to reconcile net loss to net cash used in operating activities:		
Impairment charges	2,752	—
Profit share receivable	11,405	—
Gain on debt extinguishment	—	(19,640)
Depreciation and amortization	14,858	14,422
Amortization of debt issuance costs	2,021	1,623
Losses on finance receivables and securitization debt, net	69,430	42,532
Stock-based compensation expense	3,937	3,348
Provision to record finance receivables held for sale at lower of cost or fair value	(4,434)	1,651
Amortization of unearned discounts on finance receivables at fair value	(9,772)	(13,414)
Other, net	(2,845)	(6,755)
Changes in operating assets and liabilities:		
<i>Finance receivables, held for sale</i>		
Originations of finance receivables, held for sale	(231,639)	(274,707)
Principal payments received on finance receivables, held for sale	85,905	42,862
Other	790	505
Interest receivable	(489)	(5,028)
Other assets	5,605	7,161
Other liabilities	(9,740)	(11,488)
Net cash used in operating activities from continuing operations	(125,997)	(239,863)
Net cash provided by operating activities from discontinued operations	82,820	7,738
Net cash used in operating activities	(43,177)	(232,125)
<b>Investing activities</b>		
<i>Finance receivables, held for investment at fair value</i>		
Purchases of finance receivables, held for investment at fair value	—	(3,392)
Principal payments received on finance receivables, held for investment at fair value	65,523	91,892
Consolidation of VIEs	—	11,409
Principal payments received on beneficial interests	1,421	3,306
Purchase of property and equipment	(926)	(1,249)
Net cash provided by investing activities from continuing operations	66,018	101,966
Net cash provided by (used in) investing activities from discontinued operations	10,834	(7,272)
Net cash provided by investing activities	76,852	94,694
<b>Financing activities</b>		
Proceeds from borrowings under secured financing agreements, net of issuance costs	296,569	261,991
Principal repayment under secured financing agreements	(135,017)	(103,980)
Proceeds from financing of beneficial interests in securitizations	15,821	24,506
Principal repayments of financing of beneficial interests in securitizations	(6,281)	(2,304)
Proceeds from warehouse credit facilities	193,400	211,400
Repayments of warehouse credit facilities	(343,884)	(263,216)
Repurchases of convertible senior notes	—	(13,194)
Other financing activities	(326)	(1,043)
Net cash provided by financing activities from continuing operations	20,282	114,160
Net cash used in financing activities from discontinued operations	(151,178)	(144,508)
Net cash used in financing activities	(130,896)	(30,348)
<b>Net decrease in cash, cash equivalents and restricted cash</b>	(97,221)	(167,779)
Cash, cash equivalents and restricted cash at the beginning of period	208,819	472,010
<b>Cash, cash equivalents and restricted cash at the end of period</b>	<b>\$ 111,598</b>	<b>\$ 304,231</b>

(Continued on following page)



**VROOM, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)**  
**(in thousands)**  
**(unaudited)**

**Supplemental disclosure of cash flow information:**

Cash paid for interest	\$ 29,321	\$ 16,301
Cash paid for income taxes	\$ 373	\$ 3,682

**Supplemental disclosure of non-cash investing and financing activities:**

Finance receivables from consolidation of 2022-2 securitization transaction	\$ —	\$ 180,706
Elimination of beneficial interest from the consolidation of 2022-2 securitization transaction	\$ —	\$ 9,811
Securitization debt from consolidation of 2022-2 securitization transaction	\$ —	\$ 186,386
Reclassification of finance receivables held for sale to finance receivables at fair value, net	\$ —	\$ 248,081

*See accompanying notes to these unaudited condensed consolidated financial statements.*

**VROOM, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
(unaudited)

**1. Description of Business and Basis of Presentation**

***Description of Business and Organization***

Vroom, Inc., through its wholly owned subsidiaries (collectively, the "Company"), is a leading automotive finance company that offers vehicle financing to consumers through third-party dealers and an artificial intelligence ("AI")-powered analytics and digital services platform for automotive retail.

In January 2021, the Company completed the acquisition of Vast Holdings, Inc. (d/b/a CarStory). On February 1, 2022 (the "Acquisition Date"), the Company completed the acquisition of Uitas Holdings Corp. (now known as Vroom Finance Corporation), including its wholly owned subsidiaries United PanAm Financial Corp. (now known as Vroom Automotive Financial Corporation) and United Auto Credit Corporation ("UACC").

The Company was incorporated in Delaware on January 31, 2012 under the name BCM Partners III, Corp. On June 25, 2013, the Company changed its name to Auto America, Inc. and on July 9, 2015, the Company changed its name to Vroom, Inc.

***Value Maximization Plan***

The Company was previously an end-to-end ecommerce platform to buy and sell used vehicles. On January 22, 2024, the Company announced that its Board of Directors ("Board") had approved a Value Maximization Plan, pursuant to which the Company discontinued its ecommerce operations and wound down its used vehicle dealership business in order to preserve liquidity and enable the Company to maximize stakeholder value through its remaining businesses. The Company ceased transacting through vroom.com, completed transactions for customers who had previously contracted with the Company to purchase or sell a vehicle, halted purchases of additional vehicles, sold substantially all of its used vehicle inventory through wholesale channels, paid off its vehicle floorplan financing facility dated November 4, 2022 with Ally Bank and Ally Financial Inc. (the "2022 Vehicle Floorplan Facility") and conducted a reduction-in-force commensurate with the reduced operations. As of March 29, 2024, the Company substantially completed the wind-down of its ecommerce operations and used vehicle dealership business (the "Ecommerce Wind-Down").

The Company owns and operates UACC, a leading automotive finance company that offers vehicle financing to consumers through third-party dealers under the UACC brand, and CarStory, an AI-powered analytics and digital services platform for automotive retail. The UACC and CarStory businesses continue to serve their third-party customers, with their operations substantially unaffected by the Ecommerce Wind-Down.

The accounting requirements for reporting the Company's ecommerce operations and used vehicle dealership business as a discontinued operation were met as of March 29, 2024. Accordingly, the condensed consolidated financial statements and notes to the condensed consolidated financial statements reflect the results of the Company's ecommerce operations and used vehicle dealership business as a discontinued operation for the periods presented. Refer to Note 5 — Discontinued Operations for further detail. The Company is now organized into two reportable segments: UACC and CarStory. The UACC reportable segment represents UACC's operations with its network of third-party dealership customers, including the purchase and servicing of vehicle retail installment sales contracts. Prior to the Ecommerce Wind-Down, UACC also offered vehicle financing to Vroom's customers through its ecommerce platform; the UACC reportable segment also includes the runoff of these previously originated contracts. The CarStory reportable segment represents sales of AI-powered analytics and digital services to automotive dealers, automotive financial services companies and others in the automotive industry. Refer to Note 15 — Segment Information for further detail.

**VROOM, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(unaudited)**

***Reverse Stock Split***

On February 13, 2024, the Company effected a 1-for-80 reverse stock split of the Company's common stock. All shares of the Company's common stock, stock-based instruments and per-share data included in these condensed consolidated financial statements have been retroactively adjusted as though the stock split has been effected prior to all periods presented.

***Basis of Presentation***

The condensed consolidated financial statements of the Company have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") and applicable rules and regulations of the U.S. Securities and Exchange Commission ("SEC") regarding interim financial reporting. The condensed consolidated balance sheet as of December 31, 2023, included herein, was derived from the audited consolidated financial statements as of that date. Certain information and note disclosures normally included in the financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations. Therefore, these condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes included in the Annual Report on Form 10-K for the year ended December 31, 2023.

The unaudited condensed consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements, and in management's opinion, include all adjustments, which consist of only normal recurring adjustments necessary for the fair statement of the Company's condensed consolidated balance sheet as of June 30, 2024 and its results of operations for the three and six months ended June 30, 2024 and 2023. The results for the three and six months ended June 30, 2024 are not necessarily indicative of the results expected for the current fiscal year or any other future periods. Certain prior year amounts have been reclassified to conform to the current year presentation related to discontinued operations and new financial statement presentation as a result of the Ecommerce Wind-Down and the reverse stock split.

***Principles of Consolidation***

The accompanying condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

**2. Summary of Significant Accounting Policies**

***Use of Estimates***

The preparation of condensed consolidated financial statements in accordance with U.S. GAAP requires management to make estimates, assumptions and judgments that affect the reported amounts of assets, liabilities, revenue, expenses and related disclosures. On an ongoing basis, the Company evaluates its estimates, including, among others, those related to finance receivables, income taxes, stock-based compensation, contingencies, warranties and GAP (as defined below) income-related reserves, fair value measurements and useful lives of property and equipment and intangible assets. The Company bases its estimates on historical experience, market conditions, and on various other assumptions that are believed to be reasonable. Actual results may differ from these estimates.

***Comprehensive Loss***

The Company did not have any other comprehensive income or loss for the three and six months ended June 30, 2024 and 2023. Accordingly, net loss and comprehensive loss are the same for the periods presented.

***Restricted Cash***

Restricted cash primarily includes UACC restricted cash. UACC collects and services finance receivables under the securitization transactions and warehouse credit facilities. These collections are restricted for use until properly remitted each month under the terms of the servicing agreement. UACC also maintains a reserve account for each

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securitization and warehouse credit facility to provide additional collateral for the borrowings. Refer to Note 9 — Warehouse Credit Facilities of Consolidated VIEs and Note 10 — Long Term Debt for further detail.

***Finance Receivables***

Finance receivables consist of retail installment sale contracts purchased or acquired by UACC from its existing network of third-party dealership customers at a discount as well as retail installment sale contracts UACC offered to Vroom's customers through its ecommerce platform prior to the Ecommerce Wind-Down.

The Company's finance receivables are generally secured by the vehicles being financed.

Finance receivables over 90 days delinquent are considered nonaccrual finance receivables. Interest income is subsequently recognized only to the extent cash payments are received until the consumer is able to make periodic interest and principal payments in accordance with the finance receivable terms.

***Finance Receivables Held for Sale, Net***

Finance receivables that the Company intends to sell and not hold to maturity are classified as held for sale. The Company intends to sell finance receivables through securitization transactions. Finance receivables classified as held for sale are recorded at the lower of cost or fair value. Deferred acquisition costs and any discounts are deferred until the finance receivables are sold and are then recognized as part of the total gain or loss on sale. Refer to Note 3 – Revenue Recognition.

The Company records a valuation allowance to report finance receivables at the lower of cost or fair value. To determine the valuation allowance, finance receivables are evaluated collectively as they represent a large group of smaller-balance homogeneous loans. To the extent that actual experience differs from estimates, significant adjustments to the Company's valuation allowance may be needed. Fair value adjustments are recorded in "Realized and unrealized losses, net of recoveries" in the consolidated statements of operations. Principal balances and corresponding deferred acquisition costs and discounts of finance receivables are charged-off when the Company is unable to sell the finance receivable and the related vehicle has been repossessed and liquidated or the receivable has otherwise been deemed uncollectible. As of June 30, 2024 and December 31, 2023, the valuation allowance for finance receivables classified as held for sale was \$28.9 million and \$33.8 million, respectively. Refer to Note 14 – Financial Instruments and Fair Value Measurements.

***Finance Receivables at Fair Value***

Finance receivables for which the fair value option was elected under ASC 825 are classified as finance receivables at fair value. Finance receivables at fair value include both finance receivables held for sale at fair value as well as finance receivables held for investment at fair value. Finance receivables held for sale at fair value represent finance receivables that the Company intends to sell but elected the fair value option. The aggregate principal balance and the fair value of the finance receivables held for sale at fair value was \$237.7 million and \$212.4 million, respectively and the aggregate principal balance and the fair value of the finance receivables held for investment at fair value was \$297.5 million and \$254.5 million, respectively as of June 30, 2024. The Company did not have any finance receivables held for sale at fair value as of December 31, 2023.

The Company reassesses the estimate for fair value at each reporting period with any changes reflected as a fair value adjustment and recorded in "Realized and unrealized losses, net of recoveries" in the consolidated statements of operations. For all finance receivables at fair value, the Company recognizes the fees it charges to dealers upon acquisition as other income at the time of issuance of the finance receivable and recognizes the acquisition costs to underwrite the finance receivables as an expense in the period incurred. For finance receivables held for sale at fair value, any discounts are deferred until the finance receivables are sold. For finance receivables held for investment at fair value, any discounts are amortized over the contractual life of the underlying finance receivables.

Refer to Note 14 – Financial Instruments and Fair Value Measurements.

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**Consolidated CFEs**

The 2022-2, 2023-1, and 2024-1 securitization transaction VIEs are consolidated collateralized financing entities (CFEs). Refer to Note 4 – Variable Interest Entities and Securitizations. During the three and six months ended June 30, 2024 and 2023, the Company recognized the following revenue and expenses associated with these CFEs in the condensed consolidated statements of operations:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Interest income	\$ 33,965	\$ 29,870	\$ 52,082	\$ 50,498
Interest expense	\$ (8,042)	\$ (6,033)	\$ (12,948)	\$ (10,430)
Realized and unrealized losses, net of recoveries	\$ (10,455)	\$ (16,507)	\$ (26,205)	\$ (25,182)
Noninterest loss, net	\$ (2,838)	\$ (404)	\$ (2,564)	\$ (3,782)

The assets and liabilities of the CFEs are presented as part of "Restricted cash", "Finance receivables at fair value", "Interest receivable", "Other Assets", "Long term debt", and "Other liabilities", respectively, on the consolidated balance sheets. Refer to Note 4 – Variable Interest Entities and Securitizations and Note 14 – Financial Instruments and Fair Value Measurements for further details.

**Concentration of Credit Risk and Significant Customers**

The Company's principal financial instruments subject to potential concentration of credit risk are cash and cash equivalents and finance receivables. The Company's cash balances are maintained at various large, reputable financial institutions. Deposits held with financial institutions may at times exceed the amount of insurance provided on such deposits. Generally, these deposits may be redeemed upon demand and, therefore, management believes they bear minimal risk. The Company's cash equivalents primarily consist of money market funds that hold investments in highly liquid U.S. government securities. Concentration of credit risk with respect to finance receivables is generally mitigated by a large consumer base.

UACC's customers, in this instance, are the third-party automotive dealers through which it purchases or acquires retail installment sale contracts for consumers. CarStory's customers are dealers, automotive financial services companies and others in the automotive industry who purchase CarStory's digital retailing services. For the three and six months ended June 30, 2024 and 2023, no customer represented 10% or more of the Company's income and no customer represented more than 10% of the Company's finance receivables as of June 30, 2024 and 2023.

**Liquidity**

As of June 30, 2024, the Company had cash and cash equivalents of \$63.4 million and restricted cash of \$48.2 million. Restricted cash primarily includes restricted cash required under UACC's securitization transactions and Warehouse Credit Facilities of \$47.3 million. The Company has historically had negative cash flows and generated losses from operations and the Company's primary source of liquidity has been cash generated through financing activities.

In January 2024, the Company announced its Value Maximization Plan pursuant to which it discontinued its ecommerce operations and wound-down its used vehicle dealership business. Refer to Note 1 — Description of Business and Basis of Presentation — Value Maximization Plan. As a result of the liquidation of the Company's vehicle inventory as part of the Ecommerce Wind-Down, the Company repaid all amounts outstanding under the 2022 Vehicle Floorplan Facility in the first quarter of 2024 and the agreement was terminated.

As of June 30, 2024, UACC has four warehouse credit facilities with an aggregate borrowing limit of \$825.0 million and outstanding borrowings of \$270.8 million with excess borrowing capacity of \$34.4 million. The terms of the facilities generally mature within two years and the Company typically renews the facilities in the ordinary course. Currently, all four Warehouse Credit Facilities expire in 2025. Refer to Note 9 — Warehouse Credit Facilities and Consolidated VIEs. The Company has commenced discussions with its lenders to extend the terms beyond the current expiration dates and, consistent with prior periods, expects those facilities to be amended and renewed. As of June 30, 2024, the Company was in compliance with all covenants related to the Warehouse Credit Facilities.

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Failure to secure warehouse borrowing capacity beyond the expiration of the current facilities in 2025 or failure to satisfy the covenants therein and or any other requirements contained within the agreements would restrict access to the Warehouse Credit Facilities and would have a material adverse effect on the financial condition, results of operations and liquidity of the Company. Certain breaches of covenants may also result in acceleration of the repayment of borrowings prior to the scheduled maturity. Refer to Note 9 – Warehouse Credit Facilities of Consolidated VIEs for further discussion.

The Company expects to use cash and cash equivalents to finance future capital requirements and UACC's Warehouse Credit Facilities to fund finance receivables. Certain advance rates available to UACC on borrowings from the Warehouse Credit Facilities have decreased as a result of the increasing credit losses in UACC's portfolio and overall rising interest rates. Any future decreases on available advance rates may have an adverse impact on our liquidity.

The Company's future capital requirements will depend on many factors, including the ability to realize the benefits of the Value Maximization Plan, available advance rates on and the amendment and renewal of the Warehouse Credit Facilities, the ability continue to meet the requirements of Nasdaq for continued listing on the Nasdaq Global Select Market, the ability to complete additional securitization transactions on terms favorable to the Company, and future credit losses.

The Company anticipates that existing cash and cash equivalents and UACC's Warehouse Credit Facilities will be sufficient to support the Company's ongoing operations and obligations, inclusive of the Ecommerce Wind-Down, for at least the next twelve months from the date of issuance of the condensed consolidated financial statements.

While the Company has no significant debt maturities due until July 2026, if the Company undergoes a fundamental change (as defined in the indenture between the Company and U.S. Bank National Association, as trustee, with respect to the Company's Convertible Senior Notes due 2026 (the "Notes")), subject to certain conditions, holders of the Notes may require the Company to immediately repurchase for cash all or any portion of their Notes at a repurchase price equal to 100% of the principal amount of the Notes plus any accrued and unpaid interest. The delisting of the Company's common stock from the Nasdaq Global Select Market would constitute a fundamental change under the terms of the Indenture.

Nasdaq maintains several standards for continued listing of the Company's common stock on the Nasdaq Global Select Market. For example, under the "equity standard", the Company is required to have stockholders' equity of at least \$10 million. Under the "total asset standard", the Company's market value of its publicly held shares must be at least \$15 million. Only one standard has to be met to comply with Nasdaq requirements. The Company currently meets the "equity standard". If the Company is not able to satisfy a continued listing requirement from Nasdaq, it will be required to repurchase the Notes prior to its maturity, as discussed above.

As of June 30, 2024, and as of the date of issuance of the condensed consolidated financial statements, the Company does not have sufficient liquidity to repurchase the Notes in the event of a fundamental change and would be required to seek financing. Such financing may not be available to the Company on favorable terms, or at all.

**Accounting Standards Adopted**

In October 2021, the FASB issued ASU 2021-08, *Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers*, which requires contract assets and contract liabilities acquired in a business combination to be recognized in accordance with Topic 606 as if the acquirer had originated the contracts. The Company adopted the guidance on January 1, 2023, which did not have a material impact on the Company's condensed consolidated financial statements and related disclosures.

**Accounting Standards Issued But Not Yet Adopted**

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which requires disclosure of incremental segment information on an annual and interim basis, primarily through enhanced disclosures of significant segment expenses. The guidance will be effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024 and

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requires retrospective application to all periods presented upon adoption, with early adoption permitted. The Company is currently evaluating the impact that the adoption of this guidance will have on its condensed consolidated financial statements and related disclosures.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which requires disclosure of incremental income tax information within the rate reconciliation and expanded disclosures of income taxes paid, among other disclosure requirements. The guidance will be effective for fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the impact that the adoption of this guidance will have on its condensed consolidated financial statements and related disclosures.

### **3. Revenue Recognition**

The Company's revenue is disaggregated within the condensed consolidated statements of operations and is generated from consumers throughout the United States.

#### ***Interest Income***

The Company's interest income is related to finance receivables originated by UACC for its network of third-party dealership customers and vehicle financing UACC offered to Vroom's customers through its ecommerce platform prior to the Ecommerce Wind-down. Interest income also includes discount income on finance receivables held for investment at fair value, which represents the amortization of unearned acquisition discounts over the contractual life of the underlying finance receivables using the interest method. Interest income on each automotive finance receivable is calculated based on the finance receivable's outstanding principal balance multiplied by the contractual interest rate.

An account is considered delinquent if a scheduled payment has not been received by the date such payment was contractually due. Interest income deemed uncollectible is reversed at the time the finance receivable is charged off. Finance receivables over 90 days delinquent are considered nonaccrual finance receivables. Income is subsequently recognized only to the extent cash payments are received until the borrower is able to make periodic interest and principal payments in accordance with the finance receivable terms.

#### ***Servicing Income***

Servicing income represents the annual fees earned on the outstanding principal balance of the finance receivables serviced as well as late charges, collection payments, and other fees. Fees are earned monthly at an annual rate of approximately 4% for the 2022-1 securitization transaction and 3.25% for the 2022-2, 2023-1, and 2024-1 securitization transactions of the outstanding principal balance of the finance receivables serviced. Late charges and other fees are calculated at predetermined amounts or percentages of overdue finance receivable balances and are recorded on a cash basis. From January to March 2023, UACC waived the monthly servicing fees related to the 2022-2 securitization transaction, which resulted in consolidation of the 2022-2 VIE. Servicing fees related to the 2022-2, 2023-1, and 2024-1 securitization transactions are eliminated in consolidation. Refer to Note 4 – Variable Interest Entities and Securitizations.



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***Warranties and GAP income***

Prior to the Ecommerce Wind-Down, the Company offered third-party financing and third-party value-added products such as vehicle service contracts, guaranteed asset protection ("GAP") and tire and wheel coverage, to its used vehicle customers pursuant to arrangements with the third parties that sell and administered these products and are responsible for their fulfillment.

UACC also offers third-party vehicle service contracts and United Auto Credit GAP to consumers who obtain financing through UACC. United Auto Credit GAP is a debt waiver product that is underwritten directly by UACC. It provides protection for consumers who purchase the product by waiving the difference between the actual cash value of the consumer's vehicle and the balance of the consumer's contract, subject to the terms and conditions of the United Auto Credit GAP, in the event of a total loss resulting from collision or theft. The total fees are earned over the contractual life of the related finance receivables on straight-line basis.

The Company concluded that it is an agent for any transactions with third-parties because it does not control the products before they are transferred to the consumer. The Company recognizes revenue on a net basis when the consumer enters into an arrangement for the products.

A portion of the fees earned on third-party financing and value-added products is subject to chargebacks in the event of early termination, default, or prepayment of the contracts by end-customers. The Company's exposure for these events is limited to the fees that it receives. An estimated refund liability for chargebacks against the revenue recognized from sales of these products is recorded in the period in which the related revenue is recognized and is based primarily on the Company's historical chargeback experience. The Company updates its estimates at each reporting date. As of June 30, 2024 and December 31, 2023, the Company's reserve for chargebacks was \$11.9 million and \$11.8 million, respectively, which are included within "Other liabilities."

The Company also is contractually entitled to receive profit-sharing revenues based on the performance of the vehicle service policies once a required claims period has passed. The Company recognizes profit-sharing revenues to the extent it is probable that it will not result in a significant revenue reversal. The Company estimates the revenue based on historical claims and cancellation data from its customers, as well as other qualitative assumptions. The Company reassesses the estimate at each reporting period with any changes reflected as an adjustment to warranties and GAP income in the period identified. As of June 30, 2024 and December 31, 2023, the Company recognized \$9.4 million and \$22.3 million, respectively, related to cumulative profit-sharing payments to which it expects to be entitled, which are included within "Other assets."

***CarStory Revenue***

CarStory generates advertiser, publisher and other user service revenue. The Company recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred or services have been performed, collection of the fees is reasonably assured, the fees are fixed or determinable, and no significant obligations by the Company remain. Generally, this results in revenues billed and recorded monthly in the month that services were performed and earned.

Deferred revenue includes advances received from customers in excess of revenue recognized.

The Company may collect sales taxes and other taxes and government fees from customers on behalf of governmental authorities at the time of sale as required. These taxes are accounted for on a net basis and are not included in revenues or cost of sales.

**4. Variable Interest Entities and Securitizations**

A VIE is an entity that either (i) has insufficient equity to finance its activities without additional subordinated financial support, or (ii) has equity investors who lack the characteristics of a controlling financial interest. The Company consolidates VIEs for which it is the primary beneficiary. The Company is the primary beneficiary of a VIE when it has both the power to direct the activities that most significantly impact the entity's economic performance and the obligation to absorb losses or the right to receive benefits from the entity that could potentially be significant to the VIE. Assets



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recognized as a result of consolidating VIEs do not represent additional assets that could be used to satisfy claims against the Company's general assets. Liabilities recognized as a result of consolidating VIEs do not represent additional claims on the Company's general assets, rather they represent claims against the specific assets of the consolidated VIEs.

UACC has the power to direct significant activities of its VIEs when it has the ability to exercise discretion in the servicing of financial assets or control investment decisions. UACC generally retains a portion of the economic interests in UACC-sponsored asset-backed securitization transactions, which could be retained in the form of a portion of the senior interests, the subordinated interests, residual interests, or servicing rights.

UACC has developed a securitization program that involves selling finance receivables to securitization trusts through the private issuance of asset-backed securities which are collateralized by the finance receivables. UACC establishes and sponsors these transactions which create and pass along risks to the variable interest holders, specifically, consumer credit risk and pre-payment risk.

The securitization trusts established in connection with asset-backed securitization transactions are VIEs. For each VIE that UACC establishes in its role as sponsor of securitization transactions, the Company performs an analysis to determine if it is the primary beneficiary of the VIE.

UACC has no obligation to repurchase or replace any securitized asset that subsequently becomes delinquent in payment or otherwise is in default, except when representations and warranties about the eligibility of the securitized assets are breached, or when certain changes are made to the underlying asset contracts. Securitization investors have no recourse to UACC or its other assets and have no right to require UACC to repurchase the investments. UACC has no obligation to provide liquidity or contribute cash or additional assets to the VIEs and does not guarantee any asset-backed securities.

During the three months ended June 30, 2024, UACC completed the 2024-1 securitization transaction, in which it sold approximately \$300.0 million of rated asset-backed securities in an auto finance receivable securitization transaction from a securitization trust, established and sponsored by UACC for proceeds of \$297.2 million. The trust is collateralized by finance receivables with an aggregate principal balance of \$380.1 million as of April 30, 2024. These finance receivables are serviced by UACC and UACC receives an "at market" servicing fee. As a result of market conditions, the Company retained the residual interests, therefore the 2024-1 securitization was accounted for as secured borrowings and remains on balance sheet pending the sale of such retained interests. The Company also repurchased \$4.2 million of the non-investment grade securities related to the 2022-2 securitization transaction for \$4.8 million.

In 2023, UACC completed the 2023-1 securitization transaction, in which it sold rated asset-backed non-investment grade securities, for proceeds of \$260.9 million. UACC still retains the residual interests related to the 2023-1 securitization transaction and therefore consolidated the 2023-1 VIE and accounted for this transaction as a secured borrowing. The trust is collateralized by finance receivables with an aggregate principal balance of \$326.4 million as of January 31, 2023. These finance receivables are serviced by UACC. UACC retained the servicing rights to these finance receivables and receives an "at market" servicing fee.

UACC is the primary beneficiary of the 2024-1 and 2023-1 securitization trusts, as it has both the power to direct the activities that most significantly impact the entity's economic performance and the obligation to absorb losses or the right to receive benefits from the entity that could potentially be significant to the VIE. UACC also retained a portion of the economic interests in the 2024-1 and 2023-1 asset-backed securitization transactions, in the form of residual interests in accordance with Regulation RR of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Risk Retention Rules"). The Risk Retention Rules require the Company to retain at least 5% of the beneficial interests issued by the securitization trusts. Refer to Note 10 – Long Term Debt for further details.

In July 2022, UACC sold a pool of finance receivables in the 2022-2 securitization transaction. UACC retained the servicing rights to these finance receivables and receives an "at market" servicing fee. UACC retained an insignificant amount of the asset-backed securities issued in the securitization in order to comply with Risk Retention Rules. Originally, the Company concluded that it was not the primary beneficiary of the 2022-2 securitization trust because UACC retained interests in the VIE are insignificant. Therefore, the Company did not originally consolidate the 2022-2 trust. From January to March 2023, although not contractually required, UACC elected to waive its servicing fee on the 2022-2 securitization,

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due to higher-than-expected losses, which transferred more than an insignificant portion of the corresponding risk of loss from the VIE to the Company. Since UACC has the power to direct the significant activities of the VIE, as it is the servicer, and additionally it absorbs the risk of loss, the Company concluded that it is the primary beneficiary of the VIE. In March 2023, the Company accounted for the transaction as secured borrowings and consolidated the 2022-2 securitization trust. The beneficial interest was then eliminated.

The VIE model allows for a measurement alternative when a reporting entity elects the fair value option and consolidates a collateralized financing entity ("CFE"). This measurement alternative eliminates the accounting mismatch that may arise from measurement differences between the CFE's financial assets and third-party financial liabilities in earnings and attributes those earnings to the controlling equity interest in the consolidated income statement. The 2022-2 and 2023-1 securitization trusts consolidated by UACC meet the definition of a CFE and the Company has elected to apply the measurement alternative when consolidating these VIEs. Refer to Note 14 – Financial Instruments and Fair Value Measurements for further detail.

UACC has four senior secured warehouse credit facilities. Through trusts, UACC entered into warehouse facility agreements with certain banking institutions, primarily to finance the purchase and origination of finance receivables as well as to provide funding for general operating activities. These trusts are secured by eligible finance receivables which are pledged as collateral for the warehouse facilities. These trusts are consolidated VIEs. Refer to Note 9 – Warehouse Credit Facilities of Consolidated VIEs for further details on the warehouse facilities.

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Creditors or beneficial interest holders of VIEs for which the Company is the primary beneficiary generally have recourse only to the assets and cash flows of the VIEs and do not have recourse to the Company. The following table presents the total assets and total liabilities associated with the Company's variable interests in consolidated VIEs, as classified in the condensed consolidated balance sheets (in thousands):

	As of June 30, 2024		
	Securitization Vehicles	Warehouse Facilities <sup>1</sup>	Total
<b>Assets:</b>			
Restricted cash	\$ 34,379	\$ 12,909	\$ 47,288
Finance receivables at fair value	292,533	136,718	429,251
Finance receivables held for sale	230,284	169,003	399,287
Interest receivable	8,885	4,973	13,858
Other assets	6,054	3,548	9,602
<b>Total Assets</b>	<b>\$ 572,135</b>	<b>\$ 327,151</b>	<b>\$ 899,286</b>
<b>Liabilities:</b>			
Securitization debt	\$ 472,116	\$ —	\$ 472,116
Warehouse credit facilities	—	270,784	270,784
Other liabilities	8,931	7,031	15,962
<b>Total Liabilities</b>	<b>\$ 481,047</b>	<b>\$ 277,815</b>	<b>\$ 758,862</b>

	As of December 31, 2023		
	Securitization Vehicles	Warehouse Facilities <sup>1</sup>	Total
<b>Assets:</b>			
Restricted cash	\$ 28,458	\$ 20,688	\$ 49,146
Finance receivables at fair value	316,998	24,446	341,444
Finance receivables held for sale	—	457,185	457,185
Interest receivable	6,107	7,586	13,693
Other assets	6,283	6,987	13,270
<b>Total Assets</b>	<b>\$ 357,846</b>	<b>\$ 516,892</b>	<b>\$ 874,738</b>
<b>Liabilities:</b>			
Securitization debt	\$ 314,095	\$ —	\$ 314,095
Warehouse credit facilities	—	421,268	421,268
Other liabilities	4,534	9,801	14,335
<b>Total Liabilities</b>	<b>\$ 318,629</b>	<b>\$ 431,069</b>	<b>\$ 749,698</b>

<sup>1</sup> Refer to Note 9 – Warehouse Credit Facilities of Consolidated VIEs for further details of the warehouse facilities.

UACC establishes securitization trusts to purchase finance receivables. The securitization trusts issue asset-backed securities, which are collateralized by the finance receivables that UACC sells to the securitization trusts. Upon sale of the finance receivables to the securitization trusts, the Company recognizes a gain or loss on sales of finance receivables if it determines it qualifies for sale accounting treatment and it is not the primary beneficiary of the VIE or accounts for these securitization transactions as secured borrowings when it is the primary beneficiary.

In February 2022, UACC sold a pool of finance receivables in the 2022-1 securitization transaction. UACC retained the servicing rights to these finance receivables and receives an "at market" servicing fee. UACC retained an insignificant amount of the asset-backed securities issued in the securitization in order to comply with Risk Retention Rules. The 2022-1 securitization trust is a VIE that the Company does not consolidate. As the servicer, UACC retained the power to direct the activities that are most significant to the VIE, however, the Company concluded that it is not the primary beneficiary of the 2022-1 securitization trust because UACC's retained interests in the VIE are insignificant. The beneficial interest retained by UACC included rated notes and unrated residual certificates issued by the 2022-1 securitization trust.

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As of June 30, 2024 and December 31, 2023, the assets UACC retains in the unconsolidated VIEs were approximately \$3.1 million and \$4.5 million, respectively, and are included in "Other assets" in the Company's consolidated balance sheet. The beneficial interests in securitizations are subject to restrictions on transfer pursuant to UACC's obligations as a sponsor under Risk Retention Rules. These securities are interests in securitization trusts, thus there are no contractual maturities. During the three months ended March 31, 2023, the Company entered into a Risk Retention Financing Facility to finance the majority of its retained beneficial interests in securitizations. Refer to Note 10 – Long Term Debt for further detail.

The following table summarizes the amortized cost, the carrying amount, which is the fair value, and the maximum exposure to losses of UACC's assets related to the unconsolidated VIE (in thousands):

	As of June 30, 2024			As of December 31, 2023		
	Aggregate Principal Balance	Carrying Value	Total Exposure	Aggregate Principal Balance	Carrying Value	Total Exposure
Rated notes	\$ 3,117	\$ 2,917	\$ 2,917	\$ 4,538	\$ 4,345	\$ 4,345
Certificates	—	192	192	—	140	140
Other assets	310	310	310	310	310	310
Total unconsolidated VIEs	<u>\$ 3,427</u>	<u>\$ 3,419</u>	<u>\$ 3,419</u>	<u>\$ 4,848</u>	<u>\$ 4,795</u>	<u>\$ 4,795</u>

Total exposure represents the estimated loss UACC would incur under severe, hypothetical circumstances, such as if the value of the interests in the securitization trusts and any associated collateral declined to zero. The Company believes the possibility of this is remote. As such, the total exposure presented above is not an indication of the Company's expected losses.

**5. Discontinued Operations**

As discussed in Note 1 – Description of Business and Basis of Presentation, the Ecommerce Wind-Down was substantially completed as of March 29, 2024. The Company's ecommerce operations were previously a reportable segment and the exit represents a strategic shift that had a major effect on the Company's operations and financial results. Therefore, in accordance with ASC 205, as of and for the three and six months ended June 30, 2024, the Company reported the ecommerce operations and used vehicle dealership business as discontinued operations and recast prior periods to reflect this presentation.

During the three and six months ended June 30, 2024, the Company incurred charges of approximately \$0.9 million and \$15.6 million, respectively for severance and other personnel-related costs and approximately \$1.6 million and \$13.5 million, respectively for contract and lease termination costs as a result of the Ecommerce Wind-Down recorded in "Net loss from discontinued operations" in the condensed consolidated statements of operations.

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The following table summarizes the major income and expense line items from discontinued operations as reported in the condensed consolidated statements of operations (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<b>Revenue:</b>				
Retail vehicle, net	\$ —	\$ 136,693	\$ 47,320	\$ 272,080
Wholesale vehicle	587	30,800	140,714	44,695
Product, net	—	3,816	1,635	7,974
<b>Total revenue</b>	<b>587</b>	<b>171,309</b>	<b>189,669</b>	<b>324,749</b>
<b>Cost of sales:</b>				
Retail vehicle	—	134,538	43,673	270,262
Wholesale vehicle	543	34,793	142,343	48,626
<b>Total cost of sales</b>	<b>543</b>	<b>169,331</b>	<b>186,016</b>	<b>318,888</b>
Total gross profit	44	1,978	3,653	5,861
Selling, general and administrative expenses	3,716	54,560	38,603	112,228
Gain on disposal of long lived assets	(1,738)	—	(11,279)	—
Depreciation and amortization	—	3,114	383	6,413
Impairment charges	—	1,353	—	1,353
<b>Loss from operations</b>	<b>(1,934)</b>	<b>(57,049)</b>	<b>(24,053)</b>	<b>(114,133)</b>
Interest expense	29	3,752	1,607	9,234
Interest income	—	(2,328)	(856)	(5,845)
Loss before provision for income taxes	(1,963)	(58,473)	(24,804)	(117,522)
Provision for income taxes	121	100	221	322
<b>Net loss from discontinued operations</b>	<b>\$ (2,084)</b>	<b>\$ (58,573)</b>	<b>\$ (25,025)</b>	<b>\$ (117,844)</b>

The following table summarizes the major classes of assets and liabilities from discontinued operations as reported in the condensed consolidated balance sheets:

	As of June 30,		As of December 31,	
	2024		2023	
<b>ASSETS</b>				
Inventory	\$	—	\$	163,250
Property and equipment, net		8,728		19,150
Other assets		1,409		14,137
<b>Assets from discontinued operations</b>	<b>\$</b>	<b>10,137</b>	<b>\$</b>	<b>196,537</b>
<b>LIABILITIES</b>				
Accounts payable	\$	122	\$	6,440
Accrued expenses		7,682		27,133
Vehicle floorplan		—		151,178
Deferred revenue		—		14,025
Operating lease liabilities		1,077		23,461
Other liabilities		—		5,883
<b>Liabilities from discontinued operations</b>	<b>\$</b>	<b>8,881</b>	<b>\$</b>	<b>228,120</b>

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**6. Property and Equipment, Net**

Property and equipment, net consisted of the following (in thousands):

	June 30, 2024	December 31, 2023
Equipment	\$ 2,871	\$ 2,653
Furniture and fixtures	326	503
Leasehold improvements	596	434
Internal-use software	2,881	4,807
Other	795	1,370
	7,469	9,767
Accumulated depreciation and amortization	(5,250)	(4,785)
Property and equipment, net	\$ 2,219	\$ 4,982

Depreciation and amortization expense was \$0.5 million and \$0.4 million for the three months ended June 30, 2024 and 2023, respectively, and \$1.3 million and \$0.9 million for the six months ended June 30, 2024 and 2023, respectively.

The Company recorded impairment charges for "Property and equipment, net" of \$2.7 million for the six months ended June 30, 2024, related to the Company's internal-use software that no longer have a planned future use.

**7. Intangible Assets**

Intangible assets, net consisted of the following (in thousands):

	June 30, 2024			December 31, 2023		
	Gross Carrying Value	Accumulate d Amortizatio n	Carrying Value	Gross Carrying Value	Accumulate d Amortizatio n	Carrying Value
Developed and purchased technology	\$ 108,700	\$ (46,548)	\$ 62,152	\$ 108,700	\$ (38,050)	\$ 70,650
Customer relationships	69,400	(21,674)	47,726	69,400	(17,336)	52,064
Trademarks and trade names	12,200	(3,697)	8,503	12,200	(3,022)	9,178
Total intangible assets	\$ 190,300	\$ (71,919)	\$ 118,381	\$ 190,300	\$ (58,408)	\$ 131,892

Amortization expense for intangible assets was \$6.8 million and \$6.8 million for the three months ended June 30, 2024 and 2023, respectively, and \$13.5 million and \$13.5 million for the six months ended June 30, 2024 and 2023, respectively.

The estimated amortization expense for intangible assets subsequent to June 30, 2024, consists of the following (in thousands):

Year Ending December 31:	
For remainder of 2024	\$ 13,512
2025	27,022
2026	21,979
2027	21,882
2028	21,882
Thereafter	12,104
	\$ 118,381

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**8. Other Liabilities**

The Company's other liabilities consisted of the following (in thousands):

	June 30, 2024	December 31, 2023
Warranty and GAP liabilities	\$ 20,133	\$ 21,279
Dealer related liabilities	5,149	6,934
Accrued compensation and benefits	8,785	8,923
Accrued professional services	561	2,542
Accrued software and IT costs	388	1,011
Interest payable	4,120	4,183
Insurance payable	388	2,142
Other	12,057	14,307
<b>Total other liabilities</b>	<b>\$ 51,581</b>	<b>\$ 61,321</b>

**9. Warehouse Credit Facilities of Consolidated VIEs**

UACC has four senior secured warehouse facility agreements, through consolidated VIEs, (the "Warehouse Credit Facilities") with banking institutions as of June 30, 2024. The Warehouse Credit Facilities are collateralized by eligible finance receivables and available borrowings are computed based on a percentage of eligible finance receivables. As of June 30, 2024 and December 31, 2023, the Company had excess borrowing capacity of \$34.4 million and \$56.9 million on UACC's Warehouse Credit Facilities, respectively. The terms of the Warehouse Credit Facilities include the following (in thousands):

	Facility One	Facility Two	Facility Three	Facility Four
Execution date	May 30, 2012	November 19, 2013	July 11, 2019	November 18, 2022
Commitment termination date	July 21, 2025	June 2, 2025	August 29, 2025	September 12, 2025
Aggregate borrowings limit	\$ 200,000	\$ 200,000	\$ 200,000	\$ 225,000
<b>As of June 30, 2024</b>				
Aggregate principal balance of finance receivables pledged as collateral	\$ —	\$ 97,141	\$ 152,259	\$ 99,745
Outstanding balance	\$ —	\$ 74,968	\$ 112,300	\$ 83,516
Restricted cash	\$ —	\$ 3,666	\$ 5,973	\$ 3,270
<b>As of December 31, 2023</b>				
Aggregate principal balance of finance receivables pledged as collateral	\$ 223,207	\$ 64,970	\$ 165,927	\$ 92,978
Outstanding balance	\$ 177,375	\$ 51,012	\$ 117,264	\$ 75,617
Restricted cash	\$ 8,961	\$ 2,550	\$ 6,485	\$ 2,692

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As of June 30, 2024 and December 31, 2023, the Company's weighted average interest rate on the Warehouse Credit Facilities borrowings was approximately 7.19% and 6.98%, respectively.

The Company's ability to utilize its Warehouse Credit Facilities is primarily conditioned on the satisfaction of certain legal, operating, administrative and financial covenants contained within the agreements. These include covenants that require UACC to maintain a minimum tangible net worth, minimum liquidity levels, specified leverage ratios and certain indebtedness levels. Failure to satisfy these and or any other requirements contained within the agreements would restrict access to the Warehouse Credit Facilities. Certain breaches of covenants may also result in acceleration of the repayment of borrowings prior to the scheduled maturity. As of June 30, 2024 and December 31, 2023, the Company was in compliance with all covenants related to the Warehouse Credit Facilities.

## 10. Long Term Debt

Debt instruments, excluding warehouse credit facilities of consolidated VIEs, which are discussed in Note 9 — Warehouse Credit Facilities of Consolidated VIEs, consisted of the following (in thousands):

	June 30, 2024	December 31, 2023
Convertible senior notes	\$ 287,550	\$ 286,800
Securitization debt of consolidated VIEs at fair value	199,754	314,095
Securitization debt of consolidated VIEs at amortized cost	272,362	—
Financing of beneficial interest in securitizations	24,758	15,378
Junior subordinated debentures	10,310	10,310
Total debt	<u>\$ 794,734</u>	<u>\$ 626,583</u>

### Convertible Senior Notes

On June 18, 2021, the Company issued \$625.0 million aggregate principal amount of 0.75% unsecured Convertible Senior Notes due 2026 (the "Notes"), including \$75.0 million aggregate principal amount of such notes pursuant to the exercise in full of the overallotment option granted to the initial purchasers. The Notes were issued pursuant to an indenture (the "Indenture"), between the Company and U.S. Bank National Association, as trustee.

The Notes bear interest at a rate of 0.75% per annum, payable semiannually in arrears on January 1 and July 1 of each year, beginning on January 1, 2022. The Notes will mature on July 1, 2026, subject to earlier repurchase, redemption or conversion. The total net proceeds from the offering, after deducting commissions paid to the initial purchasers and debt issuance costs paid to third-parties, were approximately \$608.9 million.

Each \$1,000 principal amount of the Notes will initially be convertible into 0.2232 shares of the Company's common stock, which is equivalent to an initial conversion price of approximately \$4,480.29 per share, subject to adjustment upon the occurrence of specified events. The Notes are convertible, at the option of the noteholders, on or after April 1, 2026. Prior to April 1, 2026, the Notes are convertible only under the following circumstances:

- During any fiscal quarter commencing after the fiscal quarter ending on September 30, 2021 (and only during such fiscal quarter), if the last reported sale price of the Company's common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on the last trading day of the immediately preceding fiscal quarter is greater than or equal to 130% of the conversion price of the Notes on each applicable trading day;



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- During the five consecutive business day period after any ten consecutive trading day period in which the trading price per \$1,000 principal amount of the Notes for each day of that ten consecutive trading day period was less than 98% of the product of the last reported sale price of the Company's common stock and the conversion rate of the Notes on such trading day;
- If the Company calls any or all of the Notes for redemption; or
- Upon the occurrence of specific corporate events such as a change in control or certain beneficial distributions to common stockholders (as set forth in the Indenture).

The Company may settle conversions by paying or delivering, as applicable, cash, shares of its common stock or a combination of cash and shares of its common stock, at the Company's election.

The Company may not redeem the Notes prior to July 6, 2024. On or after July 6, 2024, the Company may redeem all or any portion of the Notes for cash equal to 100% of the principal amount of the Notes being redeemed plus any accrued and unpaid interest if the last reported sale price of the Company's common stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period.

If the Company undergoes a fundamental change (as defined in the Indenture), subject to certain conditions, holders of the Notes may require the Company to repurchase for cash all or any portion of their Notes at a repurchase price equal to 100% of the principal amount of the Notes plus any accrued and unpaid interest. In addition, if specific corporate events occur prior to the maturity date or if the Company issues a notice of redemption, the Company will increase the conversion rate by pre-defined amounts for a holder who elects to convert their Notes in connection with such a corporate event. During the three and six months ended June 30, 2024, the conditions allowing holders of the Notes to convert were not met.

During the three and six months ended June 30, 2023, the Company repurchased \$18.2 million and \$32.8 million in aggregate principal amount of the Notes, net of deferred issuance costs, for \$7.3 million and \$13.2 million, respectively, in open-market transactions. The Company recognized a gain on extinguishment of debt of \$10.9 and \$19.6 million for the three and six months ended June 30, 2023, respectively.

The Company accounts for the Notes as a single liability-classified instrument measured at amortized cost. As of June 30, 2024, the unamortized debt discount and debt issuance costs was \$2.9 million and the net carrying value was \$287.6 million. As of December 31, 2023, the unamortized debt discount and debt issuance costs was \$3.7 million and the net carrying value was \$286.8 million.

The Notes were issued at par value and fees associated with the issuance of these Notes are amortized to interest expense using the effective interest method over the contractual term of the Notes. The interest expense was \$0.9 million and \$1.1 million for the three months ended June 30, 2024 and 2023, respectively, and \$1.8 million and \$2.2 million for the six months ended June 30, 2024 and 2023, respectively. The effective interest rate of the Notes is 1.3%.

***Securitization Debt of Consolidated VIEs***

The securitization debt was issued under UACC's securitization program. The Company elected to account for the 2022-2 and 2023-1 securitization debt under the fair value option using the measurement alternative. Fair value adjustments are recorded in "Realized and unrealized losses, net of recoveries" in the condensed consolidated statements of operations. Refer to Note 14 – Financial Instruments and Fair Value Measurements. The 2024-1 securitization debt is measured at amortized cost. For the 2022-2, 2023-1 and 2024-1 securitization transactions, the Company consolidated the VIEs and accounted for these transactions as secured borrowings. Refer to Note 4 – Variable Interest Entities and Securitizations for further discussion.

Upon the issuance of the securitization debt for the 2023-1 and 2024-1 securitization transactions, UACC retained the residual interests. UACC also retains the servicing rights for all finance receivables that were securitized; therefore, it

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is responsible for the administration and collection of the amounts owed under the contracts. In the first quarter of 2023, UACC waived its servicing fees related to the 2022-2 securitization and subsequently consolidated the 2022-2 trust. The securitization agreements also require certain funds to be held in restricted cash accounts to provide additional collateral for the borrowings or to be applied to make payments on the securitization debt. Restricted cash under the various agreements totaled approximately \$34.4 million and \$28.5 million as of June 30, 2024 and December 31, 2023, respectively.

Wholly owned bankruptcy remote subsidiaries of UACC were formed to facilitate the above asset-backed financing transactions. Bankruptcy remote refers to a legal structure in which it is expected that the applicable entity would not be included in any bankruptcy filing by its parent or affiliates. All of the assets of these subsidiaries have been pledged as collateral for the related debt. None of the assets of these subsidiaries are available to pay other creditors of the Company or its affiliates.

The securitization debt issued is included in "Long-term debt" on the condensed consolidated balance sheet. The securitization debt of consolidated VIEs consisted of the following (in thousands):

As of June 30, 2024

Series	Final Scheduled Payment Date	Initial Principal	Contractual Interest Rate	Outstanding Principal	Fair Value
United Auto Credit 2022-2-B	December 10, 2025	\$ 30,324	5.41 %	\$ 1,617	\$ 1,616
United Auto Credit 2022-2-C	May 10, 2027	26,533	5.81 %	26,533	26,499
United Auto Credit 2022-2-D	January 10, 2028	32,889	6.84 %	32,889	32,106
United Auto Credit 2022-2-E	April 10, 2029	33,440	10.00 %	28,440	20,864
United Auto Credit 2023-1-B	July 10, 2028	51,157	5.91 %	25,699	25,679
United Auto Credit 2023-1-C	July 10, 2028	33,326	6.28 %	33,326	33,253
United Auto Credit 2023-1-D	July 10, 2028	35,653	8.00 %	35,653	36,124
United Auto Credit 2023-1-E	September 10, 2029	23,256	10.98 %	23,256	23,613
<b>Total rated notes at fair value</b>		<b>\$ 266,578</b>		<b>\$ 207,413</b>	<b>\$ 199,754</b>
United Auto Credit 2024-1-A	August 10, 2026	\$ 132,340	6.17 %	\$ 107,745	
United Auto Credit 2024-1-B	June 10, 2027	42,770	6.57 %	42,770	
United Auto Credit 2024-1-C	October 10, 2029	35,190	7.06 %	35,190	
United Auto Credit 2024-1-D	November 12, 2029	52,160	8.30 %	52,160	
United Auto Credit 2024-1-E	November 12, 2030	37,540	10.45 %	37,540	
<b>Total rated notes at amortized cost</b>		<b>\$ 300,000</b>		<b>\$ 275,405</b>	
Unamortized debt issuance costs				\$ 3,043	
<b>Net carrying value</b>				<b>\$ 272,362</b>	

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As of December 31, 2023

Series	Final Scheduled Payment Date	Initial Principal	Contractual Interest Rate	Outstanding Principal	Net Carrying Value
United Auto Credit 2021-1-D	June 10, 2026	\$ 29,380	1.14 %	\$ 3,246	\$ 3,235
United Auto Credit 2021-1-E	June 10, 2026	20,800	2.58 %	20,800	20,540
United Auto Credit 2021-1-F	September 10, 2027	13,910	4.30 %	13,910	13,644
United Auto Credit 2022-2-B	December 10, 2025	30,324	5.41 %	28,786	28,745
United Auto Credit 2022-2-C	May 10, 2027	26,533	5.81 %	26,533	26,331
United Auto Credit 2022-2-D	January 10, 2028	32,889	6.84 %	32,889	32,642
United Auto Credit 2022-2-E	April 10, 2029	33,440	10.00 %	33,440	29,691
United Auto Credit 2023-1-A	July 10, 2025	118,598	5.57 %	15,089	15,083
United Auto Credit 2023-1-B	July 10, 2028	51,157	5.91 %	51,157	51,019
United Auto Credit 2023-1-C	July 10, 2028	33,326	6.28 %	33,326	33,199
United Auto Credit 2023-1-D	July 10, 2028	35,653	8.00 %	35,653	36,152
United Auto Credit 2023-1-E	September 10, 2029	23,256	10.98 %	23,256	23,814
<b>Total rated notes</b>		<b>\$ 449,266</b>		<b>\$ 318,085</b>	<b>\$ 314,095</b>

The final scheduled payment date represents legal maturity of the remaining balance sheet securitization debt. Securitization debt is expected to become due and to be paid prior to those dates, based on amortization of the finance receivables pledged to the Trusts. Expected payments, which will depend on the performance of such receivables, as to which there can be no assurance, are \$113.2 million in 2024, \$161.4 million in 2025, \$111.5 million in 2026, \$59.7 million in 2027 and \$37.0 million in 2028.

In February 2024, UACC exercised its option to repurchase the 2021-1 securitization debt for a total redemption price of \$35.6 million.

The aggregate principal balance and the fair value of finance receivables pledged to the securitization debt consists of the following (in thousands):

	As of June 30,		As of December 31,	
	2024		2023	
	Aggregate Principal Balance	Net Carrying Value	Aggregate Principal Balance	Net Carrying Value
United Auto Credit 2021-1	\$ —	\$ —	\$ 38,951	\$ 35,790
United Auto Credit 2022-2	93,209	80,388	125,072	111,379
United Auto Credit 2023-1	149,351	126,308	197,586	169,829
United Auto Credit 2024-1	351,133	316,121	—	—
<b>Total finance receivables of CFEs</b>	<b>\$ 593,693</b>	<b>\$ 522,817</b>	<b>\$ 361,609</b>	<b>\$ 316,998</b>

**Financing of Beneficial Interests in Securitizations**

On May 3, 2023, UACC entered into a Risk Retention Financing Facility enabling it to finance asset-backed securities issued in its securitization transactions and held by UACC pursuant to applicable Risk Retention Rules. Under this facility, UACC sells such retained interests and agrees to repurchase them on a future date. In its initial transaction under this facility, UACC pledged \$24.5 million of its retained beneficial interests as collateral, and received proceeds of \$24.1 million, with expected repurchase dates ranging from March 2025 to September 2029. Following the completion of the 2024-1 securitization transaction, the Company pledged an additional \$15.8 million of its retained beneficial interests as collateral under the Risk Retention Financing Facility, and received proceeds of \$15.6 million, with expected repurchase dates ranging from August 2026 to November 2030 at the initial closing date. The securitization trusts will distribute payments related to UACC's pledged beneficial interests in securitizations directly to the lender, which will

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reduce the beneficial interests in securitizations and the related debt balance. Pledged collateral levels are monitored and are generally maintained at an agreed-upon percentage of the fair value of the amounts borrowed during the life of the transactions. In the event of a decline in the fair value of the pledged collateral, UACC may be required to transfer cash or additional securities as pledged under this facility. At the termination of this agreement, UACC is obligated to return the amounts borrowed.

The outstanding balance of this facility, net of unamortized debt issuance costs, was \$24.8 million and \$15.4 million as of June 30, 2024 and December 31, 2023, respectively, and is included in "Long-term debt" on the condensed consolidated balance sheet. As of June 30, 2024 and December 31, 2023, the fair value of the collateral pledged under this facility was \$25.0 million and \$15.8 million, respectively.

***Junior Subordinated Debentures***

On July 31, 2003, UACC issued junior subordinated debentures (trust preferred securities) of \$10.0 million through a subsidiary, UPFC Trust I. The trust issuer is a 100 percent owned finance subsidiary and the securities are fully and unconditionally guaranteed by Vroom Automotive Finance Corporation. The interest is paid quarterly at a variable rate, equal to SOFR + 3.05%. The final maturity of these securities is on October 7, 2033; however, they can be called at par any time at the Company's discretion.

**11. Commitments and Contingencies**

***Litigation***

From time to time, the Company is involved in various claims and legal actions that arise in the ordinary course of business and an unfavorable resolution of any of these matters could materially affect the Company's future results of operations, cash flows or financial position. The Company is also party to various disputes that the Company considers routine and incidental to its business. The Company does not expect the results of any of these routine actions to have a material effect on the Company's business, results of operations, financial condition, or cash flows. The Company accrues a liability when a loss is considered probable and the amount can be reasonably estimated. When a material loss contingency is reasonably possible but not probable, the Company does not record a liability, but instead discloses the nature and the amount of the claim, and an estimate of the loss or range of loss, if such an estimate can be made. Legal fees are expensed as incurred.

Beginning in March 2021, multiple putative class actions were filed in the U.S. District Court for the Southern District of New York by certain of the Company's stockholders against the Company and certain of the Company's officers alleging violations of federal securities laws. The lawsuits were captioned *Zawatsky et al. v. Vroom, Inc. et al.*, Case No. 21-cv-2477; *Holbrook v. Vroom, Inc. et al.*, Case No. 21-cv-2551; and *Hudda v. Vroom, Inc. et al.*, Case No. 21-cv-3296. All three of the lawsuits asserted similar claims under Sections 10(b) and 20(a) of the Exchange Act, and SEC Rule 10b-5. In each case, the named plaintiff(s) sought to represent a proposed class of all persons who purchased or otherwise acquired the Company's securities during a period from June 9, 2020 to March 3, 2021 (in the case of *Holbrook* and *Hudda*), or November 11, 2020 to March 3, 2021 (in the case of *Zawatsky*). In August 2021, the Court consolidated the cases under the new name *In re: Vroom, Inc. Securities Litigation*, Case No. 21-cv-2477, appointed a lead plaintiff and lead counsel and ordered a consolidated amended complaint to be filed. The court-appointed lead plaintiff subsequently filed a consolidated amended complaint that reasserts claims under Sections 10(b) and 20(a) of the Exchange Act, and SEC Rule 10b-5 against the Company and certain of the Company's officers, and added new claims under Sections 11, 12 and 15 of the Securities Act against the Company, certain of its officers, certain of its directors, and the underwriters of the Company's September 2020 secondary offering. The Company filed a motion to dismiss all claims, and briefing of this motion is complete. The Company believes this lawsuit is without merit and intends to vigorously contest these claims. While the outcome of any complex legal proceeding is inherently unpredictable and subject to significant uncertainties, based upon information presently known to management, the Company believes that the potential liability, if any, will not have a material adverse effect on the Company's financial condition, cash flows, or results of operations.

In August 2021, November 2021, January 2022, and February 2022, various Company stockholders filed purported shareholder derivative lawsuits on behalf of the Company in the U.S. District Court for the Southern District of New York against certain of the Company's officers and directors, and nominally against the Company, alleging violations

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of the federal securities laws and breaches of fiduciary duty to the Company and/or related violations of Delaware law based on the same general course of conduct alleged in In re: Vroom, Inc. Securities Litigation. All four lawsuits have been consolidated under the case caption In re Vroom, Inc. Shareholder Derivative Litigation, Case No. 21-cv-6933, and the court has approved the parties' stipulation that the cases would remain stayed pending final resolution of In re: Vroom, Inc. Securities Litigation. All four derivative suits remain in preliminary stages and there have been no substantive developments in any matter.

In April 2022 and April 2024, two of the Company's stockholders filed separate purported shareholder derivative lawsuits on behalf of the Company in the U.S. District Court for the District of Delaware against certain of the Company's officers and directors, and nominally against the Company, alleging violations of the federal securities law and breaches of fiduciary duty to the Company and/or related violations of Delaware law based on the same general course of conduct alleged in In re: Vroom, Inc. Securities Litigation. The case filed in April 2022 is captioned Godlu v. Hennessy et al., Case No. 22-cv-569, the case filed in April 2024 is captioned Hudda v. Hennessy et al. Case No. 24-cv-4499., and the court in each has approved the parties' stipulations that each case would remain stayed pending final resolution of In re: Vroom, Inc. Securities Litigation. Both lawsuits remain in preliminary stages and there have been no substantive developments.

In January 2022, the Company received a non-public civil investigative demand from the Federal Trade Commission ("FTC"), seeking the production of information related to certain of the Company's business practices and the Company responded to those information requests. On February 23, 2024, the FTC notified the Company that it has reason to believe that the Company violated Section 5(a) of the Federal Trade Commission Act, 15 U.S.C. § 45(a); the FTC's Mail, Internet, or Telephone Order Merchandise Rule, 16 C.F.R. Part 435; the FTC's Used Motor Vehicle Trade Regulation Rule, 16 C.F.R. Part 455; and the FTC's Pre-Sale Availability Rule, 16 C.F.R. Part 702. On May 6, 2024, Vroom, Inc., and Vroom Automotive, LLC and the FTC reached an agreement to resolve the FTC's allegations without any admission of wrongdoing by either Vroom entity, subject to final approval by the FTC and the court. Under the agreement, the Company will pay a total of \$1 million in customer redress and abide permanently by an injunction. The FTC issued its final approval of the agreement on July 2, 2024, and a mutually-agreed upon order reflecting the agreement was entered by the Court on July 10, 2024. The case is captioned Federal Trade Commission v. Vroom, Inc. et al., Case No. 4:24-cv-02496.

In April 2022, the Attorney General of Texas filed a petition on behalf of the State of Texas in the District Court of Travis County, Texas against the Company, alleging violation of the Texas Deceptive Trade Practices – Consumer Protection Act, Texas Business and Commerce Code § 17.41 et seq., based on alleged deficiencies and other issues in the Company's marketing of used vehicles and fulfillment of customer orders, including the titling and registration of sold vehicles. According to the petition, 80% of the customer complaints referenced in the petition were received in the 12 months prior to April 2022. The petition is captioned State of Texas v. Vroom Automotive LLC, and Vroom Inc., Case No. D-1-GN-001809. In May 2022, Vroom Automotive, LLC the Attorney General of the State of Texas agreed to a temporary injunction in which Vroom Automotive, LLC agreed to adhere to its existing practice of possessing title for all vehicles it sells or advertises as available for sale on its ecommerce platform. In December 2023, Vroom, Inc., Vroom Automotive, LLC and the Attorney General of the State of Texas reached a final agreement to resolve all claims in the petition, without any admission of wrongdoing by either Vroom entity. Under the agreement, the Company will pay a total of \$2 million in civil penalties and \$1 million in attorneys' fees, with the first half due in September 2024 and the remaining half due in September 2025, and abide permanently by an injunction of certain operational practices that were previously implemented.

As previously disclosed, the Company has been subject to audits, requests for information, investigations and other inquiries from its regulators relating to increased customer complaints concerning the same or similar matters alleged in the State of Texas petition. These regulatory matters could continue to progress into legal proceedings as well as enforcement actions. The Company has incurred fines in certain states and could continue to incur fines, penalties, restitution, or alterations in the Company's business practices, which in turn, could lead to increased business expenses, additional limitations on the Company's business activities and further reputational damage, although to date such expenses have not had a material adverse effect on the Company's financial condition, cash flows, or results of operations.

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**Other Matters**

The Company enters into agreements with third parties in the ordinary course of business that may contain indemnification provisions. In the event that an indemnification claim is asserted, the Company's liability, if any, would be limited by the terms of the applicable agreement. Historically, the Company has not incurred material costs to defend lawsuits or settle claims related to indemnification provisions.

**12. Preferred Stock and Stockholders' Equity**

**Preferred Stock**

On June 11, 2020, the Company amended its certificate of incorporation to authorize the issuance of up to 10,000,000 shares of Preferred Stock. As of June 30, 2024, there was no preferred stock issued or outstanding.

**Common Stock**

On February 13, 2024, the Company amended its certificate of incorporation to effect a 1-for-80 reverse stock split of shares of the Company's outstanding common stock, such that every 80 shares of common stock became one of common stock. The shares of common stock authorized for issuance remained unchanged at 500,000,000 and the par value per share of common stock remained unchanged at \$0.001. Each share of common stock entitles the holder to one vote on all matters submitted to a vote of the Company's stockholders.

**At-the-market Offering**

On December 1, 2023, the Company entered into an equity distribution agreement with Virtu Americas LLC to sell shares of the Company's common stock, par value \$0.001 per share, with aggregate gross sales proceeds of up to \$50.0 million, from time to time, through an "at-the-market" equity offering program (the "ATM offering"). As of June 30, 2024, the Company has up to \$47.5 million remaining in aggregate gross proceeds that can be issued through the ATM offering.

**13. Stock-based Compensation**

On May 28, 2020, the Company adopted the 2020 Incentive Award Plan ("the 2020 Plan"), which authorized the issuance of (i) up to 37,739 shares of the Company's common stock, (ii) an annual increase on the first day of each year beginning on January 1, 2022 and ending on January 1, 2030 of up to 4% of the shares of common stock outstanding on an as-converted basis on the last day of the immediately preceding fiscal year, and (iii) any shares of the Company's common stock subject to awards under the 2014 Plan which are forfeited or lapse unexercised and which following the effective date are not issued under the 2014 Plan. Awards may be issued in the form of restricted stock units, restricted stock, stock appreciation rights, and stock options. As of June 30, 2024, the Company has registered an additional 209,299 shares of the Company's common stock to be issued pursuant to the 2020 Plan.

Effective as of June 13, 2024, the stockholders approved an amendment to the 2020 Plan to increase the number of authorized shares by 350,000 shares. As of June 30, 2024, there were 455,099 shares available for future issuance under the 2020 Plan.

On May 20, 2022, the Company adopted the 2022 Inducement Award Plan (the "Inducement Award Plan"). Awards under the Inducement Award Plan may only be granted to a newly hired employee who has not previously been an employee or a member of the Board or an employee who is being rehired following a bona fide period of non-employment by the Company, in each case as a material inducement to the employee's entering into employment. An aggregate of 37,500 shares of the Company's common stock are reserved for issuance under the Inducement Award Plan. As of June 30, 2024, there were 32,027 shares available for future issuance under the Inducement Award Plan.

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**RSUs**

The Company recognized \$2.4 million and \$1.7 million of stock-based compensation expense related to RSUs for the three months ended June 30, 2024 and 2023, respectively and \$3.7 million and \$3.3 million for the six months ended June 30, 2024 and 2023, respectively. As of June 30, 2024 and December 31, 2023, the Company had \$3.9 million and \$4.5 million, respectively, of unrecognized stock-based compensation expense that is expected to be recognized over a weighted-average period of 0.8 and 1.1 years, respectively.

Certain of the Company's RSU grants are subject to acceleration upon a change of control and termination within 12 months, and upon death, disability and certain other "good leaver" circumstances.

**14. Financial Instruments and Fair Value Measurements**

U.S. GAAP defines fair value as the price that would be received from selling an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. These estimates are subjective in nature and involve uncertainties and matters of judgment, and therefore cannot be determined with precision. U.S. GAAP establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value and establishes the following three levels of inputs that may be used to measure fair value:

Level 1—Quoted prices in active markets for identical assets or liabilities

Level 2—Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted market prices in markets that are not active; or model-derived valuations or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

**Items Measured at Fair Value on a Recurring Basis**

The Company holds certain financial assets that are required to be measured at fair value on a recurring basis. Additionally, the Company elected the fair value option for the financial assets and liabilities of UACC's 2022-2 and 2023-1 consolidated CFEs, beneficial interests in the 2022-1 securitization transaction, certain of UACC's finance receivables that are ineligible to be sold, and certain other finance receivables held for sale. Under the fair value option allowable under ASC 825, "Financial Instruments" ("ASC 825"), the Company may elect to measure at fair value financial assets and liabilities that are not otherwise required to be carried at fair value. Subsequent changes in fair value for designated items are reported in earnings.



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The following tables present the Company's financial assets and liabilities measured at fair value on a recurring basis (in thousands):

	As of June 30, 2024			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Cash and cash equivalents:				
Money market funds	\$ 42,949	\$ —	\$ —	\$ 42,949
CFE assets:				
Finance receivables	—	—	292,533	292,533
Finance receivables at fair value	—	—	174,372	174,372
Other assets (beneficial interests in securitizations)	—	3,109	—	3,109
Total financial assets	<u>\$ 42,949</u>	<u>\$ 3,109</u>	<u>\$ 466,905</u>	<u>\$ 512,963</u>
<b>Financial Liabilities</b>				
CFE liabilities:				
Securitization debt of consolidated VIEs	—	199,754	—	199,754
Total financial liabilities	<u>\$ —</u>	<u>\$ 199,754</u>	<u>\$ —</u>	<u>\$ 199,754</u>
	As of December 31, 2023			
	Level 1	Level 2	Level 3	Total
<b>Financial Assets</b>				
Cash and cash equivalents:				
Money market funds	\$ 27,121	\$ —	\$ —	\$ 27,121
CFE assets:				
Finance receivables	—	—	316,998	316,998
Finance receivables at fair value	—	—	31,672	31,672
Other assets (beneficial interests in securitizations)	—	4,485	—	4,485
Total financial assets	<u>\$ 27,121</u>	<u>\$ 4,485</u>	<u>\$ 348,670</u>	<u>\$ 380,276</u>
<b>Financial Liabilities</b>				
CFE liabilities:				
Securitization debt of consolidated VIEs	—	314,095	—	314,095
Total financial liabilities	<u>\$ —</u>	<u>\$ 314,095</u>	<u>\$ —</u>	<u>\$ 314,095</u>

**Valuation Methodologies of Financial Instruments Measured at Fair Value on a Recurring Basis**

The following is a description of the valuation methodologies used for financial instruments carried at fair value. These methodologies are applied to financial assets and liabilities across the fair value levels discussed above, and it is the observability of the inputs used that determines the appropriate level in the fair value hierarchy for the respective asset or liability.

**Money Market Funds:** Money market funds primarily consist of investments in highly liquid U.S. treasury securities, with original maturities of three months or less and are classified as Level 1. The Company determines the fair value of cash equivalents based on quoted prices in active markets.

**Financial assets and liabilities of CFEs:** In accordance with ASC 825, the Company has elected the fair value option, for the eligible financial assets and liabilities of the 2022-2 and 2023-1 consolidated CFEs in order to mitigate potential accounting mismatches between the carrying value of the financial assets and liabilities. To eliminate potential measurement differences, the Company elected the measurement alternative included in ASC 810-30, allowing the Company to measure both the financial assets and liabilities of a qualifying CFE using the fair value of either the CFE's financial assets or liabilities, whichever is more observable. Under the measurement alternative prescribed by ASC 810-30, the Company recognizes changes in the CFE's net assets, including changes in fair value adjustments and net interest earned, in its condensed consolidated statements of operations.



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The Company is required to determine whether the fair value of the financial assets or the fair value of the financial liabilities of the eligible CFEs are more observable, but in either case, the methodology results in the fair value of the financial assets of the securitization trust being equal to the fair value of their liabilities. The Company determined that the fair value of the liabilities of the securitization CFEs are more observable, since market prices of their liabilities are based on non-binding quoted prices provided by broker dealers who make markets in similar financial instruments. The assets of the securitization CFEs are not readily marketable, and their fair value measurement requires information that may be limited in availability.

In determining the fair value of the securitization debt of consolidated CFEs, the broker dealers consider contractual cash payments and yields expected by market participants. Broker dealers also incorporate common market pricing methods, including a spread measurement to the treasury curve or interest rate swap curve as well as underlying characteristics of the particular security including ratings, coupon, collateral type and seasoning or age of the security. When the Company obtains prices from multiple broker dealers for the same security and has a consensus among them, it deems these fair values to be based on observable valuation inputs and classified as Level 2 of the fair value hierarchy. Where a third-party broker dealer quote is not available, an internal model is utilized using unobservable inputs or if the Company has multiple quotes that are not within determined range, it classified the securitization debt as Level 3 of the fair value hierarchy.

The financial assets of the consolidated CFEs are an aggregate value derived from the fair value of the CFEs liabilities. The Company determined that CFEs finance receivables in their entirety should be classified as Level 3 of the fair value hierarchy.

*Finance receivables at fair value:* Finance receivables at fair value represent finance receivables for which the Company elected the fair value option in accordance with ASC 825. The Company estimates the fair value of these receivables using a discounted cash flow model and incorporates key inputs that include prepayment speed, default rate, recovery rate, as well as certain macroeconomics events the Company believes market participants would consider relevant.

*Beneficial interests in securitization:* Beneficial interests in securitization relate to the 2022-1 securitization completed in February 2022 and include rated notes as well as certificates. The beneficial interests in the 2022-2 securitization completed in July 2022 were eliminated upon consolidation of the VIE in March 2023. Refer to Note 4 – Variable Interest Entities and Securitizations. The Company elected the fair value option on its beneficial interests in securitization.

Beneficial interests may initially be classified as Level 2 if the transactions occur within close proximity to the end of each respective reporting period. Subsequently, similar to the securitization debt described above, fair value is determined by requesting a non-binding quote from broker dealers, or by utilizing market acceptable valuation models, such as discounted cash flows. Broker dealer quotes may be based on an income approach, which converts expected future cash flows to a single present value amount, with specific consideration of inputs relevant to particular security types. Such inputs may include ratings, collateral types, geographic concentrations, underlying loan vintages, delinquencies and defaults, loss severity assumptions, prepayments, and maturities. When the volume or level of market activity for a security is limited, certain inputs used to determine fair value may not be observable in the market. Broker dealer quotes may also be based on a market approach that considers recent transactions involving identical or similar securities. When the Company obtains prices from multiple broker dealers for the same security and has a consensus among them, it deems these fair values to be based on observable valuation inputs and classified as Level 2 of the fair value hierarchy. Where a third-party broker dealer quote is not available, the Company utilizes an internally developed model using unobservable inputs. If internally developed models are utilized or if the Company has multiple quotes that are not within a consensus range of each other, the Company deems these securities to be classified as Level 3 of the fair value hierarchy.

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**Changes in Level 3 Recurring Fair Value Measurements**

The following table presents a reconciliation of the financial assets, which were measured at fair value on a recurring basis using Level 3 inputs (in thousands):

	Finance Receivables of Consolidated CFEs	Finance Receivables at Fair Value
Fair value as of January 1, 2024	\$ 316,998	\$ 31,672
Transfer within Level 3 categories	55,320	(55,320)
Losses included in realized and unrealized losses	(29,498)	(9,846)
Issuances, net of discount	—	233,257
Paydowns	(58,089)	(26,462)
Other	7,802	1,071
Fair value as of June 30, 2024	<u>\$ 292,533</u>	<u>\$ 174,372</u>
	Finance Receivables of Consolidated CFEs	Finance Receivables at Fair Value
Fair value as of January 1, 2023	\$ 77,904	\$ 75,270
Reclassification of finance receivables held for sale to finance receivables at fair value, net	248,081	—
Transfer within Level 3 categories	25,718	(25,718)
Consolidation of VIEs	180,706	—
Losses included in realized and unrealized losses	(37,890)	(1,396)
Issuances, net of discount	—	3,392
Paydowns	(77,007)	(14,883)
Other	12,510	1,010
Fair value as of June 30, 2023	<u>\$ 430,022</u>	<u>\$ 37,675</u>

The Company's transfers between levels of the fair value hierarchy are assumed to have occurred at the beginning of the reporting period on a quarterly basis. During the three and six months ended June 30, 2024, there were no transfer between levels of the fair value hierarchy. During the six months ended June 30, 2023, \$180.7 million of finance receivables related to the 2022-2 securitization transaction were consolidated and classified as Level 3 and \$248.1 million of finance receivables held for sale related to the 2023-1 securitization transaction were reclassified to Level 3 finance receivables of consolidated CFEs.

**Other Relevant Data for Financial Assets and Liabilities for which FVO Was Elected**

The following table presents the gains or losses recorded in "Realized and unrealized losses, net of recoveries" in the condensed consolidated statements of operations related to the eligible financial instruments for which the fair value option was elected (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<b>Financial Assets</b>				
Finance receivables of CFEs	\$ 10,660	\$ 21,988	\$ 26,544	\$ 31,885
Finance receivables at fair value	1,074	(10)	6,000	(1,422)
Beneficial interests in securitizations	(82)	261	(92)	922
<b>Financial Liabilities</b>				
Debt of securitized VIEs	(1,938)	(6,029)	(4,486)	(7,251)
Total net loss included in "Realized and unrealized losses, net of recoveries"	<u>\$ 9,714</u>	<u>\$ 16,210</u>	<u>\$ 27,966</u>	<u>\$ 24,134</u>

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The following table presents other relevant data related to the finance receivables carried at fair value (in thousands):

<b>As of June 30, 2024</b>	<b>Finance Receivables of CFEs at Fair Value</b>	<b>Finance Receivables at Fair Value</b>
Aggregate unpaid principal balance included within finance receivables that are reported at fair value	\$ 337,501	\$ 197,695
Aggregate fair value of finance receivables that are reported at fair value	\$ 292,533	\$ 174,372
Unpaid principal balance of receivables within finance receivables that are reported at fair value and are on nonaccrual status (90 days or more past due)	\$ 5,799	\$ 1,260
Aggregate fair value of receivables carried at fair value that are on nonaccrual status (90 days or more past due)	\$ 4,973	\$ 900
<b>As of December 31, 2023</b>		
Aggregate unpaid principal balance included within finance receivables that are reported at fair value	\$ 361,609	\$ 36,207
Aggregate fair value of finance receivables that are reported at fair value	\$ 316,998	\$ 31,672
Unpaid principal balance of receivables within finance receivables that are reported at fair value and are on nonaccrual status (90 days or more past due)	\$ 6,700	\$ 717
Aggregate fair value of receivables carried at fair value that are on nonaccrual status (90 days or more past due)	\$ 5,921	\$ 544

All finance receivables of CFEs are pledged to the CFEs trusts.

The following table presents other relevant data related to securitization debt of consolidated VIEs carried at fair value (in thousands):

<b>As of June 30, 2024</b>	<b>Securitization debt of consolidated VIEs at Fair Value</b>
Aggregate unpaid principal balance of rated notes of securitized VIEs	\$ 207,413
Aggregate fair value of rated notes of securitized VIEs	\$ 199,754
<b>As of December 31, 2023</b>	
Aggregate unpaid principal balance of rated notes of securitized VIEs	\$ 318,085
Aggregate fair value of rated notes of securitized VIEs	\$ 314,095

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**Fair Value of Financial Instruments Not Carried at Fair Value**

The carrying amounts of restricted cash and other liabilities approximate fair value due to their short-term nature. The carrying value of the Warehouse Credit Facilities was determined to approximate fair value due to its short-term duration and variable interest rate that approximates prevailing interest rates as of each reporting period.

*Finance receivables held for sale, net:* For finance receivables eligible to be sold in a securitization, the Company determines the fair value of these finance receivables utilizing sales prices based on estimated securitization transactions, adjusted for transformation costs, risk and a normal profit margin associated with securitization transactions. Such fair value measurement of finance receivables held for sale, net is considered Level 3 of the fair value hierarchy. As of June 30, 2024, the carrying value and fair value of the finance receivables held for sale, net were \$362.3 million. As of December 31, 2023, the Company determined that all of these finance receivables should be marked to their fair value of \$468.8 million based on the results of the Company's lower of amortized cost basis or fair value analysis.

In addition, from time to time the Company may mark certain receivables, that are no longer eligible to be sold in a securitization, classified as held for sale to fair value on a non-recurring basis. As of June 30, 2024 and December 31, 2023, there were \$51.4 million and \$34.8 million of these finance receivables that were marked to fair value on a non-recurring basis, respectively. These are finance receivables that became delinquent and no longer meet the expected securitization sales criteria. The Company uses a discounted cash flow model to estimate the present value of future recoveries for finance receivables. Such fair value measurement of finance receivables held for sale, net is considered Level 3 of the fair value hierarchy.

*Convertible Senior Notes:* The fair value of the Notes, which are not carried at fair value on the accompanying condensed consolidated balance sheets, was determined utilizing actual bids and offer prices of the Notes in markets that are not active and are classified within Level 2 of the fair value hierarchy.

	June 30, 2024	December 31, 2023
Carrying value	\$ 287,550	\$ 286,800
Fair value	\$ 145,244	\$ 152,506

*Securitization Debt:* The fair value of the 2024-1 securitization debt, which is not carried at fair value on the accompanying condensed consolidated balance sheets, was determined utilizing non-binding quoted prices provided by broker dealers, as discussed above, and classified as Level 2 of the fair value hierarchy.

	June 30, 2024
Carrying value	\$ 272,362
Fair value	\$ 274,721

*Financing of beneficial interests in securitizations:* The fair value of the financing of beneficial interests in securitizations, which are not carried at fair value on the accompanying condensed consolidated balance sheets, approximated their carrying value as of June 30, 2024 and 2023 and are classified within Level 3 of the fair value hierarchy.

*Junior Subordinated Debentures:* The fair value of the junior subordinated debentures, which are not carried at fair value on the accompanying consolidated balance sheets, approximated their carrying value as of June 30, 2024 and 2023 and are classified within Level 3 of the fair value hierarchy.

**15. Segment Information**

As a result of the Ecommerce Wind-Down during the three months ended March 31, 2024, the Company revised its reportable segments. The Company is now organized into two reportable segments: UACC and CarStory. Corporate activities are presented in "corporate" and do not constitute a reportable segment. These activities include costs not directly attributable to the segments and are primarily related to costs associated with corporate and governance functions, including executive functions, corporate finance, legal, human resources, information technology, cyber security

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and other shared costs. Certain shared costs, including corporate administration, are allocated to segments based upon specific allocation of expenses. Corporate activities also include the runoff of legacy Vroom third party vehicle service and GAP policies sold prior to the Ecommerce Wind-Down as well as certain Vroom contracts that are continuing to be renegotiated and right-sized to account for reduced headcount following the Ecommerce Wind-down. The Company retrospectively restated segment results for the comparative period to conform to the new presentation. No operating segments have been aggregated to form the reportable segments.

The Company determined its operating segments based on how the chief operating decision maker (“CODM”) reviews the Company’s operating results in assessing performance and allocating resources. The CODM reviews Adjusted EBITDA for each of the reportable segments. Adjusted EBITDA is defined as net loss before interest expense on corporate debt, interest income on cash and cash equivalents, income tax expense, depreciation and amortization expense, stock compensation expense, severance expense related to the continuing operations, gain on debt extinguishment and long-lived asset impairment charges, incurred by the segment. The CODM does not evaluate operating segments using asset information as these are managed on an enterprise-wide group basis. Accordingly, the Company does not report segment asset information. As of June 30, 2024 and December 31, 2023, long-lived assets were predominantly located in the United States.

The UACC reportable segment represents UACC’s operations with its network of third-party dealership customers, including the purchases and servicing of vehicle installment contracts. The segment also includes the runoff portfolio of retail installment sale contracts originated for Vroom or purchased from Vroom prior to the Ecommerce Wind-Down.

The CarStory reportable segment represents sales of AI-powered analytics and digital services to automotive dealers, automotive financial services companies and others in the automotive industry.

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Information about the Company's reportable segments are as follows (in thousands):

	Three Months Ended June 30,							
	2024				2023			
	UACC	CarStory	Corporate	Total	UACC	CarStory	Corporate	Total
Interest income	\$ 52,389	\$ —	\$ (527)	\$ 51,862	\$ 47,531	\$ —	\$ (536)	\$ 46,995
Interest expense:								
Warehouse credit facility	6,986	—	—	6,986	3,658	—	—	3,658
Securitization debt	7,995	—	—	7,995	5,981	—	—	5,981
Total interest expense	14,981	—	—	14,981	9,639	—	—	9,639
Net interest income	37,408	—	(527)	36,881	37,892	—	(536)	37,356
Realized and unrealized losses, net of recoveries	19,582	—	(853)	18,729	20,386	—	2,801	23,187
Net interest income after losses and recoveries	17,826	—	325	18,152	17,506	—	(3,337)	14,169
Noninterest income:								
Servicing income	1,587	—	—	1,587	2,551	—	—	2,551
Warranties and GAP income (loss), net	1,640	—	(262)	1,378	1,478	—	(727)	751
CarStory revenue	—	2,913	—	2,913	—	3,224	—	3,224
Gain on debt extinguishment	—	—	—	—	—	—	10,931	10,931
Other income	2,098	190	853	3,141	977	93	2,001	3,071
Total noninterest income	5,325	3,103	591	9,019	5,006	3,317	12,205	20,528
Expenses:								
Compensation and benefits	20,539	2,461	4,176	27,176	16,392	2,420	2,529	21,341
Professional fees	575	80	833	1,488	1,028	113	1,303	2,444
Software and IT costs	2,605	21	1,410	4,036	2,974	171	1,659	4,804
Depreciation and amortization	5,630	1,602	—	7,232	5,582	1,608	—	7,190
Interest expense on corporate debt	629	—	920	1,549	436	—	1,091	1,527
Other expenses	3,054	55	1,852	4,961	1,841	152	2,578	4,571
Total expenses	33,032	4,219	9,191	46,442	28,253	4,464	9,160	41,877
Adjusted EBITDA	\$ (2,824)	\$ 372	\$ (5,089)	\$ (7,541)	\$ 291	\$ 634	\$ (11,244)	\$ (10,319)

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	Six Months Ended June 30,							
	2024				2023			
	UACC	CarStory	Corporate	Total	UACC	CarStory	Corporate	Total
Interest income	\$ 103,930	\$ —	\$ (991)	\$ 102,939	\$ 82,830	\$ —	\$ (1,467)	\$ 81,363
Interest expense:								
Warehouse credit facility	16,457	—	—	16,457	6,757	—	—	6,757
Securitization debt	12,864	—	—	12,864	10,326	—	—	10,326
Total interest expense	29,321	—	—	29,321	17,083	—	—	17,083
Net interest income	74,609	—	(991)	73,618	65,747	—	(1,467)	64,280
Realized and unrealized losses, net of recoveries	47,343	—	2,205	49,548	32,658	—	6,257	38,915
Net interest income after losses and recoveries	27,266	—	(3,196)	24,070	33,089	—	(7,724)	25,365
Noninterest (loss) income:								
Servicing income	3,606	—	—	3,606	5,405	—	—	5,405
Warranties and GAP income (loss), net	3,250	—	(11,514)	(8,264)	3,681	—	(95)	3,586
CarStory revenue	—	5,892	—	5,892	—	6,394	—	6,394
Gain on debt extinguishment	—	—	—	—	—	—	19,640	19,640
Other income	4,568	363	994	5,925	2,031	141	3,931	6,103
Total noninterest (loss) income	11,424	6,255	(10,520)	7,159	11,117	6,535	23,476	41,128
Expenses:								
Compensation and benefits	39,327	4,675	7,284	51,286	34,928	4,821	4,813	44,562
Professional fees	1,451	202	3,178	4,831	3,569	290	3,559	7,417
Software and IT costs	5,702	188	2,768	8,658	5,679	345	4,025	10,050
Depreciation and amortization	11,651	3,207	—	14,858	11,209	3,213	—	14,422
Interest expense on corporate debt	1,100	—	1,840	2,940	633	—	2,234	2,867
Impairment charges	2,752	—	—	2,752	—	—	—	—
Other expenses	5,577	173	3,666	9,416	4,261	301	5,211	9,773
Total expenses	67,561	8,444	18,735	94,741	60,279	8,969	19,842	89,091
Adjusted EBITDA	\$ (12,970)	\$ 930	\$ (27,654)	\$ (39,694)	\$ (4,177)	\$ 1,201	\$ (23,644)	\$ (26,620)

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The reconciliation between reportable segment Adjusted EBITDA to consolidated net loss from continuing operations is as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Adjusted EBITDA by Segment				
UACC	\$ (2,824)	\$ 291	\$ (12,970)	\$ (4,177)
CarStory	372	634	930	1,201
Corporate	(5,089)	(11,244)	(27,654)	(23,644)
Total	<u>\$ (7,541)</u>	<u>\$ (10,319)</u>	<u>\$ (39,694)</u>	<u>\$ (26,620)</u>
Interest expense on corporate debt	(1,549)	(1,527)	(2,940)	(2,867)
Interest income on cash and cash equivalents	1,182	2,594	2,187	5,019
Provision for income taxes	167	(286)	(269)	(337)
Depreciation and amortization	(7,232)	(7,190)	(14,858)	(14,422)
Stock compensation expense	(2,446)	(1,669)	(3,770)	(3,348)
Gain on debt extinguishment	—	10,931	—	19,640
Severance	(1,685)	—	(1,685)	—
Impairment charges	—	—	(2,752)	—
Net loss from continuing operations	<u>\$ (19,104)</u>	<u>\$ (7,466)</u>	<u>\$ (63,781)</u>	<u>\$ (22,935)</u>

## 16. Income Taxes

The Company computes income taxes using the liability method. This method requires recognition of deferred tax assets and liabilities, measured by enacted rates, attributable to temporary differences between the financial statements and the income tax basis of assets and liabilities. In assessing the realizability of deferred tax assets, the Company considers whether it is more likely than not that certain deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income in those specific jurisdictions prior to the dates on which such net operating losses expire. The Company maintained a full valuation allowance against its net deferred tax assets because the Company has determined that it is more likely than not that these assets will not be fully realized based on a current evaluation of expected future taxable income and the Company being in a cumulative 3-year loss position.

The Company's effective tax rate from continuing operations for the three months ended June 30, 2024 and 2023 was 0.87% and (3.98)%, respectively. The Company's effective tax rate from continuing operations for the six months ended June 30, 2024 and 2023 was (0.42)% and (1.49)%, respectively.

The Company is subject to tax in the United States and many state and local jurisdictions. The Company, with certain exceptions, is no longer subject to income tax examinations by U.S. federal, state and local for tax years 2017 and prior. The company is not currently under audit for any US federal or state income tax audits.

The Internal Revenue Code (IRC) Section 382 provides for a limitation of the annual use of net operating loss and tax credit carryforwards following certain ownership changes (as defined by the IRC Section 382) that limits the Company's ability to utilize these carryforwards. The Company completed a Section 382 study to determine the applicable limitation, if any. It was determined that the Company has undergone four ownership changes the most recent of which was April 2021. These changes will substantially limit the use of the net operating losses generated before the change in control.

The Company has not identified any uncertain tax positions as of June 30, 2024 or December 31, 2023. Any interest and penalties related to uncertain tax positions shall be recorded as a component of income tax expense. To date, no interest or penalties have been accrued in relation to uncertain tax positions.

On August 16, 2022, the Inflation Reduction Act of 2022 ("IRA") was signed into law. The IRA includes implementation of a new alternative minimum tax, an excise tax on stock buybacks, and significant tax incentives for



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energy and climate initiatives, among other provisions. The Company evaluated the provisions included under the IRA and the provisions do not have a material impact to the Company's condensed consolidated financial statements.

### 17. Net Loss Per Share

The following table sets forth the computation of basic and diluted net loss per share attributable to common stockholders:

(in thousands, except share and per share amounts)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net loss from continuing operations	\$ (19,104)	\$ (7,466)	\$ (63,781)	\$ (22,935)
Net loss from discontinued operations	\$ (2,084)	\$ (58,573)	\$ (25,025)	\$ (117,844)
Net loss	\$ (21,188)	\$ (66,039)	\$ (88,806)	\$ (140,779)
Weighted-average number of shares outstanding used to compute net loss per share attributable to common stockholders, basic and diluted	1,800,486	1,739,336	1,797,394	1,735,486
Net loss per share attributable to common stockholders, continuing operations, basic and diluted	\$ (10.61)	\$ (4.29)	\$ (35.49)	\$ (13.22)
Net loss per share attributable to common stockholders, discontinued operations, basic and diluted	\$ (1.16)	\$ (33.68)	\$ (13.92)	\$ (67.90)
Total net loss per share attributable to common stockholders, basic and diluted	\$ (11.77)	\$ (37.97)	\$ (49.41)	\$ (81.12)

The following potentially dilutive shares were not included in the calculation of diluted shares outstanding for the periods presented as the effect would have been anti-dilutive:

	As of June 30,	
	2024	2023
Convertible senior notes	64,830	74,203
Stock options	25,911	32,040
Restricted stock units	134,738	178,145
Total	225,479	284,388

### 18. Revised Consolidated Financial Statements Information

In March 2024, in connection with the Ecommerce Wind-Down, the Company identified errors related to an overstatement of credit balances in other current liabilities and accounts payable as of and prior to December 31, 2023. The Company incorrectly recorded approximately \$1.4 million of other current liabilities and \$4.1 million of accounts payable, instead of a reduction in operating expenses of \$5.5 million, of which \$4.6 million related to annual periods prior to 2023. The Company evaluated the impact of these errors and concluded that they are not material to any previously issued annual or interim consolidated financial statements. As a result of these errors, the Company has revised the consolidated financial statements for the three and six months ended June 30, 2023 and as of December 31, 2023 and 2022 and for the years then ended. The Company intends to reflect these revisions in its 2024 Quarterly Reports to be filed on Form 10-Q and 2024 Annual Report to be filed on Form 10-K.

The following table (in thousands) sets forth the Company's consolidated results of operations for the three and six months ended June 30, 2023 and the years ended December 31, 2023 and 2022, which have been retrospectively adjusted for the impact of the immaterial errors identified as well as new financial statement presentation and discontinued operations presentation related to the Ecommerce Wind-Down.

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	Three Months Ended June 30, 2023				
	As Reported	Adjustments	Discontinued Operations	Presentation Reclasses (1)	As Recasted and Revised
Total revenue	\$ 225,178	\$ —	\$ (171,308)	\$ (53,869)	\$ —
Total cost of sales	179,177	—	(169,332)	(9,845)	—
Total gross profit	46,001	—	(1,976)	(44,024)	—
Selling, general and administrative expenses	86,955	(280)	(54,558)	(32,117)	—
Depreciation and amortization	10,304	—	(3,114)	(7,190)	—
Impairment charges	1,353	—	(1,353)	—	—
Loss from operations	(52,611)	280	57,049	(4,717)	—
Gain on debt extinguishment	(10,931)	—	—	10,931	—
Interest expense	8,938	—	(3,752)	(5,186)	—
Interest income	(4,921)	—	2,328	2,593	—
Other loss, net	20,236	—	—	(20,236)	—
Interest income	—	—	—	46,995	46,995
Total interest expense	—	—	—	9,639	9,639
Net interest income	—	—	—	37,356	37,356
Realized and unrealized losses, net of recoveries	—	—	—	23,187	23,187
Net interest income after losses and recoveries	—	—	—	14,169	14,169
Total noninterest (loss) income	—	—	—	20,528	20,528
Total expenses	—	—	—	41,877	41,877
Loss before provision (benefit) for income taxes	(65,933)	280	58,473	(7,180)	(7,180)
Provision (benefit) for income taxes	385	—	(99)	—	286
Net loss from continuing operations	—	—	—	—	(7,466)
Net loss from discontinued operations	—	—	—	—	(58,573)
Total net loss	<u>\$ (66,318)</u>	<u>\$ 280</u>	<u>—</u>	<u>—</u>	<u>\$ (66,039)</u>
Net loss per share attributable to common stockholders, continuing operations, basic and diluted	—	—	—	—	(4.29)
Net loss per share attributable to common stockholders, discontinued operations, basic and diluted	—	—	—	—	(33.68)
Total net loss per share attributable to common stockholders, basic and diluted	<u>\$ (38.13)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>\$ (37.97)</u>
Weighted-average number of shares outstanding used to compute net loss per share attributable to common stockholders, basic and diluted	<u>1,739,336</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,739,336</u>

(1) Reflects revised presentation as a result of the Ecommerce Wind-Down.

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	Six Months Ended June 30, 2023				
	As Reported	Adjustments	Discontinued Operations	Presentation Reclasses (1)	As Recasted and Revised
Total revenue	\$ 421,645	\$ —	\$ (324,748)	\$ (96,896)	\$ —
Total cost of sales	336,839	—	(318,889)	(17,950)	—
Total gross profit	84,806	—	(5,859)	(78,946)	—
Selling, general and administrative expenses	183,492	(583)	(112,227)	(70,682)	—
Depreciation and amortization	20,835	—	(6,413)	(14,422)	—
Impairment charges	1,353	—	(1,353)	—	—
Loss from operations	(120,874)	583	114,134	6,158	—
Gain on debt extinguishment	(19,640)	—	—	19,640	—
Interest expense	18,857	—	(9,233)	(9,624)	—
Interest income	(10,863)	—	5,845	5,018	—
Other loss, net	31,476	—	—	(31,476)	—
Interest income				81,363	81,363
Total interest expense				17,083	17,083
Net interest income				64,280	64,280
Realized and unrealized losses, net of recoveries				38,915	38,915
Net interest income after losses and recoveries				25,365	25,365
Total noninterest (loss) income				41,128	41,128
Total expenses				89,091	89,091
Loss before provision (benefit) for income taxes	(140,704)	583	117,522	(22,598)	(22,598)
Provision (benefit) for income taxes	658	—	(321)	—	337
Net loss from continuing operations					(22,935)
Net loss from discontinued operations					(117,844)
Total net loss	<u>\$ (141,362)</u>	<u>\$ 583</u>			<u>\$ (140,779)</u>
Net loss per share attributable to common stockholders, continuing operations, basic and diluted					(13.22)
Net loss per share attributable to common stockholders, discontinued operations, basic and diluted					(67.90)
Total net loss per share attributable to common stockholders, basic and diluted	<u>\$ (81.45)</u>				<u>\$ (81.12)</u>
Weighted-average number of shares outstanding used to compute net loss per share attributable to common stockholders, basic and diluted	<u>1,735,486</u>				<u>1,735,486</u>

(1) Reflects revised presentation as a result of the Ecommerce Wind-Down.

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	Year ended December 31, 2023				
	As Reported	Adjustments	Discontinued Operations	Presentation Reclasses (1)	As Recasted and Revised
Total revenue	\$ 893,203	\$ —	\$ (687,215)	\$ (205,988)	\$ —
Total cost of sales	731,256	—	(692,037)	(39,219)	—
Total gross profit	161,947	—	4,822	(166,769)	—
Selling, general and administrative expenses	340,657	(929)	(205,977)	(133,751)	—
Depreciation and amortization	42,769	—	(13,656)	(29,113)	—
Impairment charges	48,748	—	(48,748)	—	—
Loss from operations	(270,227)	929	273,203	(3,905)	—
Gain on debt extinguishment	(37,878)	—	—	37,878	—
Interest expense	45,445	—	(19,556)	(25,889)	—
Interest income	(21,158)	—	13,218	7,940	—
Other loss (income), net	108,289	—	—	(108,289)	—
Interest income				\$ 178,482	\$ 178,482
Total interest expense				41,893	41,893
Net interest income				136,589	136,589
Realized and unrealized losses, net of recoveries				122,541	122,541
Net interest income after losses and recoveries				14,048	14,048
Total noninterest (loss) income				75,126	75,126
Total expenses				173,629	173,629
Loss before provision (benefit) for income taxes	(364,925)	929	279,541	(84,455)	(84,455)
Provision (benefit) for income taxes	615	—	(492)	—	123
Net loss from continuing operations					(84,578)
Net loss from discontinued operations					(280,033)
Total net loss	\$ (365,540)	\$ 929			(364,611)
Net loss per share attributable to common stockholders, continuing operations, basic and diluted					(48.52)
Net loss per share attributable to common stockholders, discontinued operations, basic and diluted					(160.65)
Total net loss per share attributable to common stockholders, basic and diluted	\$ (209.70)				\$ (209.17)
Weighted-average number of shares outstanding used to compute net loss per share attributable to common stockholders, basic and diluted	1,743,128				1,743,128

(1) Reflects revised presentation as a result of the Ecommerce Wind-Down.

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	Year ended December 31, 2022				
	As Reported	Adjustments	Discontinued Operations	Presentation Reclasses (1)	As Recasted and Revised
Total revenue	\$ 1,948,901	\$ —	\$ (1,774,270)	\$ (174,631)	\$ —
Total cost of sales	1,704,114	—	(1,686,340)	(17,774)	—
Total gross profit	244,787	—	(87,930)	(156,857)	—
Selling, general and administrative expenses	566,387	(1,447)	(424,985)	(139,955)	—
Depreciation and amortization	38,290	—	(11,220)	(27,070)	—
Impairment charges	211,873	—	(211,873)	—	—
Loss from operations	(571,763)	1,447	560,148	10,168	—
Gain on debt extinguishment	(164,684)	—	—	164,684	—
Interest expense	40,693	—	(26,831)	(13,862)	—
Interest income	(19,363)	—	15,934	3,429	—
Other loss (income), net	43,181	—	—	(43,181)	—
Interest income				91,671	91,671
Total interest expense				9,508	9,508
Net interest income				82,163	82,163
Realized (gain) on sale of finance receivables				(44,481)	(44,481)
Realized and unrealized losses, net of recoveries				54,761	54,761
Net interest income after gains, losses and recoveries				71,883	71,883
Total noninterest (loss) income				208,983	208,983
Total expenses				179,965	179,965
(Loss) income before provision (benefit) for income taxes	(471,590)	1,447	571,045	100,901	100,901
Provision (benefit) for income taxes	(19,680)	—	—	—	(19,680)
Net income from continuing operations					120,581
Net loss from discontinued operations					(571,045)
Total net loss	<u>\$ (451,910)</u>	<u>\$ 1,447</u>	<u>—</u>	<u>—</u>	<u>\$ (450,464)</u>
Net loss per share attributable to common stockholders, continuing operations, basic and diluted					69.95
Net loss per share attributable to common stockholders, discontinued operations, basic and diluted					\$ (331.26)
Total net loss per share attributable to common stockholders, basic and diluted	<u>\$ (262.15)</u>				<u>\$ (261.31)</u>
Weighted-average number of shares outstanding used to compute net loss per share attributable to common stockholders, basic and diluted	<u>1,723,843</u>				<u>1,723,843</u>

(1) Reflects revised presentation as a result of the Ecommerce Wind-Down.

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The impacts to our Consolidated Balance Sheets as of December 31, 2023 and 2022 were as follows (in thousands):

	As of December 31, 2023				
	As Reported	Adjustments	Discontinued Operations	Presentation Reclasses (1)	As Recasted and Revised
<b>ASSETS</b>					
Current Assets:					
Cash and cash equivalents	\$ 135,585				\$ 135,585
Restricted cash	73,234				73,234
Accounts receivable, net of allowance	9,139		(4,413)	(4,726)	—
Finance receivables at fair value	12,501			(12,501)	—
Finance receivables held for sale, net	503,546				503,546
Inventory	163,250		(163,250)		—
Beneficial interests in securitizations	4,485			(4,485)	—
Prepaid expenses and other current assets	50,899		(8,818)	(42,081)	—
Total current assets	952,639	—	(176,481)	(63,793)	
Finance receivables at fair value	336,169			12,501	348,670
Property and equipment, net	24,132		(19,150)		4,982
Intangible assets, net	131,892				131,892
Operating lease right-of-use assets	7,063				7,063
Interest Receivable				14,484	14,484
Other assets (including other assets of consolidated VIEs of \$1.8 million)	23,527		(906)	36,808	59,429
Assets from discontinued operations			196,537		196,537
Total assets	<u>\$ 1,475,422</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,475,422</u>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>					
Current Liabilities:					
Accounts payable	\$ 26,762	\$ (4,138)	\$ (6,439)	\$ (16,185)	\$ —
Accrued expenses	52,452		(27,133)	(25,319)	—
Vehicle floorplan	151,178		(151,178)		—
Warehouse credit facilities of consolidated VIEs	421,268		—		421,268
Current portion of long-term debt	172,410		—	(172,410)	—
Deferred revenue	14,025		(14,025)		—
Operating lease liabilities, current	8,737		(6,105)	(2,632)	—
Other current liabilities	9,974	(1,382)	(5,884)	(2,708)	—
Total current liabilities	856,806	(5,520)	(210,764)	(219,254)	
Long-term debt, net of current portion	454,173		—	172,410	626,583
Operating lease liabilities, excluding current portion	25,183		(17,356)	2,632	10,459
Other long-term liabilities	17,109		—	44,212	61,321
Liabilities from discontinued operations			228,120		228,120
Total liabilities	<u>1,353,271</u>	<u>(5,520)</u>	<u>—</u>	<u>—</u>	<u>1,347,751</u>
Commitments and contingencies					
Stockholders' equity:					
Common stock, \$0.001 par value; 500,000,000 shares authorized as of December 31, 2023; 1,791,286 shares issued and outstanding as of December 31, 2023	2				2
Additional paid-in-capital	2,088,381				2,088,381
Accumulated deficit	(1,966,232)	5,520			(1,960,712)
Total stockholders' equity	122,151	5,520	—	—	127,671
Total liabilities and stockholders' equity	<u>\$ 1,475,422</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 1,475,422</u>

(1) Reflects revised presentation as a result of the Ecommerce Wind-Down.

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	As of December 31, 2022				
	As Reported	Adjustments	Discontinued Operations	Presentation Reclasses (1)	As Recasted and Revised
<b>ASSETS</b>					
Current Assets:					
Cash and cash equivalents	\$ 398,915				\$ 398,915
Restricted cash	73,095				73,095
Accounts receivable, net of allowance	13,967		(13,046)	(921)	0
Finance receivables at fair value	12,939			(12,939)	—
Finance receivables held for sale, net	321,626				321,626
Inventory	320,648		(320,648)		—
Beneficial interests in securitizations	20,592				20,592
Prepaid expenses and other current assets	58,327		(28,552)	(29,775)	0
<b>Total current assets</b>	<b>1,220,109</b>	<b>—</b>	<b>(362,246)</b>	<b>(43,635)</b>	<b>814,228</b>
Finance receivables at fair value	140,235			12,939	153,174
Property and equipment, net	50,201		(45,735)		4,466
Intangible assets, net	158,910				158,910
Operating lease right-of-use assets	23,568		(21,015)		2,553
Interest receivable				7,242	7,242
Other assets	26,004		(3,246)	23,454	46,212
Assets from discontinued operations			432,242		432,242
<b>Total assets</b>	<b>\$ 1,619,027</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 1,619,027</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>					
Current Liabilities:					
Accounts payable	\$ 34,702	\$ (3,310)	\$ (14,523)	\$ (16,869)	\$ 0
Accrued expenses	76,795		(47,062)	(29,733)	(0)
Vehicle floorplan	276,988		(276,988)		—
Warehouse credit facilities of consolidated VIEs	229,518				229,518
Current portion of long-term debt	47,239			(47,239)	—
Deferred revenue	10,655		(10,655)		—
Operating lease liabilities, current	9,730		(7,352)	(2,378)	(0)
Other current liabilities	17,693	(1,283)	(9,966)	(6,444)	0
<b>Total current liabilities</b>	<b>703,320</b>	<b>(4,592)</b>	<b>(366,547)</b>	<b>(102,663)</b>	<b>229,518</b>
Long-term debt, net of current portion	402,154			47,239	449,393
Operating lease liabilities, excluding current portion	20,129		(17,276)	2,378	5,231
Other long-term liabilities	18,183			53,046	71,229
Liabilities from discontinued operations			383,823		383,823
<b>Total liabilities</b>	<b>1,143,786</b>	<b>(4,592)</b>	<b>—</b>	<b>—</b>	<b>1,139,194</b>
Commitments and contingencies					
Stockholders' equity:					
Common stock, \$0.001 par value; 500,000,000 shares authorized as of December 31, 2023 and 2022; 1,791,286 and 1,727,525 shares issued and outstanding as of December 31, 2023 and 2022, respectively	2				2
Additional paid-in-capital	2,075,931				2,075,931
Accumulated deficit	(1,600,692)	4,592			(1,596,100)
<b>Total stockholders' equity</b>	<b>475,241</b>	<b>4,592</b>	<b>—</b>	<b>—</b>	<b>479,833</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 1,619,027</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ —</b>	<b>\$ 1,619,027</b>

(1) Reflects revised presentation as a result of the Ecommerce Wind-Down.

There is no impact to our Consolidated Statements of Changes in Stockholders' Equity for the three and six months ended June 30, 2023 and years ended December 31, 2023 and 2022 other than the impact to accumulated deficit as a result of the changes in net loss as presented above and as a result of impacts for periods prior to 2023 to opening accumulated deficit as of December 31, 2022.

There is no impact to net cash used in (provided by) operating activities; investing activities or financing activities in our Consolidated Statements of Cash Flows.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

*The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our condensed consolidated financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q. Reported amounts reflect the revisions discussed in Note 18 to the condensed consolidated financial statements. As discussed in the section titled "Special Note Regarding Forward-Looking Statements," the following discussion and analysis contains forward-looking statements that involve risks and uncertainties, as well as assumptions that, if they never materialize or prove incorrect, could cause our results to differ materially from those expressed or implied by such forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those identified below and in the section titled "Risk Factors" in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2023 (the "Annual Report"), as updated by reference into the section titled "Risk Factors" in Part II, Item 1A of this Quarterly Report on Form 10-Q. Additionally, our historical results are not necessarily indicative of the results that may be expected for any period in the future.*

### Recent Events

#### Value Maximization Plan

On January 22, 2024, we announced that our Board had approved the Value Maximization Plan, pursuant to which we discontinued our ecommerce operations and wound down our used vehicle dealership business in order to preserve liquidity and enable us to maximize stakeholder value through our remaining businesses. We have ceased transacting through vroom.com, completed transactions for customers who had previously contracted with us to purchase or sell a vehicle, halted purchases of additional vehicles, sold substantially all of our used vehicle inventory through wholesale channels and paid off our 2022 Vehicle Floorplan Facility. We continue to take other actions to maximize stakeholder value by seeking to monetize our legacy ecommerce platform, reduce our outstanding commitments and preserve our liquidity, and have executed a reduction-in-force commensurate with our reduced operations. On March 29, 2024, we substantially completed the wind-down of our ecommerce operations and used vehicle dealership business (the "Ecommerce Wind-Down"), however, we may incur additional wind-down costs through the end of 2024.

We also own and operate UACC, a leading automotive finance company that offers vehicle financing to consumers through third-party dealers under the UACC brand, and CarStory, an artificial intelligence ("AI")-powered analytics and digital services platform for automotive retail. The UACC and CarStory businesses continue to serve their third-party customers, with their operations substantially unaffected by the Ecommerce Wind-Down. We will seek to grow and enhance the profitability of the UACC and CarStory businesses going forward.

As a result of the Value Maximization Plan, we estimate that we will incur total cash charges during 2024 of approximately \$15.8 million for severance and other personnel-related costs, with \$15.6 million incurred during the six months ended June 30, 2024, and approximately \$13.7 million in contract and lease termination costs, with \$13.5 million settled during the six months ended June 30, 2024. As part of a planned reduction-in-force under the Value Maximization Plan, approximately 800 employees were impacted by the wind-down, resulting in a reduction of approximately 93% of the employees not engaged in UACC's or CarStory's ongoing operations.



## **2024-1 Securitization Transaction**

During the three months ended June 30, 2024, UACC sold approximately \$300.0 million of rated asset-backed securities in an auto finance receivable securitization transaction from a securitization trust established and sponsored by UACC for proceeds of \$297.2 million. The trust is collateralized by finance receivables with an aggregate principal balance of \$380.1 million as of April 30, 2024. These finance receivables are serviced by UACC. As a result of market conditions, UACC retained the residual interests, which required us to account for the 2024-1 securitization as secured borrowings and remain on balance sheet pending the sale of such retained interests. We also pledged an additional \$15.8 million of our retained beneficial interest in the 2024-1 securitization transaction as collateral under the Risk Retention Financing Facility, and received proceeds of \$15.6 million, with expected repurchase dates ranging from August 2026 to November 2030 at the initial closing date.

### **Overview**

Vroom owns United Auto Credit Corporation, a leading automotive finance company that offers vehicle financing to consumers through third-party dealers under the UACC brand, and the CarStory business, a leader in AI-powered analytics and digital services for automotive retail.

### **UACC**

UACC, which Vroom acquired in February 2022, is an indirect lender that offers vehicle financing to consumers through third-party dealers under the UACC brand, focusing primarily on the non-prime market. Prior to the Ecommerce Wind-Down, UACC also offered vehicle financing to Vroom's customers through its ecommerce platform.

UACC, which has been engaged in automotive finance since 1996, currently offers financing services to a nationwide network of thousands of independent motor vehicle dealers and manufacturer-franchised dealers in 49 states, and we seek to optimize that network over time. UACC enables these dealers to finance their customers' purchases of new and used automobiles, medium and light duty trucks and vans with competitive financing terms. The credit programs offered by UACC are primarily designed to serve consumers who have limited access to traditional motor vehicle financing.

In addition to its financing expertise, the UACC platform brings with it extensive application processing, underwriting, and servicing capabilities. UACC services the retail installment sales contracts it originates or purchases and will continue to service the contracts it originated or purchased for customers of Vroom's former ecommerce business. Because UACC focuses primarily on the non-prime market, it generally sustains a higher level of delinquencies and credit losses than that experienced by traditional motor vehicle financing sources. As of June 30, 2024, UACC serviced a portfolio of approximately 82,000 retail installment sales contracts with an aggregate principal outstanding balance of \$1.1 billion.

### **CarStory**

CarStory is a leader in AI-powered analytics and digital services for automotive retail. CarStory offers its digital retailing services to dealers, automotive financial services companies and others in the automotive industry, which use CarStory's solutions to enhance their customer experience and drive increased vehicle purchases.

CarStory drives automotive retail innovation by aggregating, optimizing and distributing data from thousands of automotive sources. CarStory tracks over three and a half million unique vehicle identification numbers ("VINs") listed for sale every day. This data is aggregated with demand insights from millions of consumer sessions and VIN data from CarStory's proprietary VIN database to generate accurate price and sales predictions. CarStory helps dealers optimize their pricing by leveraging data science models for retail pricing that provide predictive pricing for marketing, buying, selling and VIN-level features.

In addition to its data analytics and digital services, CarStory powers white labeled storefronts for automotive marketplaces and finance companies. In developing its white label capabilities, CarStory also has developed a variety of consumer-focused functions designed to enhance the customer experience and drive conversion. CarStory's data and data science assets create significant opportunity for automotive AI product development, with over 200 million VINs, over three billion photos and price and price elasticity models.

## Non-GAAP Financial Measures

In addition to our results determined in accordance with U.S. GAAP, we believe the following non-GAAP financial measures are useful in evaluating our operating performance: EBITDA and Adjusted EBITDA. These non-GAAP financial measures have limitations as analytical tools in that they do not reflect all of the amounts associated with our results of operations as determined in accordance with U.S. GAAP. Because of these limitations, these non-GAAP financial measures should be considered along with other operating and financial performance measures presented in accordance with U.S. GAAP. The presentation of these non-GAAP financial measures is not intended to be considered in isolation or as a substitute for, or superior to, financial information prepared and presented in accordance with U.S. GAAP. We have reconciled all non-GAAP financial measures with the most directly comparable U.S. GAAP financial measures.

EBITDA and Adjusted EBITDA are supplemental performance measures that our management uses to assess our operating performance and the operating leverage in our business. Because EBITDA and Adjusted EBITDA facilitate internal comparisons of our historical operating performance on a more consistent basis, we use these measures for business planning purposes.

### EBITDA and Adjusted EBITDA

We calculate EBITDA as net loss before interest expense on corporate debt, interest income on cash and cash equivalents, income tax expense and depreciation and amortization expense.

We calculate Adjusted EBITDA as EBITDA adjusted to exclude stock compensation expense, severance expense related to the continuing operations, gain on debt extinguishment and long-lived asset impairment charges.

The following table presents a reconciliation of EBITDA and Adjusted EBITDA to net loss from continuing operations, which is the most directly comparable U.S. GAAP measure:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
	(in thousands)		(in thousands)	
Net loss from continuing operations	\$ (19,104)	\$ (7,466)	\$ (63,781)	\$ (22,935)
Adjusted to exclude the following:				
Interest expense on corporate debt	1,549	1,527	2,940	2,867
Interest income on cash and cash equivalents	(1,182)	(2,594)	(2,187)	(5,019)
Provision for income taxes	(167)	286	269	337
Depreciation and amortization	7,232	7,190	14,858	14,422
EBITDA	<u>\$ (11,672)</u>	<u>\$ (1,057)</u>	<u>\$ (47,901)</u>	<u>\$ (10,328)</u>
Stock compensation expense	2,446	1,669	\$ 3,770	\$ 3,348
Severance	1,685	—	\$ 1,685	—
Gain on debt extinguishment	—	(10,931)	—	(19,640)
Impairment charges	—	—	2,752	—
Adjusted EBITDA	<u>\$ (7,541)</u>	<u>\$ (10,319)</u>	<u>\$ (39,694)</u>	<u>\$ (26,620)</u>

## Key Factors and Trends Affecting our Operating Results

Our financial condition and results of operations have been, and will continue to be, affected by a number of factors and trends, including the following:

### ***Ability to manage credit losses***

While credit losses are inherent in the automotive finance receivables business, several variables have affected UACC's recent loss and delinquency rates, including rising interest rates, the current inflationary environment and vehicle depreciation. UACC is currently experiencing higher loss severity and higher losses on its finance receivables, which has negatively impacted the fair value of our finance receivables and the losses recognized for the six months ended June 30, 2024 and are expected to continue to negatively impact our business for the remainder of 2024. UACC primarily operates in the non-prime sector of the market which tends to have more volatility. In 2020 and 2021, COVID related stimulus and used vehicle appreciation resulted in significantly lower delinquencies and subsequent losses. In late 2022 and 2023, delinquencies and loss rates rose as a result of the aforementioned factors and, in response, we implemented changes to our credit program, such as tightening credit, which is starting to return our delinquencies and expected portfolio performance on those vintages to normalized levels. We also intend to leverage CarStory data to improve VIN-level valuations to support underwriting decisions and servicing operations. Certain advance rates available to UACC on borrowings from the Warehouse Credit Facilities have decreased as a result of the increasing credit losses in UACC's portfolio and overall rising interest rates. Any future decreases on available advance rates may have an adverse impact on our liquidity.

### ***Enhance profitability at UACC***

In addition to higher credit losses, UACC's ability to achieve profitability has been negatively affected by increased operating expenses and productivity challenges. Also, we have identified vulnerabilities in certain IT systems and determined additional investment will be needed to update and secure those systems. We are undertaking a number of initiatives designed to reduce operating expenses, introduce improved processes, and reporting metrics across UACC's operations, invest in IT systems, improve origination and servicing productivity, and leverage CarStory data to improve underwriting and servicing performance. We intend to grow UACC's business profitably by reducing credit losses, increasing UACC's market share, and streamlining its operations.

### ***Ability to continue to access capital***

UACC has four Warehouse Credit Facilities, which are primarily used to finance the origination of finance receivables as well as to provide funding for general operating activities. UACC has also developed a securitization program that involves selling finance receivables to securitization trusts through the private issuance of asset-backed securities which are collateralized by the finance receivables.

The success of UACC's business is highly dependent on the ability to continue to access capital through both its warehousing arrangements and securitization program. As a result of high interest rates, the current inflationary environment and vehicle depreciation in the used automotive industry, UACC is experiencing higher loss severity. Certain advance rates available to UACC on borrowings from UACC's four senior secured warehouse credit facility agreements (the "Warehouse Credit Facilities") have decreased as a result of the increasing credit losses in UACC's portfolio and overall rising interest rates. Any future decreases on available advance rates may have an adverse impact on our liquidity. Currently, all four Warehouse Credit Facilities expire in 2025. We have commenced discussions with our lenders to extend the terms beyond the current expiration dates and, consistent with prior periods, expect those facilities to be amended and renewed. See Part II, Item 1A Risk Factors—We may not generate sufficient liquidity to operate our business, and, UACC may be unable to continue to access or renew funding sources and obtain capital needed to maintain and grow its business.

In addition, due to UACC's increased credit losses, UACC may not be able to securitize its loan portfolio on favorable terms, or may not be able to sell the subordinate notes or residual certificates issued in its securitizations at a favorable price or at all. As a result of market conditions at the time, UACC retained the residual interests for the 2023-1 and 2024-1 securitization transactions.

***Ability to optimize our dealer network to increase vehicle finance offerings***

We intend to moderately grow our automotive financing business while focusing on achieving profitability. UACC will seek to optimize its dealer network over time. UACC provides funding that allows independent motor vehicle dealers and manufacturer-franchised dealers to finance vehicles for their customers. Currently, UACC serves a nationwide network of thousands of dealers in 49 states. UACC's credit programs are primarily designed to serve consumers in the non-prime market, who have limited access to traditional vehicle financing, although UACC intends to expand its offerings across a broader range of the credit spectrum going forward and has launched a pilot program for near-prime consumers. We also intend to drive dealer and customer engagement through technology innovations.

***Seasonality***

Used vehicle sales have historically been seasonal. The used vehicle industry typically experiences an increase in sales early in the calendar year and reaches its highest point late in the first quarter and early in the second quarter. Vehicle sales then level off through the rest of the year, with the lowest level of sales in the fourth quarter. This seasonality has historically corresponded with the timing of income tax refunds, which are an important source of funding for vehicle purchases. Consistent with market trends, UACC generally experiences increased funding activity during the first quarter through tax season. Delinquencies also tend to be lower during the first quarter through tax season and higher during the latter half of the year. See "Risk Factors—Risks Related to Our Financial Condition and Results of Operations—We may experience seasonal and other fluctuations in our quarterly results of operations, which may not fully reflect the underlying performance of our business" in our Annual Report.

***Macroeconomic Factors***

Both the United States and global economies are experiencing a sustained inflationary environment and the Federal Reserve's efforts to tame inflation have led to increased interest rates, which affects automotive finance rates and our borrowing rates, reducing discretionary spending and making vehicle financing more costly and less accessible to many consumers. In December 2023, the Federal Reserve announced that it expects to cut interest rates in 2024; however, based on the July 2024 meeting, they announced they are holding the rates steady until inflation retreats. It is too soon to know when and to what degree rates may be cut and the impact it may have on the economy. Moreover, geopolitical conflicts and war, including those in Europe and the Middle East, have increased global economic and political uncertainty, which has caused dramatic fluctuations in global financial markets. A significant escalation or expansion of economic disruption could continue to impact consumer spending, broaden inflationary costs, and could have a material adverse effect on our results of operations. We will continue to actively monitor and develop responses to these disruptions, but depending on duration and severity, these trends could continue to negatively impact our business for the remainder of 2024.

## Results of Operations

The following table presents our consolidated results of operations for the periods indicated:

	Three Months Ended June 30,		\$ Change	Six Months Ended June 30,		\$ Change
	2024	2023		2024	2023	
Interest income	\$ 51,862	\$ 46,995	\$ 4,867	\$ 102,939	\$ 81,363	\$ 21,576
Interest expense:						
Warehouse credit facility	6,986	3,658	3,328	16,457	6,757	9,700
Securitization debt	7,995	5,981	2,014	12,864	10,326	2,538
Total interest expense	14,981	9,639	5,342	29,321	17,083	12,238
Net interest income	36,881	37,356	(475)	73,618	64,280	9,338
Realized and unrealized losses, net of recoveries	18,729	23,187	(4,458)	49,548	38,915	10,633
Net interest income after losses and recoveries	18,152	14,169	3,983	24,070	25,365	(1,295)
Noninterest income:						
Servicing income	1,587	2,551	(964)	3,606	5,405	(1,799)
Warranties and GAP income (loss), net	1,378	751	627	(8,264)	3,586	(11,850)
CarStory revenue	2,913	3,224	(311)	5,892	6,394	(502)
Gain on debt extinguishment	—	10,931	(10,931)	—	19,640	(19,640)
Other income	3,141	3,071	70	5,925	6,103	(178)
Total noninterest income	9,019	20,528	(11,509)	7,159	41,128	(33,969)
Expenses:						
Compensation and benefits	27,176	21,341	5,835	51,286	44,562	6,724
Professional fees	1,488	2,444	(956)	4,831	7,417	(2,586)
Software and IT costs	4,036	4,804	(768)	8,658	10,050	(1,392)
Depreciation and amortization	7,232	7,190	42	14,858	14,422	436
Interest expense on corporate debt	1,549	1,527	22	2,940	2,867	73
Impairment charges	—	—	—	2,752	—	2,752
Other expenses	4,961	4,571	390	9,416	9,773	(357)
Total expenses	46,442	41,877	4,565	94,741	89,091	5,650
Loss from continuing operations before provision for income taxes	(19,271)	(7,180)	(12,091)	(63,512)	(22,598)	(40,914)
(Benefit) provision for income taxes from continuing operations	(167)	286	(453)	269	337	(68)
Net loss from continuing operations	\$ (19,104)	\$ (7,466)	\$ (11,638)	\$ (63,781)	\$ (22,935)	\$ (40,846)
Net loss from discontinued operations	\$ (2,084)	\$ (58,573)	\$ 56,489	\$ (25,025)	\$ (117,844)	\$ 92,819
Net loss	\$ (21,188)	\$ (66,039)	\$ 44,851	\$ (88,806)	\$ (140,779)	\$ 51,973

### Segments

- **UACC:** The UACC reportable segment represents UACC's operations with its network of third-party dealership customers, including the purchases and servicing of vehicle retail installment sales contracts. The segment also includes the runoff portfolio of retail installment sale contracts originated for Vroom or purchased from Vroom prior to the Ecommerce Wind-Down.
- **CarStory:** The CarStory reportable segment represents sales of AI-powered analytics and digital services to automotive dealers, automotive financial services companies and others in the automotive industry.

The Company retrospectively restated segment results for the comparative period to conform to the new presentation.

**Three Months Ended June 30, 2024 and 2023**
**UACC**

	Three Months Ended June 30,		Change	% Change
	2024	2023		
	(in thousands)			
Interest income	\$ 52,389	\$ 47,531	\$ 4,858	10.2 %
Interest expense:				
Warehouse credit facility	6,986	3,658	3,328	91.0 %
Securitization debt	7,995	5,981	2,014	33.7 %
Total interest expense	14,981	9,639	5,342	55.4 %
Net interest income	37,408	37,892	(484)	(1.3)%
Realized and unrealized losses, net of recoveries	19,582	20,386	(804)	(3.9)%
Net interest income after losses and recoveries	17,826	17,506	320	1.8 %
Noninterest income:				
Servicing income	1,587	2,551	(964)	(37.8)%
Warranties and GAP income, net	1,640	1,478	162	11.0 %
Other income	2,098	977	1,121	114.7 %
Total noninterest income	5,325	5,006	319	6.4 %
Expenses:				
Compensation and benefits	20,539	16,392	4,147	25.3 %
Professional fees	575	1,028	(453)	(44.1)%
Software and IT costs	2,605	2,974	(369)	(12.4)%
Depreciation and amortization	5,630	5,582	48	0.9 %
Interest expense on corporate debt	629	436	193	44.2 %
Other expenses	3,054	1,841	1,213	65.9 %
Total expenses	33,032	28,253	4,779	16.9 %
Adjusted EBITDA	\$ (2,824)	\$ 291	\$ (3,115)	(1,070.4)%
Interest income on cash and cash equivalents	\$ (560)	\$ (506)	(54)	10.7 %
Stock compensation expense	\$ 865	\$ 519	346	66.8 %

***Interest Income***

UACC acquires and services finance receivables from its network of third-party dealership customers and generates interest income, which consists of discount income and interest income. Discount income represents the amortization of unearned discounts over the contractual life of the underlying finance receivables held for investment at fair value. Discounts on the finance receivables held-for-sale are deferred until they are sold.

For securitization transactions that are accounted for as secured borrowings, we recognize interest income in accordance with the terms of the related retail installment sale contracts. Interest income also includes the runoff portfolio of retail installment sale contracts originated for Vroom or purchased from Vroom prior to the Ecommerce Wind-Down.

For securitization transactions that are accounted as a sale of finance receivables in accordance with ASC Topic 860, Transfers and Servicing of Financial Assets ("ASC 860"), we recognize a gain on sale of finance receivables. There were no securitizations which were accounted for as sales in the periods presented.

Interest income increased \$4.9 million, or 10.2%, to \$52.4 million for the three months ended June 30, 2024 from \$47.5 million for the three months ended June 30, 2023. This increase was primarily a result of new originations, which increased the loan portfolio to \$880.6 million as of June 30, 2024 from \$757.7 million as of June 30, 2023. The increase in

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interest income was partially offset by lower amortization of discount income during the three months ended June 30, 2024 as a result of a lower balance of finances receivables held for investment measured at fair value, with discount being amortized, as compared to finance receivables held for sale with discount deferred until receivables are sold. The outstanding balance of finance receivables held for investment at fair value was \$254.5 million as of June 30, 2024, as compared to \$467.7 million as of June 30, 2023. The outstanding balance of finance receivables held for sale was \$626.1 million as of June 30, 2024, as compared to \$290.0 million as of June 30, 2023.

### **Interest expense**

Interest expense primarily includes interest expense on UACC's Warehouse Credit Facilities, interest expense incurred on securitization debt, and interest expense on financing of beneficial interests in securitizations.

Interest expense increased \$5.3 million or 55.4% to \$15.0 million for the three months ended June 30, 2024 from \$9.6 million for the three months ended June 30, 2023, primarily as a result of higher interest expense incurred on the Warehouse Credit Facilities, which increased \$3.3 million to \$7.0 million for the three months ended June 30, 2024 from \$3.7 million for the three months ended June 30, 2023 as well as higher interest expense incurred on securitization debt, which increased \$2.0 million to \$8.0 million for the three months ended June 30, 2024 from \$6.0 million for the three months ended June 30, 2023. The increase of interest expense incurred on the Warehouse Credit Facilities is attributable to a higher outstanding balance of \$270.8 million as of June 30, 2024 as compared to \$177.9 million as of June 30, 2023, due to financing the larger finance receivable portfolio and an increase in the weighted average interest rates, which increased from 7.00% to 7.19%. The increase of interest expense incurred on securitization debt is attributable to a higher outstanding balance of \$472.1 million as of June 30, 2024 as compared to \$417.0 million as of June 30, 2023 as well as overall higher interest rates.

### **Realized and unrealized losses, net of recoveries**

Realized and unrealized losses, net of recoveries, primarily represents charge-offs of finance receivables held-for-sale, changes in the fair value of finance receivables for which the fair value option was selected under ASC 825, changes in the valuation allowance on the held-for-sale portfolio, changes in the fair value of securitization debt accounted in accordance with the measurement alternative under ASC 810-30, changes in the fair value of beneficial interest, as well as collection expenses related to servicing finance receivables.

Realized and unrealized losses, net of recoveries, decreased \$0.8 million or 3.9% to \$19.6 million for the three months ended June 30, 2024 from \$20.4 million for the three months ended June 30, 2023, driven by slightly lower default rates.

### **Servicing Income**

Servicing income primarily represents the annual fees earned as a percentage of the outstanding principal balance of the finance receivables sold that were accounted for as off-balance sheet securitizations. When our securitizations are accounted for as secured borrowings, the servicing income we receive is eliminated in consolidation. In addition, we also earn other income generated from servicing our finance receivables portfolio, including late and other fees.

Servicing income decreased by \$1.0 million or 37.8% to \$1.6 million for the three months ended June 30, 2024 from \$2.6 million for the three months ended June 30, 2023, primarily driven by a lower balance of the 2022-1 securitization, which is accounted for as an off-balance sheet securitization.

### **Warranties and GAP Income**

UACC earns fees by selling third-party value-added products, such as vehicle service contracts. UACC is also contractually entitled to receive profit-sharing based on the performance of the vehicle service contract policies once a required claims period has passed. UACC recognizes a profit-share to the extent it is probable that it will not result in a significant revenue reversal. The Company estimates the revenue based on historical claims and cancellation data from its consumers, as well as other qualitative assumptions.

United Auto Credit GAP is a debt waiver product that provides protection for consumers who purchase the product by waiving the difference between the actual cash value of the consumer's vehicle and the balance of the



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consumer's finance receivable, subject to the terms and conditions of the United Auto Credit GAP, in the event of a total loss resulting from collision or theft. The total fees are earned over the contractual life of the related financial receivables on straight-line basis.

Warranties and GAP income remained relatively consistent at \$1.6 million for the three months ended June 30, 2024 as compared to \$1.5 million for the three months ended June 30, 2023.

**Other Income**

Other income increased \$1.1 million or 114.7% to \$2.1 million for the three months ended June 30, 2024 from \$1.0 million for the three months ended June 30, 2023, primarily driven by higher income related to acquisition fees for originations of finance receivables at fair value, which is recognized in the period the finance receivable is originated.

**Compensation and benefits**

Compensation and benefits increased \$4.1 million or 25.3% to \$20.5 million for the three months ended June 30, 2024 from \$16.4 million for the three months ended June 30, 2023. The increase was primarily a result of the following: retention bonuses granted to retain key employees; allocation of incremental data and technology departments' time to UACC as a result of a shift in focus of the business; severance expense related to the termination of certain UACC employees; and a decrease in deferred acquisition costs as a result of accounting for the origination of all new finance receivables at fair value, with acquisition costs being expensed in the period incurred rather than deferred.

**Professional fees**

Professional fees decreased \$0.5 million or 44.1% to \$0.6 million for the three months ended June 30, 2024 from \$1.0 million for the three months ended June 30, 2023, primarily as a result of higher professional fees incurred during the first quarter of 2023 as a result of the completion of the 2023-1 securitization transaction, as the 2023-1 securitization debt is carried at fair value the associated debt issuance costs were expensed as incurred. As the 2024-1 securitization debt is carried at amortized costs, the associated debt issuance costs are capitalized and amortized over the life of the debt.

**Other expenses**

Other expenses increased \$1.2 million or 65.9% to \$3.1 million for the three months ended June 30, 2024 from \$1.8 million for the three months ended June 30, 2023, primarily as a result of a loss on the repurchase of the non-investment grade securities related to the 2022-2 securitization transaction, a decrease in deferred acquisition costs as a result of accounting for the origination of all new finance receivables at fair value, with acquisition costs being expensed in the period incurred rather than deferred, and an increase in dealer equity program expense.

**Adjusted EBITDA**

Adjusted EBITDA loss increased \$3.1 million to \$2.8 million for the three months ended June 30, 2024 from income of \$0.3 million for the three months ended June 30, 2023, primarily as a result of the \$4.8 million increase in expenses, including compensation and benefits, professional fees, and other expenses, as discussed above.



## **CarStory**

	Three Months Ended June 30,		Change	% Change
	2024	2023		
(in thousands)				
<b>Noninterest income:</b>				
CarStory revenue	\$ 2,913	\$ 3,224	\$ (311)	(9.6)%
Other income	190	93	97	104.3%
<b>Total noninterest income</b>	<b>3,103</b>	<b>3,317</b>	<b>(214)</b>	<b>(6.5)%</b>
<b>Expenses:</b>				
Compensation and benefits	2,461	2,420	41	1.7%
Professional fees	80	113	(33)	(29.3)%
Software and IT costs	21	171	(150)	(87.7)%
Depreciation and amortization	1,602	1,608	(6)	(0.4)%
Other expenses	55	152	(97)	(63.8)%
<b>Total expenses</b>	<b>4,219</b>	<b>4,464</b>	<b>(245)</b>	<b>(5.5)%</b>
<b>Adjusted EBITDA</b>	<b>\$ 372</b>	<b>\$ 634</b>	<b>\$ (262)</b>	<b>(41.3)%</b>
Interest income on cash and cash equivalents	\$ (190)	\$ (88)	(102)	116.9%
Stock compensation expense	\$ 76	\$ 261	(185)	(71.0)%

### **CarStory revenue**

CarStory generates advertiser, publisher and other user service revenue by offering its AI-powered analytics and digital retailing services to dealers, automotive financial services companies and others in the automotive industry, which use CarStory's solutions to enhance their customer experience and drive increased vehicle purchases.

CarStory revenue decreased \$0.3 million or 9.6% to \$2.9 million for the three months ended June 30, 2024 from \$3.2 million for the three months ended June 30, 2023, primarily as a result of a change in the scope of service and data provided to our customers.

### **Adjusted EBITDA**

Adjusted EBITDA decreased \$0.3 million or 41.3% to \$0.4 million for the three months ended June 30, 2024 as compared to \$0.6 million for the three months ended June 30, 2023.

**Corporate**

	Three Months Ended June 30,		Change	% Change
	2024	2023		
	(in thousands)			
Interest income	\$ (527)	\$ (536)	\$ 9	1.7 %
Realized and unrealized losses, net of recoveries	(853)	2,801	(3,654)	(130.4)%
Net interest income after losses and recoveries	325	(3,337)	3,663	109.8 %
Noninterest income:				
Warranties and GAP loss, net	\$ (262)	\$ (727)	\$ 465	64.0 %
Gain on debt extinguishment	—	10,931	(10,931)	(100.0)%
Other income	853	2,001	(1,148)	(57.4)%
Total noninterest income	591	12,205	(11,614)	(95.2)%
Expenses:				
Compensation and benefits	4,176	2,529	1,647	65.1 %
Professional fees	833	1,303	(470)	(36.0)%
Software and IT costs	1,410	1,659	(249)	(15.0)%
Interest expense on corporate debt	920	1,091	(171)	(15.7)%
Other expenses	1,852	2,578	(726)	(28.2)%
Total expenses	9,191	9,160	31	0.3 %
Adjusted EBITDA	\$ (5,089)	\$ (11,244)	\$ 6,155	54.7 %
Interest income on cash and cash equivalents	\$ (432)	\$ (2,000)	1,568	78.4 %
Stock compensation expense	\$ 1,505	\$ 889	615	69.2 %

Corporate activities do not constitute a reportable segment. These activities include costs not directly attributable to the segments and are primarily related to costs associated with corporate and governance functions, including executive functions, corporate finance, legal, human resources, information technology, cyber security and other shared costs. Certain shared costs, including corporate administration, are allocated to segments based upon a specific allocation of expenses. Corporate activities also include the runoff of legacy Vroom warranty and GAP policies sold prior to the Ecommerce Wind-Down as well as certain Vroom contracts, primarily Software and IT related, that are continuing to be renegotiated and right-sized to account for reduced headcount following the Ecommerce Wind-down. We expect these costs to decrease in the future. Adjusted EBITDA loss of \$5.1 million for the three months ended June 30, 2024 is comprised of a loss of \$2.5 million related to runoff of the legacy Vroom related items and ongoing contracts, and a loss of \$2.6 million related to public company expenses.

**Warranties and GAP income, net**

Prior to the Ecommerce Wind-Down, we offered value-added products to our customers pursuant to arrangements with the third parties that sell and administer these products as well as estimated profit-sharing amounts to which we are entitled based on the performance of third-party protection products once a required claims period has passed. A portion of the fees we received are subject to chargeback in the event of early termination, default, or prepayment of the contracts by our customers. Warranties and GAP income, net, recorded within Corporate, relates to the runoff of policies sold prior to the Ecommerce Wind-Down.

See "Note 3—Revenue Recognition" to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

***Gain on debt extinguishment***

Gain on debt extinguishment represents a gain of \$10.9 million for the three months ended June 30, 2023, related to the repurchase of \$18.2 million in aggregate principal balance of the Notes, net of deferred issuance costs, for \$7.3 million.

***Other income***

Other income primarily represents interest earned on cash and cash equivalents. Other income decreased \$1.1 million or 57.4% to \$0.9 million for the three months ended June 30, 2024 from \$2.0 million for the three months ended June 30, 2023, primarily driven by lower cash and cash equivalent balances and lower interest rates earned on cash and cash equivalents.

***Compensation and benefits***

Compensation and benefits expense increased \$1.6 million or 65.1% to \$4.2 million for the three months ended June 30, 2024 from \$2.5 million for the three months ended June 30, 2023, primarily as a result of severance expense related to the departure of certain executives and retention bonuses granted to retain key employees subsequent to the Ecommerce Wind-Down.

***Other expenses***

Other expenses decreased \$0.7 million or 28.2% to \$1.9 million for the three months ended June 30, 2024 from \$2.6 million for the three months ended June 30, 2023, primarily related to a decrease in public company related insurance costs as we renegotiated our insurance policies during the third quarter of 2023 as a result of the reduced scale of the business.

**Six Months Ended June 30, 2024 and 2023**
**UACC**

	Six Months Ended June 30,		Change	% Change
	2024	2023		
	(in thousands)			
Interest income	\$ 103,930	\$ 82,830	\$ 21,100	25.5 %
Interest expense:				
Warehouse credit facility	16,457	6,757	9,700	143.6 %
Securitization debt	12,864	10,326	2,538	24.6 %
Total interest expense	29,321	17,083	12,238	71.6 %
Net interest income	74,609	65,747	8,862	13.5 %
Realized and unrealized losses, net of recoveries	47,343	32,658	14,685	45.0 %
Net interest income after losses and recoveries	27,266	33,089	(5,823)	(17.6)%
Noninterest income:				
Servicing income	3,606	5,405	(1,799)	(33.3)%
Warranties and GAP income, net	3,250	3,681	(431)	(11.7)%
Other income	4,568	2,031	2,537	124.9 %
Total noninterest income	11,424	11,117	307	2.8 %
Expenses:				
Compensation and benefits	39,327	34,928	4,399	12.6 %
Professional fees	1,451	3,569	(2,118)	(59.3)%
Software and IT costs	5,702	5,679	23	0.4 %
Depreciation and amortization	11,651	11,209	442	3.9 %
Interest expense on corporate debt	1,100	633	467	73.7 %
Impairment charges	2,752	—	2,752	100.0 %
Other expenses	5,577	4,261	1,316	30.9 %
Total expenses	67,561	60,279	7,282	12.1 %
Adjusted EBITDA	\$ (12,970)	\$ (4,177)	\$ (8,793)	210.5 %
Interest income on cash and cash equivalents	\$ (1,128)	\$ (954)	(174)	18.2 %
Stock compensation expense	\$ 1,033	\$ 1,008	24	2.4 %

***Interest Income***

Interest income increased \$21.1 million, or 25.5%, to \$103.9 million for the six months ended June 30, 2024 from \$82.8 million for the six months ended June 30, 2023. This increase was primarily a result of new originations and the consolidation of our 2022-2 securitization, which increased the loan portfolio to \$880.6 million as of June 30, 2024 from \$757.7 million as of June 30, 2023. The increase in interest income was partially offset by lower discount income during the six months ended June 30, 2024 as a result of a smaller balance of finances receivables held for investment measured at fair value, with discount being amortized, as compared to finance receivables held for sale with discount deferred until receivables are sold. The outstanding balance of finance receivables held for investment at fair value was \$254.5 million as of June 30, 2024, as compared to \$467.7 million as of June 30, 2023. The outstanding balance of finance receivables held for sale was \$626.1 million as of June 30, 2024, as compared to \$290.0 million as of June 30, 2023.

***Interest expense***

Interest expense increased \$12.2 million or 71.6% to \$29.3 million for the six months ended June 30, 2024 from \$17.1 million for the six months ended June 30, 2023, primarily as a result of higher interest expense incurred on the

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Warehouse Credit Facilities, which increased \$9.7 million to \$16.5 million for the six months ended June 30, 2024 from \$6.8 million for the six months ended June 30, 2023. The increase is attributable to a higher outstanding balance of \$270.8 million as of June 30, 2024 as compared to \$177.9 million as of June 30, 2023, due to financing the larger finance receivable portfolio and an increase in the weighted average interest rates, which increased from 7.00% to 7.19%. The increase in interest expense is also partially attributable to higher interest expense incurred on securitization debt, which increased \$2.5 million to \$12.9 million for the six months ended June 30, 2024 from \$10.3 million for the six months ended June 30, 2023, as a result of a higher outstanding balance for securitization debt of \$472.1 million as of June 30, 2024 as compared to \$417.0 million as of June 30, 2023, as well as overall higher interest rates.

### **Realized and unrealized losses, net of recoveries**

Realized and unrealized losses, net of recoveries, increased \$14.7 million or 45.0% to \$47.3 million for the six months ended June 30, 2024 from \$32.7 million for the six months ended June 30, 2023. This increase was primarily driven by an increase in realized and unrealized losses on finance receivables as a result of a larger finance receivable portfolio, due to new originations as well as the consolidation of the 2022-2 securitization, which was previously off- balance sheet, as well as higher credit losses as of June 30, 2024 as compared to June 30, 2023.

### **Servicing Income**

Servicing income decreased by \$1.8 million or 33.3% to \$3.6 million for the six months ended June 30, 2024 from \$5.4 million for the six months ended June 30, 2023, primarily driven by a lower balance of the 2022-1 securitization, which is off-balance sheet.

### **Warranties and GAP Income**

Warranties and GAP income decreased by \$0.4 million or 11.7% to \$3.3 million for the six months ended June 30, 2024 from \$3.7 million for the six months ended June 30, 2023, primarily due to higher losses incurred on the GAP debt waiver product.

### **Other Income**

Other income increased \$2.5 million or 124.9% to \$4.6 million for the six months ended June 30, 2024 from \$2.0 million for the six months ended June 30, 2023, primarily driven by higher income related to acquisition fees for originations of finance receivables at fair value, which is recognized in the period the finance receivable is originated.

### **Compensation and benefits**

Compensation and benefits increased \$4.4 million or 12.6% to \$39.3 million for the six months ended June 30, 2024 from \$34.9 million for the six months ended June 30, 2023. The increase was primarily a result of the following: retention bonuses granted to retain key employees; allocation of incremental data and technology departments' time to UACC as a result of a shift in focus of the business; severance expense related to the termination of certain UACC employees; and a decrease in deferred acquisition costs as a result of accounting for the origination of all new finance receivables at fair value, with acquisition costs being expensed in the period incurred rather than deferred.

### **Professional fees**

Professional fees decreased \$2.1 million or 59.3% to \$1.5 million for the six months ended June 30, 2024 from \$3.6 million for the six months ended June 30, 2023, primarily as a result of additional professional fees incurred during the first quarter of 2023 as a result of the completion of the 2023-1 securitization transaction, as the 2023-1 securitization debt is carried at fair value the associated debt issuance costs were expensed as incurred. As the 2024-1 securitization debt is carried at amortized costs, the associated debt issuance costs are capitalized and amortized over the life of the debt.

### **Impairment charges**

Impairment charges increased \$2.8 million related to the impairment of capitalized internal-use software that no longer have a planned future use.

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**Other expenses**

Other expenses increased \$1.3 million or 30.9% to \$5.6 million for the six months ended June 30, 2024 from \$4.3 million for the six months ended June 30, 2023, primarily as a result of a loss on the repurchase of the non-investment grade securities related to the 2022-2 securitization transaction, a decrease in deferred acquisition costs as a result of accounting for the origination of all new finance receivables at fair value, with acquisition costs being expensed in the period incurred rather than deferred, and an increase in dealer equity program expense.

**Adjusted EBITDA**

Adjusted EBITDA loss increased \$8.8 million to \$13.0 million for the six months ended June 30, 2024 from \$4.2 million for the six months ended June 30, 2023, primarily as a result of the \$5.8 million decrease in net interest income after losses and recoveries and the \$7.3 million increase in expenses, including compensation and benefits, professional fees, impairment charges, and other expenses, as discussed above.

**CarStory**

	Six Months Ended June 30,		Change	% Change
	2024	2023		
	(in thousands)			
<b>Noninterest income:</b>				
CarStory revenue	\$ 5,892	\$ 6,394	\$ (502)	(7.9)%
Other income	363	141	222	157.4%
Total noninterest income	6,255	6,535	(280)	(4.3)%
<b>Expenses:</b>				
Compensation and benefits	4,675	4,821	(146)	(3.0)%
Professional fees	202	290	(88)	(30.4)%
Software and IT costs	188	345	(157)	(45.5)%
Depreciation and amortization	3,207	3,213	(6)	(0.2)%
Other expenses	173	301	(128)	(42.5)%
Total expenses	8,444	8,969	(525)	(5.9)%
Adjusted EBITDA	\$ 930	\$ 1,201	\$ (271)	(22.5)%
Interest income on cash and cash equivalents	\$ (363)	\$ (134)	(229)	170.7%
Stock compensation expense	\$ 276	\$ 556	(281)	(50.4)%

**CarStory revenue**

CarStory revenue decreased \$0.5 million or 7.9% to \$5.9 million for the six months ended June 30, 2024 from \$6.4 million for the six months ended June 30, 2023, primarily as a result of a change in the scope of service and data provided to our customers.

**Adjusted EBITDA**

Adjusted EBITDA decreased \$0.3 million or 22.5% to \$0.9 million for the six months ended June 30, 2024 as compared to \$1.2 million for the six months ended June 30, 2023.

**Corporate**

	Six Months Ended June 30,		Change	% Change
	2024	2023		
	(in thousands)			
Interest income	\$ (991)	\$ (1,467)	\$ 476	32.5 %
Realized and unrealized losses, net of recoveries	2,205	6,257	(4,052)	(64.8)%
Net interest income after losses and recoveries	(3,196)	(7,724)	4,528	58.6 %
Noninterest (loss) income:				
Warranties and GAP loss, net	(11,514)	(95)	\$ (11,419)	12,020.0 %
Gain on debt extinguishment	—	19,640	(19,640)	(100.0)%
Other income	994	3,931	(2,937)	(74.7)%
Total noninterest (loss) income	(10,520)	23,476	(33,996)	(144.8)%
Expenses:				
Compensation and benefits	7,284	4,813	2,470	51.3 %
Professional fees	3,178	3,559	(381)	(10.7)%
Software and IT costs	2,768	4,025	(1,258)	(31.2)%
Interest expense on corporate debt	1,840	2,234	(394)	(17.6)%
Other expenses	3,666	5,211	(1,546)	(29.7)%
Total expenses	18,735	19,842	(1,108)	(5.6)%
Adjusted EBITDA	\$ (27,654)	\$ (23,644)	\$ (4,010)	17.0 %
Interest income on cash and cash equivalents	\$ (695)	\$ (3,930)	3,235	82.3 %
Stock compensation expense	\$ 2,461	\$ 1,783	678	38.0 %

Adjusted EBITDA loss of \$27.7 million for the six months ended June 30, 2024 is comprised of a loss of \$23.5 million related to runoff of the legacy Vroom related items and ongoing contracts, and a loss of \$4.2 million related to public company expenses.

**Warranties and GAP Income, net**

Warranties and GAP income, net, decreased \$11.4 million to a loss of \$11.5 million for the six months ended June 30, 2024 from a loss of \$0.1 million for the six months ended June 30, 2023, primarily as a result of a revised estimate of proceeds we expect to recover.

**Gain on debt extinguishment**

Gain on debt extinguishment represents a gain of \$19.6 million for the six months ended June 30, 2023, related to the repurchase of \$32.8 million in aggregate principal balance of the Notes, net of deferred issuance costs, for \$13.2 million.

**Other Income**

Other income decreased \$2.9 million or 74.7% to \$1.0 million for the six months ended June 30, 2024 from \$3.9 million for the six months ended June 30, 2023, primarily driven by lower cash and cash equivalent balances and lower interest rates earned on cash and cash equivalents.

**Compensation and benefits**

Compensation and benefits expense increased \$2.5 million or 51.3% to \$7.3 million for the six months ended June 30, 2024 from \$4.8 million for the six months ended June 30, 2023, primarily as a result of severance expense

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related to the departure of certain executives and retention bonuses granted to retain key employees subsequent to the Ecommerce Wind-Down.

**Software and IT costs**

Software and IT costs decreased \$1.3 million or 31.2% to \$2.8 million for the six months ended June 30, 2024 from \$4.0 million for the six months ended June 30, 2023, primarily related to volume-based fees as a result of reduced headcount and more efficient targeted software use. We are continuing to renegotiate and right-size our Software and IT contracts to account for reduced headcount following the Ecommerce Wind-down and expect these costs to decrease in the future.

**Other expenses**

Other expenses decreased \$1.5 million or 29.7% to \$3.7 million for the six months ended June 30, 2024 from \$5.2 million for the six months ended June 30, 2023, primarily related to a decrease in public company related insurance costs as we renegotiated our insurance policies during the third quarter of 2023 as a result of the reduced scale of the business.

**Liquidity and Capital Resources**

As of June 30, 2024, we had cash and cash equivalents of \$63.4 million and restricted cash of \$48.2 million. Restricted cash primarily includes restricted cash required under UACC's securitization transactions and Warehouse Credit Facilities of \$47.3 million. Prior to the Ecommerce Wind-Down, our primary source of liquidity was cash generated through financing activities. Additionally, we had excess borrowing capacity of \$34.4 million under UACC's Warehouse Credit Facilities as of June 30, 2024.

As a result of the liquidation of our vehicle inventory as part of the Ecommerce Wind-Down, we repaid all amounts outstanding under the 2022 Vehicle Floorplan Facility in full and the agreement has been terminated.

We expect to use our cash and cash equivalents to finance our future capital requirements and UACC's Warehouse Credit Facilities to fund our finance receivables. Certain advance rates available to UACC on borrowings from the Warehouse Credit Facilities have decreased as a result of the increased credit losses in UACC's portfolio and overall rising interest rates. Any future decreases on available advance rates may have an adverse impact on our liquidity.

UACC relies on borrowings under senior secured warehouse credit facilities to finance the origination of finance receivables as well as to provide funding for general operating activities. The terms of those facilities generally mature within two years and we typically renew those facilities in the ordinary course. UACC currently has four Warehouse Credit Facilities, all of which have terms expiring in 2025. See Note 9, Warehouse Credit Facilities and Consolidated VIEs, to the Condensed Consolidated Financial Statements included elsewhere in this Form 10-Q. We have commenced discussions with our lenders under the Warehouse Credit Facilities regarding amended facilities that would extend the terms beyond the current expiration dates and, consistent with prior periods, expect those facilities to be amended and renewed. Failure to secure warehouse borrowing capacity beyond the expiration of the current facilities in 2025 would have a material adverse effect on our ability to finance UACC's lending operations and our results of operations and liquidity.

We anticipate that our existing cash and cash equivalents and UACC's Warehouse Credit Facilities will be sufficient to support the Company for at least the next twelve months from the issuance date of this Quarterly Report on Form 10-Q.

Our future liquidity and capital requirements will depend on many factors, including our ability to successfully implement the Value Maximization Plan and realize its benefits, available advance rates on and the amendment and renewal of our Warehouse Credit Facilities, our ability to continue to meet the requirements of Nasdaq for continued listing on the Nasdaq Global Select Market, our ability to complete additional securitization transactions on terms favorable to us, and our future credit losses.

While we have no significant debt maturities due until July 2026, if we undergo a fundamental change under the terms of our Indenture, holders of the Notes could, subject to certain conditions, require us to immediately repurchase for cash all or any portion of the Notes at a repurchase price equal to 100% of the principal amount of the Notes plus any



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accrued and unpaid interest. The delisting of the Company's common stock from the Nasdaq Global Select Market would constitute a fundamental change under the terms of the Indenture.

Nasdaq maintains several standards for continued listing of our common stock on the Nasdaq Global Select Market. There can be no assurance that we will continue to meet such standards and maintain our listing. For example, under the "equity standard", the Company is required to have stockholders' equity of at least \$10 million. Under the "total asset standard", the Company's market value of its publicly held shares must be at least \$15 million. Only one standard has to be met to comply with Nasdaq requirements. We currently meet the "equity standard", however, there can be no assurance that we will continue to do so, or that we will be able to satisfy any other standard. If we are not able to satisfy a continued listing requirement from Nasdaq and our common stock is delisted, we will be required to repurchase the Notes prior to maturity, as discussed above.

As of June 30, 2024, and as of the date of issuance of this Quarterly Report on Form 10-Q, we do not have sufficient liquidity to repurchase the Notes in the event of a fundamental change and would be required to seek financing. Such financing may not be available to us on favorable terms, or at all. See Part II, Item 1A Risk Factors—Our indebtedness and liabilities could limit the cash flow available for our operations, expose us to risks that could materially adversely affect our business, financial condition and results of operations and impair our ability to satisfy our debt obligations; We may be unable to satisfy a continued listing rule from Nasdaq; We may not generate sufficient liquidity to operate our business; and, UACC may be unable to continue to access or renew funding sources and obtain capital needed to maintain and grow its business.

### **Convertible Senior Notes**

On June 18, 2021, we issued \$625.0 million aggregate principal amount of the Convertible Senior Notes due 2026 (the "Notes") pursuant to an indenture between us and U.S. Bank National Association, as trustee (the "Indenture").

The Notes bear interest at a rate of 0.75% per annum, payable semiannually in arrears on January 1 and July 1 of each year, beginning on January 1, 2022. The Notes will mature on July 1, 2026, subject to earlier repurchase, redemption or conversion. The total net proceeds from the offering, after deducting commissions paid to the initial purchasers and debt issuance costs, were approximately \$608.9 million. During the six months ended June 30, 2024, the conditions allowing holders of the Notes to convert were not met.

As of June 30, 2024, \$287.6 million aggregate principal amount of the Notes remain outstanding, net of deferred issuance costs of \$2.9 million. Subject to market conditions and availability, we may continue to opportunistically repurchase Notes from time to time to reduce our outstanding indebtedness at a discount. Refer to Note 10 — Long Term Debt of our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q, for further discussion.

### **Securitization Transactions**

Subject to market conditions, we plan to sell finance receivables originated by UACC through asset-backed securitization transactions. During the second quarter of 2024, UACC completed the 2024-1 securitization transaction, in which it sold approximately \$300.0 million of rated asset-backed securities in an auto finance receivable securitization transaction from a securitization trust, established and sponsored by UACC for proceeds of \$297.2 million. The trust is collateralized by finance receivables with an aggregate principal balance of \$380.1 million as of April 30, 2024. These finance receivables are serviced by UACC. As a result of market conditions, UACC retained the residual interests, which required us to account for the 2024-1 securitization as secured borrowings and remain on balance sheet pending the sale of such retained interests. We also repurchased \$4.2 million of the non-investment grade securities related to the 2022-2 securitization transaction for \$4.8 million.

In 2023, UACC sold investment and non-investment grade rated asset-backed securities in the 2023-1 securitization transaction for proceeds of \$260.9 million. The securitization trust is collateralized by finance receivables with an aggregate principal balance of \$326.4 million as of January 31, 2023. As a result of market conditions at the time, which led to unfavorable pricing, UACC retained the residual interests, and we accounted for the 2023-1 securitization transaction as secured borrowings.

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Finance receivables are serviced by UACC. UACC retains at least 5% of the notes and residual certificates sold as required by applicable risk retention rules and generally uses the proceeds of the securitization transactions to pay down outstanding debt under its Warehouse Credit Facilities.

As a result of high interest rates, the current inflationary environment and vehicle depreciation in the used automotive industry, UACC is experiencing higher loss severity. The increased loss severity could lead to reduced servicing income if UACC elects to waive monthly servicing fees going forward as it did in the first quarter of 2023. The waiver of monthly servicing fees related to the 2022-2 securitization transaction resulted in consolidation of the related finance receivables and securitization debt on our financial statements.

Refer to Note 4 — Variable Interest Entities and Securitizations to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q, for further discussion.

### **UACC Risk Retention Financing Facility**

On May 3, 2023, UACC entered into a Risk Retention Financing Facility enabling it to finance a portion of the asset-backed securities issued in its securitization transactions and held by UACC pursuant to applicable risk retention rules. Under this facility, UACC sells such retained interests and agrees to repurchase them at fair value on a future date. In its initial transaction under this facility, UACC pledged \$24.5 million of its retained beneficial interests as collateral, and received proceeds of \$24.1 million, with expected repurchase dates ranging from March 2025 to September 2029. The securitization trusts will distribute payments related to UACC's pledged beneficial interests in securitizations directly to the lenders, which will reduce the beneficial interests in securitizations and the related debt balance.

During the second quarter of 2024, we pledged an additional \$15.8 million of our retained beneficial interest in the 2024-1 securitization transaction as collateral under the Risk Retention Financing Facility, and received proceeds of \$15.6 million, with expected repurchase dates ranging from August 2026 to November 2030 at the initial closing date.

### **Warehouse Credit Facilities**

UACC has four senior secured warehouse credit facility agreements the ("Warehouse Credit Facilities") with banking institutions. The Warehouse Credit Facilities are collateralized by eligible finance receivables and available borrowings are computed based on a percentage of eligible finance receivables. The aggregate borrowing limit is \$825.0 million with maturities between June 2025 and September 2025. As of June 30, 2024, outstanding borrowings related to the Warehouse Credit Facilities were \$270.8 million and we were in compliance with all covenants under the terms of the Warehouse Credit Facilities. Failure to satisfy these and or any other requirements contained within the agreements would restrict access to the Warehouse Credit Facilities and could have a material adverse effect on our financial condition, results of operations and liquidity. Certain breaches of covenants may also result in acceleration of the repayment of borrowings prior to the scheduled maturity. Refer to Note 9 — Warehouse Credit Facilities of Consolidated VIEs to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q, for further discussion.

### **Cash Flows from Operating, Investing, and Financing Activities**

The following table summarizes our cash flows for the six months ended June 30, 2024 and 2023:

	Six Months Ended June 30,	
	2024	2023
	(in thousands)	
Net cash used in operating activities from continuing operations	\$ (125,997)	\$ (239,863)
Net cash provided by investing activities from continuing operations	66,018	101,966
Net cash provided by financing activities from continuing operations	20,282	114,160
Net cash provided by operating activities from discontinued operations	82,820	7,738
Net cash provided by (used in) investing activities from discontinued operations	10,834	(7,272)
Net cash used in financing activities from discontinued operations	(151,178)	(144,508)
Net decrease in cash, cash equivalents and restricted cash	(97,221)	(167,779)
Cash and cash equivalents and restricted cash at beginning of period	208,819	472,010
Cash and cash equivalents and restricted cash at end of period	\$ 111,598	\$ 304,231

***Operating Activities***

Net cash flows used in operating activities from continuing operations decreased by \$113.9 million, from \$239.9 million for the six months ended June 30, 2023 to \$126.0 million for the six months ended June 30, 2024. The decrease was primarily due to an increase in principal payments received on finance receivables held for sale of \$43.0 million, a \$43.0 million decrease of originations of finance receivables held for sale, as a result of no longer originating loans for legacy Vroom customers, a \$22.9 million improvement in net loss from continuing operations after reconciling adjustments, and changes in working capital of \$5.0 million.

***Investing Activities***

Net cash flows provided by investing activities from continuing operations decreased by \$36.0 million, from \$102.0 million for the six months ended June 30, 2023 to \$66.0 million for the six months ended June 30, 2024. The decrease is primarily due to a \$26.4 million decrease in principal payments received on finance receivables at fair value as well as the consolidation of the 2022-2 securitization transaction which resulted in a cash inflow of \$11.4 million during the six months ended June 30, 2023.

***Financing Activities***

Net cash flows provided by financing activities from continuing operations decreased \$93.9 million, from \$114.2 million for the six months ended June 30, 2023 to \$20.3 million for the six months ended June 30, 2024. The decrease was primarily related to a \$98.7 million decrease in net cashflows related to our Warehouse Credit Facilities, as a result of less borrowings and higher repayments following the 2024-1 securitization transaction and a \$12.9 million decrease in net cashflows from financing of beneficial interests in securitizations. These decreases were partially offset by \$13.2 million in repurchases of the Notes during the six months ended June 30, 2023 and a \$3.5 million increase in net cashflows from secured financing agreements.

## **Critical Accounting Policies and Estimates**

Our condensed consolidated financial statements are prepared in accordance with GAAP. The preparation of condensed consolidated financial statements requires us to make estimates, assumptions and judgments that affect the reported amounts of assets, liabilities, revenue, and expenses and related disclosures. On an ongoing basis, we evaluate our estimates, including, among others, those related to finance receivables, income taxes, stock-based compensation, contingencies, warranties and GAP income-related reserves, fair value measurements and useful lives of property and equipment and intangible assets. We base our estimates on historical experience, market conditions and on various other assumptions that are believed to be reasonable. Actual results may differ from these estimates.

The critical accounting policies that reflect our more significant judgments and estimates used in the preparation of our condensed consolidated financial statements include those described in Note 2—Summary of Significant Accounting Policies and Note 3—Revenue Recognition to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

Except as described below, there have been no material changes to our critical accounting policies and estimates as compared to the critical accounting policies and estimates disclosed in our Annual Report on Form 10-K for the year ended December 31, 2023.

### ***Fair Value of Finance Receivables***

The valuation of finance receivables at fair value is derived from an internally developed model that estimates the present value of future cash flows. We estimate the present value of these future cash flows using a valuation model consisting of internally developed estimates that rely on unobservable assumptions third-party market participants would use in determining fair value, including prepayment speed, default rate, recovery rate, and discount rates. All these assumptions are primarily based on historical performance. These valuation models are calculated by combining similarly priced loans and vintages to determine a stream of expected cash flows which are then discounted. The individual discounted pools of cash flows are then aggregated to determine the total expected discounted cash flows on the outstanding receivable at a given measurement period.

The estimates for the aforementioned assumptions significantly affect the reported amount (and changes thereon) of our finance receivables at fair value on our consolidated balance sheets and condensed consolidated statements of operations.

## **Recently Issued and Adopted Accounting Pronouncements**

Refer to “Note 2—Summary of Significant Accounting Policies” to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for a discussion about new accounting pronouncements adopted and not yet adopted as of the date of this report.

### **Item 3. Quantitative and Qualitative Disclosure About Market Risk**

We are a smaller reporting company as defined in Rule 12b-2 of the Exchange Act and are not required to provide the information otherwise required under this Item 3.

### **Item 4. Controls and Procedures**

#### **Limitations on effectiveness of controls and procedures**

In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

#### **Evaluation of Disclosure Controls and Procedures**

Our management, with the participation of our Principal Executive Officer and Principal Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of June 30, 2024.

Based on that evaluation, our Principal Executive Officer and Principal Financial Officer have concluded that, as of June 30, 2024, our disclosure controls and procedures were effective at the reasonable assurance level.

#### **Changes in Internal Control over Financial Reporting**

There was no change in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the quarterly period ended June 30, 2024, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## PART II - OTHER INFORMATION

### Item 1. Legal Proceedings

From time to time, we are subject to legal proceedings in the normal course of operating our business. The outcome of litigation, regardless of the merits, is inherently uncertain. Beginning in March 2021, multiple putative class actions were filed in the U.S. District Court for the Southern District of New York by certain of the Company's stockholders against the Company and certain of the Company's officers alleging violations of federal securities laws. The lawsuits were captioned Zawatsky et al. v. Vroom, Inc. et al., Case No. 21-cv-2477; Holbrook v. Vroom, Inc. et al., Case No. 21-cv-2551; and Hudda v. Vroom, Inc. et al., Case No. 21-cv-3296. All three of the lawsuits asserted similar claims under Sections 10(b) and 20(a) of the Exchange Act, and SEC Rule 10b-5. In each case, the named plaintiff(s) sought to represent a proposed class of all persons who purchased or otherwise acquired the Company's securities during a period from June 9, 2020 to March 3, 2021 (in the case of Holbrook and Hudda), or November 11, 2020 to March 3, 2021 (in the case of Zawatsky). In August 2021, the Court consolidated the cases under the new name In re: Vroom, Inc. Securities Litigation, Case No. 21-cv-2477, appointed a lead plaintiff and lead counsel and ordered a consolidated amended complaint to be filed. The court-appointed lead plaintiff subsequently filed a consolidated amended complaint that reasserts claims under Sections 10(b) and 20(a) of the Exchange Act, and SEC Rule 10b-5 against the Company and certain of the Company's officers, and added new claims under Sections 11, 12 and 15 of the Securities Act against the Company, certain of its officers, certain of its directors, and the underwriters of the Company's September 2020 secondary offering. The Company filed a motion to dismiss all claims, and briefing of this motion is complete. The Company believes this lawsuit is without merit and intends to vigorously contest these claims. While the outcome of any complex legal proceeding is inherently unpredictable and subject to significant uncertainties, based upon information presently known to management, the Company believes that the potential liability, if any, will not have a material adverse effect on the Company's financial condition, cash flows, or results of operations.

In August 2021, November 2021, January 2022, and February 2022, various Company stockholders filed purported shareholder derivative lawsuits on behalf of the Company in the U.S. District Court for the Southern District of New York against certain of the Company's officers and directors, and nominally against the Company, alleging violations of the federal securities laws and breaches of fiduciary duty to the Company and/or related violations of Delaware law based on the same general course of conduct alleged in In re: Vroom, Inc. Securities Litigation. All four lawsuits have been consolidated under the case caption In re Vroom, Inc. Shareholder Derivative Litigation, Case No. 21-cv-6933, and the court has approved the parties' stipulation that the cases would remain stayed pending final resolution of In re: Vroom, Inc. Securities Litigation. All four derivative suits remain in preliminary stages and there have been no substantive developments in any matter.

In April 2022 and April 2024, two of the Company's stockholders filed separate purported shareholder derivative lawsuits on behalf of the Company in the U.S. District Court for the District of Delaware against certain of the Company's officers and directors, and nominally against the Company, alleging violations of the federal securities law and breaches of fiduciary duty to the Company and/or related violations of Delaware law based on the same general course of conduct alleged in In re: Vroom, Inc. Securities Litigation. The case filed in April 2022 is captioned Godlu v. Hennessy et al., Case No. 22-cv-569, the case filed in April 2024 is captioned Hudda v. Hennessy et al. Case No. 24-cv-4499., and the court in each has approved the parties' stipulations that each case would remain stayed pending final resolution of In re: Vroom, Inc. Securities Litigation. Both lawsuits remain in preliminary stages and there have been no substantive developments.

In January 2022, the Company received a non-public civil investigative demand from the Federal Trade Commission ("FTC"), seeking the production of information related to certain of the Company's business practices and the Company responded to those information requests. On February 23, 2024, the FTC notified the Company that it has reason to believe that the Company violated Section 5(a) of the Federal Trade Commission Act, 15 U.S.C. § 45(a); the FTC's Mail, Internet, or Telephone Order Merchandise Rule, 16 C.F.R. Part 435; the FTC's Used Motor Vehicle Trade Regulation Rule, 16 C.F.R. Part 455; and the FTC's Pre-Sale Availability Rule, 16 C.F.R. Part 702. On May 6, 2024, Vroom, Inc., and Vroom Automotive, LLC and the FTC reached an agreement to resolve the FTC's allegations without any admission of wrongdoing by either Vroom entity, subject to final approval by the FTC and the court. Under the agreement, the Company will pay a total of \$1 million in customer redress and abide permanently by an injunction. The FTC issued its final approval of the agreement on July 2, 2024, and a mutually-agreed upon order reflecting the agreement was entered by the Court on July 10, 2024. The case is captioned Federal Trade Commission v. Vroom, Inc. et al., Case No. 4:24-cv-02496.

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In April 2022, the Attorney General of Texas filed a petition on behalf of the State of Texas in the District Court of Travis County, Texas against the Company, alleging violation of the Texas Deceptive Trade Practices – Consumer Protection Act, Texas Business and Commerce Code § 17.41 et seq., based on alleged deficiencies and other issues in the Company’s marketing of used vehicles and fulfillment of customer orders, including the titling and registration of sold vehicles. According to the petition, 80% of the customer complaints referenced in the petition were received in the 12 months prior to April 2022. The petition is captioned State of Texas v. Vroom Automotive LLC, and Vroom Inc., Case No. D-1-GN-001809. In May 2022, Vroom Automotive, LLC the Attorney General of the State of Texas agreed to a temporary injunction in which Vroom Automotive, LLC agreed to adhere to its existing practice of possessing title for all vehicles it sells or advertises as available for sale on its ecommerce platform. In December 2023, Vroom, Inc., Vroom Automotive, LLC and the Attorney General of the State of Texas reached a final agreement to resolve all claims in the petition, without any admission of wrongdoing by either Vroom entity. Under the agreement, the Company will pay a total of \$2 million in civil penalties and \$1 million in attorneys’ fees, with the first half due in September 2024 and the remaining half due in September 2025, and abide permanently by an injunction of certain operational practices that were previously implemented.

As previously disclosed, we have been subject to audits, requests for information, investigations and other inquiries from our regulators relating to increased customer complaints concerning the same or similar matters alleged in the State of Texas petition. These regulatory matters could continue to progress into legal proceedings as well as enforcement actions. We have incurred fines in certain states and could continue to incur fines, penalties, restitution, or alterations in our business practices, which in turn, could lead to increased business expenses, additional limitations on our business activities and further reputational damage, although to date such expenses have not had a material adverse effect on the Company’s financial condition, cash flows, or results of operations.

### **Item 1A. Risk Factors**

Our operations and financial results are subject to various risks and uncertainties including those disclosed under “Item 1A. Risk Factors” in our Annual Report. We provide below the material changes to our risk factors described in our Annual Report. If any of these risks or others not specified materialize, our business, financial condition and results of operations could be materially and adversely affected. In that case, the trading price of our common stock could decline and you could lose all or part of your investment in our common stock:

***Our indebtedness and liabilities could limit the cash flow available for our operations, expose us to risks that could materially adversely affect our business, financial condition and results of operations and impair our ability to satisfy our debt obligations.***

As of June 30, 2024, we, including our subsidiaries, had approximately \$1,066.0 million principal amount of consolidated indebtedness. Of that amount, \$472.1 million of securitization debt is funded by cashflows on receivables within the securitization trusts. Our indebtedness could have significant negative consequences for our security holders and our business, results of operations and financial condition by, among other things:

- increasing our vulnerability to adverse economic and industry conditions;
- limiting our ability to obtain additional financing;
- requiring the dedication of a substantial portion of our cash flow from operations to service our indebtedness, which will reduce the amount of cash available for other purposes, including the successful execution of our Value Maximization Plan;
- limiting our flexibility to plan for, or react to, changes in our business; and
- placing us at a possible competitive disadvantage with competitors that are less leveraged than us or have better access to capital.

Our business may not generate sufficient funds, and we may otherwise be unable to maintain sufficient cash reserves, or to pay amounts due under our indebtedness, and our cash needs may increase in the future. In addition, our existing indebtedness contains, and any future indebtedness that we may incur may contain, financial and other restrictive covenants that may limit our ability to operate our business, raise capital or make payments under our other indebtedness.



For example, on December 21, 2023, we received written notice from Nasdaq notifying us that, for the prior 30 consecutive business days, the bid price for our common stock had closed below the \$1.00 minimum bid price requirement for continued inclusion on the Nasdaq Global Select Market. On February 13, 2024, after obtaining stockholder approval, we effected a 1-for-80 reverse stock split (the "Reverse Stock Split"), and our stock began trading on a post-split adjusted basis on February 14, 2024. On February 29, 2024, we were notified by Nasdaq Listing Qualifications that the closing bid price of our common stock had been at \$1.00 per share or greater for 11 consecutive business days, from February 14, 2024 to February 28, 2024. Accordingly, the Company has regained compliance with Nasdaq Listing Rule 5450(a)(1) and this matter is now closed. However, if our common stock again closes below the \$1.00 per share minimum bid price required by Nasdaq for 30 consecutive business days, we again would receive another notice of non-compliance with Nasdaq's listing standards and would face the risk of delisting. There can be no assurance that our common stock will continue to close at or above the \$1.00 per share minimum bid price as required by Nasdaq, or that we will meet the other requirements of Nasdaq for continued listing on Nasdaq Global Select Market. For example, under the "equity standard", applicable Nasdaq listing standards currently require us to have stockholders' equity of at least \$10 million. Under the "total asset standard", the Company's market value of its publicly held shares must be at least \$15 million. Only one standard has to be met to comply with Nasdaq requirements. While we currently meet the equity standard, there can be no assurance that we will continue to do so, or that we will be able to satisfy any other standard. A delisting of our common stock from the Nasdaq Global Select Market would constitute a fundamental change under the terms of our Indenture and holders of the Notes could, subject to certain conditions, require us to immediately repurchase for cash all or any portion of the Notes at a repurchase price equal to 100% of the principal amount of the Notes plus any accrued and unpaid interest. As of June 30, 2024, and as of the date of issuance of the condensed consolidated financial statements, the Company does not have sufficient liquidity to repurchase the Notes in the event of a fundamental change and would be required to seek financing. Such financing may not be available to the Company on favorable terms, or at all. Additionally, if we fail to comply with the terms of our Indenture or to service the interest under the Notes and repay the Notes as and when they become due, that could in turn also result in our other indebtedness becoming immediately payable in full. Our ability to maintain our indebtedness, including to service the interest under the Notes and repay the Notes, as and when they become due, will depend on our ability to generate and maintain sufficient cash, and if necessary, raise additional capital.

***We may be unable to satisfy a continued listing rule from Nasdaq.***

Nasdaq maintains several requirements for continued listing of our common stock, one of which is the maintenance of a minimum closing bid price of \$1.00. On December 21, 2023, we received written notice from Nasdaq notifying us that, for the prior 30 consecutive business days, the bid price for our common stock had closed below the \$1.00 minimum bid price requirement for continued inclusion on the Nasdaq Global Select Market. On February 13, 2024, after obtaining stockholder approval, we effected a 1-for-80 reverse stock split (the "Reverse Stock Split"), and our stock began trading on a post-split adjusted basis on February 14, 2024. On February 29, 2024, we were notified by Nasdaq Listing Qualifications that the closing bid price of our common stock had been at \$1.00 per share or greater for 11 consecutive business days, from February 14, 2024 to February 28, 2024. Accordingly, the Company has regained compliance with Nasdaq Listing Rule 5450(a)(1) and this matter is now closed. However, if our common stock again closes below the \$1.00 per share minimum bid price required by Nasdaq for 30 consecutive business days, we would receive another notice of non-compliance with Nasdaq's listing standards and may be provided a period of 180 calendar days from the date of such notice to regain compliance with the minimum bid closing price requirement of at least \$1.00 per share for a minimum of 10 consecutive business days. However, there can be no assurance that our common stock will continue to close at or above the \$1.00 per share minimum bid price as required by Nasdaq. We intend to continue to actively monitor the closing bid price of our common stock and, if we lose compliance with Nasdaq's minimum bid price closing requirements, will consider all available options to regain compliance.

There can also be no assurance that we will meet the other requirements of Nasdaq for continued listing on the Nasdaq Global Select Market. For example, under the "equity standard", applicable Nasdaq listing standards currently require us to have stockholders' equity of at least \$10 million. Under the "total asset standard", the Company's market value of its publicly held shares must be at least \$15 million. Only one standard has to be met to comply with Nasdaq requirements. While we currently meet the equity standard, there can be no assurance that we will continue to do so, or that we will be able to satisfy any other standard. A delisting of our common stock from the Nasdaq Global Select Market would constitute a fundamental change under the terms of our Indenture and holders of the Notes could, subject to certain conditions, require us to immediately repurchase for cash all or any portion of the Notes at a repurchase price equal to 100% of the principal amount of the Notes plus any accrued and unpaid interest. As of June 30, 2024, and as of the date of issuance of the condensed consolidated financial statements, the Company does not have sufficient liquidity to



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repurchase the Notes in the event of a fundamental change and would be required to seek financing. Such financing may not be available to the Company on favorable terms, or at all.

If our common stock is delisted in the future based on the bid price closing requirement, the stockholders' equity requirement, or any other continued listing requirement, it is unlikely that we will be able to list our common stock on another national securities exchange and, as a result, we expect our securities would be quoted on an over-the-counter market. If this were to occur, we and our stockholders could face significant material adverse consequences, including limited availability of market quotations and analyst coverage for our common stock, and reduced liquidity for the trading of our securities. In addition, a delisting would constitute a fundamental change under the terms of our Indenture and holders of the Notes could, subject to certain conditions, require us to immediately repurchase for cash all or any portion of the Notes at a repurchase price equal to 100% of the principal amount of the Notes plus any accrued and unpaid interest. Additionally, if we fail to comply with the terms of our Indenture or to service the interest under the Notes and repay the Notes as and when they become due, that could in turn also result in our other indebtedness becoming immediately payable in full. See "—Our indebtedness and liabilities could limit the cash flow available for our operations, expose us to risks that could materially adversely affect our business, financial condition and results of operations and impair our ability to satisfy our debt obligations."

Delisting also could result in, among other things, a loss of investor confidence or interest in strategic transactions or opportunities, us being subject to regulation in each state in which we offer our securities, and difficulty in recruiting and retaining personnel through equity incentive awards.

### ***We may not generate sufficient liquidity to operate our business.***

As of June 30, 2024, we had cash and cash equivalents of approximately \$63.4 million. We expect to use our cash and cash equivalents to finance our future capital requirements and UACC's four senior secured warehouse facility agreements (the "Warehouse Credit Facilities") to fund our finance receivables. Certain advance rates available to UACC on borrowings from the Warehouse Credit Facilities have decreased as a result of the increasing credit losses in UACC's portfolio and overall higher interest rates. Any future decreases on available advance rates may have an adverse impact on our liquidity. If we are unable to maintain the Warehouse Credit Facilities, all of which expire on varying dates in 2025 absent renewal, on favorable terms or at all, or if they are terminated or expire and are not renewed or we are unable to find a satisfactory replacement, we may be unable to fund our finance receivables, and our business, operational results, financial position and cash flows would be materially adversely affected.

In addition, in April 2024, UACC sold approximately \$262.5 million of rated asset-backed securities in an auto loan securitization transaction from a securitization trust, established and sponsored by UACC for proceeds of \$261.3 million. The trust is collateralized by finance receivables with an aggregate principal balance of \$380.1 million. These finance receivables are serviced by UACC. As a result of market conditions, UACC retained the Class E non-investment grade securities and residual interests, which will require us to account for the 2024-1 securitization as secured borrowings and remain on balance sheet pending the sale of such retained interests. In May 2024, UACC sold approximately \$37.5 million of Class E non-investment grade securities that were initially retained for proceeds of \$35.9 million.

We cannot assure you that we will generate sufficient revenue to offset the cost of maintaining our remaining operations, including significant accounting, legal, administrative and other costs associated with being a public company, and to service the interest and repay the Notes when due. Additionally, there can be no assurance that our common stock will continue to close at or above the \$1.00 per share minimum bid price as required by Nasdaq, or that we will meet the other requirements of Nasdaq for continued listing on Nasdaq Global Select Market. For example, under the "equity standard", applicable Nasdaq listing standards currently require us to have stockholders' equity of at least \$10 million. Under the "total asset standard", the Company's market value of its publicly held shares must be at least \$15 million. Only one standard has to be met to comply with Nasdaq requirements. While we currently meet the equity standard, there can be no assurance that we will continue to do so, or that we will be able to satisfy any other standard. If we are not able to maintain compliance with the requirements of Nasdaq for continued listing on the Nasdaq Global Select Market, including compliance with applicable bid price and stockholders' equity requirements, we could be delisted. See "Risk Factors—We may be unable to satisfy a continued listing rule from the Nasdaq". The delisting of our common stock from the Nasdaq Global Select Market would constitute a fundamental change under the terms of our Indenture and holders of the Notes could require us to immediately repurchase for cash all or any portion of the Notes at a repurchase price equal to 100% of the principal amount of the Notes plus any accrued and unpaid interest. As of June 30, 2024, and as of the date of issuance of the condensed consolidated financial statements, the Company does not have sufficient liquidity to

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repurchase the Notes in the event of a fundamental change and would be required to seek financing. Such financing may not be available to the Company on favorable terms, or at all. Additionally, if we fail to comply with the terms of our Indenture or to service the interest under the Notes and repay the Notes as and when they become due, that could in turn also result in our other indebtedness becoming immediately payable in full. Our ability to maintain our indebtedness, including to service the interest under the Notes and repay the Notes, as and when they become due, will depend on our ability to generate and maintain sufficient cash, and if necessary, raise additional capital.

Our revenue growth may be adversely affected by factors including our inability to grow and develop the UACC and CarStory businesses; weakness in the automotive retail industry generally; general economic conditions, including high interest rates and inflation; global pandemics and other public health emergencies; and increasing competition. Our historical revenue growth is not indicative of our future performance, particularly given the wind-down of our ecommerce business. If we are unable to grow and develop the UACC and CarStory businesses and generate sufficient revenue and achieve profitability, our business, financial condition and results of operations will be materially and adversely affected. Additionally, our cash needs may increase in the future as we focus on growing and developing the UACC and CarStory businesses.

In addition to our ongoing cash requirements, in the near term, our liquidity will also be used to fund costs related to the wind-down of our ecommerce operations, primarily severance and early contract and lease termination payments. Such payments could be significant and have a material effect on our cash flows from operations. Our future capital requirements will depend on many factors, including the ability to realize the benefits of the Value Maximization Plan, available advance rates on and the amendment and renewal of the Warehouse Credit Facilities, the ability to continue to meet the requirements of Nasdaq for continued listing on the Nasdaq Global Select Market, the ability to complete additional securitization transactions on terms favorable to us, future credit losses, the ability to obtain the necessary financing to meet obligations and repay liabilities arising from business operations when they come due, the ability to generate and maintain sufficient cash, and the ability to generate profitable operations in the future. We have no significant debt maturities due until July 2026 and the payments on our securitization debt are funded by cashflows on the finance receivables within the securitization trusts. However, there can be no assurance that our liquidity will be sufficient to achieve the objectives of our Value Maximization Plan, grow and develop UACC and CarStory, operate our business, or comply with the terms of our indebtedness. See "—UACC may be unable to continue to access or renew funding sources and obtain capital needed to maintain and grow its business" and "—Our indebtedness and liabilities could limit the cash flow available for our operations, expose us to risks that could materially adversely affect our business, financial condition and results of operations and impair our ability to satisfy our debt obligations."

***UACC may be unable to continue to access or renew funding sources and obtain capital needed to maintain and grow its business.***

UACC uses debt financing to maintain and grow its business. UACC relies on borrowings under senior secured warehouse credit facilities to finance the origination of finance receivables as well as to provide funding for general operating activities. The terms of those facilities generally mature within two years and we typically renew those facilities in the ordinary course. UACC currently has four Warehouse Credit Facilities, all of which have terms expiring in 2025. See Note 9, Warehouse Credit Facilities and Consolidated VIEs, to the Condensed Consolidated Financial Statements included elsewhere in this Form 10-Q and "UACC may be unable to continue to access or renew funding sources and obtain capital needed to maintain and grow its business." We have commenced discussions with our lenders under the Warehouse Credit Facilities regarding amended facilities that would extend the terms beyond the current expiration dates. Failure to secure warehouse borrowing capacity beyond the expiration of the current facilities in 2025 would have a material adverse effect on our ability to finance UACC's lending operations and our results of operations and liquidity. We cannot guarantee that the Warehouse Credit Facilities will continue to be available beyond their current maturity dates, on acceptable terms, or at all, or that UACC will be able to obtain additional financing on acceptable terms or at all. The availability of additional financing will depend on a variety of factors such as market conditions, the general availability of credit, the losses incurred in UACC's loan portfolio, UACC's financial position, its results of operations, and the capacity for additional borrowing under its existing financing arrangements. If UACC's various financing alternatives were to become limited or unavailable, it may be unable to maintain or grow loan volume at the level that we anticipate and our financial condition and results of operations would be materially adversely affected.

***There are risks associated with the discontinuance of our ecommerce operations and wind-down of our used vehicle dealership business.***

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On January 22, 2024, we announced the Value Maximization Plan, pursuant to which we discontinued our ecommerce operations and wound down our used vehicle dealership business in order to preserve cash and maximize stakeholder value through our remaining businesses. As a result, we have incurred, and will continue to incur, costs including severance costs, inventory liquidation costs, contract and lease termination costs and non-cash asset impairments, and such costs are expected to exceed any cash we generate on the liquidation of assets. The Company incurred total cash charges during the six months ended June 30, 2024 of approximately \$15.6 million for severance and other personnel-related costs, with \$0.9 million and \$15.6 million incurred during the three and six months ended June 30, 2024, respectively and approximately \$13.5 million in contract and lease termination costs during the six months ended June 30, 2024, with \$1.6 million and \$13.5 million settled during the three and six months ended June 30, 2024, respectively. The actual amount of wind down, transition and impairment charges may materially exceed our estimates, due to various factors, many of which are outside of our control, including the outcomes of discussions and negotiations (a number of which are currently ongoing) with the counterparties to the contracts and leases we intend to terminate or modify. In addition, because of uncertainties with respect to our wind-down plan (including those described above), we may not be able to realize the anticipated benefits of or complete the wind-down in the expected timeframe, on the terms or in the manner we expect, or at all, and the costs incurred in connection with such wind-down activities may exceed our estimates. If the time to complete the wind-down takes longer than expected, or the actual costs or impairment charges exceed our estimates, the Company's business, operational results, financial position and cash flows could be adversely affected.

The purpose of the Value Maximization Plan was to wind-down our ecommerce operations, which were not profitable and had significant cash burn, in order to preserve cash and enable us to maximize stakeholder value through our remaining businesses, UACC and CarStory. As of June 30, 2024, we had cash and cash equivalents of approximately \$63.4 million. Given our wind-down expenses, including employee severance costs, our ongoing operating expenses and recent losses at UACC, there can be no assurance that we will succeed in achieving profitability and creating meaningful stakeholder value.

Additionally, the announced wind-down involves further risks, including:

- the ongoing cost of retaining (as was realized in connection with the payment of retention bonuses during the six months ended June 30, 2024) and, in some cases, the inability to retain qualified personnel necessary to achieve our goals for UACC and CarStory;
- potential disruption of the operations of the rest of our businesses and diversion of management's attention from such businesses and operations;
- exposure to unknown, contingent or other liabilities, including litigation arising in connection with the wind-down;
- negative impact on our business relationships, including but not limited to potential relationships with our customers, suppliers, vendors, licensees and employees; and
- unintended negative consequences from changes to our business.

If any of these or other factors impair our ability to successfully implement the wind-down, we may not be able to realize other business opportunities as we may be required to spend additional time and incur additional expense relating to the wind-down that otherwise would be used on the development, expansion and profitability of our other businesses, which could adversely impact our business, operational results, financial position and cash flows.

***We are, and may in the future be, subject to legal proceedings in the ordinary course of our business. If the outcomes of these proceedings are adverse to us, it could have a material adverse effect on our business, financial condition and results of operations.***

We are subject to various litigation matters from time to time, the outcome of which could have a material adverse effect on our business, financial condition and results of operations. Claims arising out of actual or alleged violations of law could be asserted against us by individuals, either individually or through class actions, by governmental entities in civil or criminal investigations and proceedings or by other entities. These claims could be asserted under a variety of laws, including but not limited to consumer finance laws, consumer protection laws, intellectual property laws, privacy laws, labor and employment laws, securities laws and employee benefit laws. These actions could expose us to adverse publicity and to substantial monetary damages and legal defense costs, injunctive relief and criminal and civil fines and penalties, including but not limited to suspension or revocation of licenses to conduct business. For example, a

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consolidated class action is pending in the U.S. District Court for the Southern District of New York asserting claims on behalf of a putative class of Company stockholders against us, certain of our officers, and certain of our directors, among others, alleging violations of the federal securities laws. We also are a party to certain stockholder derivative suits in which the Company is named as a nominal defendant in suits that various individual stockholders seek to bring on behalf of the Company against certain of our current and former directors and officers. These suits are pending in the U.S. District Court for the Southern District of New York and the U.S. District Court for the District of Delaware and are based on the same general course of conduct alleged in the consolidated securities class action. We believe these lawsuits are without merit and intend to vigorously contest these claims.

In January 2022, the Company received a non-public civil investigative demand from the Federal Trade Commission ("FTC"), seeking the production of information related to certain of the Company's business practices and the Company responded to those information requests. On February 23, 2024, the FTC notified the Company that it has reason to believe that the Company violated Section 5(a) of the Federal Trade Commission Act, 15 U.S.C. § 45(a); the FTC's Mail, Internet, or Telephone Order Merchandise Rule, 16 C.F.R. Part 435; the FTC's Used Motor Vehicle Trade Regulation Rule, 16 C.F.R. Part 455; and the FTC's Pre-Sale Availability Rule, 16 C.F.R. Part 702. On May 6, 2024, Vroom, Inc., and Vroom Automotive, LLC and the FTC reached an agreement to resolve the FTC's allegations without any admission of wrongdoing by either Vroom entity, subject to final approval by the FTC and the court. Under the agreement, the Company will pay a total of \$1 million in customer redress and abide permanently by an injunction. The FTC issued its final approval of the agreement on July 2, 2024, and a mutually-agreed upon order reflecting the agreement was entered by the Court on July 10, 2024. The case is captioned Federal Trade Commission v. Vroom, Inc. et al., Case No. 4:24-cv-02496.

In addition, in April 2022, the Attorney General of Texas filed a lawsuit on behalf of the State of Texas in the District Court of Travis County, Texas against the Company, alleging violation of the Texas Deceptive Trade Practices – Consumer Protection Act and Texas Business and Commerce Code § 17.41 et seq. In December 2023, Vroom, Inc., Vroom Automotive, LLC and the Attorney General of the State of Texas reached a final agreement to resolve all claims in the petition, without any admission of wrongdoing by either Vroom entity. Under the agreement, the Company will pay a total of \$2 million in civil penalties and \$1 million in attorneys' fees, with the first half due in September 2024 and the remaining half due in September 2025, and abide permanently by an injunction of certain operational practices that were previously implemented. The agreement was approved by the District Court of Travis County on December 13, 2023. See Part I, Item 3. "Legal Proceedings" for more information about these matters and the other legal proceedings to which we are subject.

***We depend on key personnel to operate our business, and if we are unable to retain, integrate, adequately compensate, and attract qualified personnel, our ability to develop and successfully grow our business could be harmed.***

We believe our success has depended, and continues to depend, on the efforts and talents of our executives and employees. Our future success depends on our continuing ability to retain, develop, motivate and attract highly qualified and skilled employees. Qualified individuals are in high demand, and we may incur significant costs to retain and attract them. In particular, we are highly dependent on the services of our leadership team to the development of our business, future vision, and strategic direction, including as we realign our business in accordance with the Value Maximization Plan. On February 29, 2024, James G. Vagim, III, UACC's Co-President and Chief Executive Officer, and Ravi Gandhi, UACC's Co-President and Chief Financial Officer stepped down. The Company's Chief Executive Officer, Tom Shortt succeeded Mr. Vagim as President and Chief Executive Officer of UACC, and the Company's Vice President of Investor Relations and Financial Planning & Analysis, Jon Sandison, succeeded Mr. Gandhi as UACC's Chief Financial Officer. On May 17, 2024 (the "CFO Transition Date"), Robert R. Krakowiak ceased his service as Chief Financial Officer, Treasurer and principal financial officer of the Company. On May 6, 2024, the Board appointed Mr. Krakowiak as a member of the board of directors (the "Board") of the Company, and as Vice Chair of the Board, in each case effective as of the CFO Transition Date, for a term ending at the Company's 2024 Annual Meeting of Stockholders (the "Annual Meeting"), where he was re-elected by our stockholders for a term ending at the Company's 2025 Annual Meeting of Stockholders. On the CFO Transition Date, the Company's Senior Vice President and principal accounting officer, Agnieszka Zakowicz, succeeded Mr. Krakowiak as the Company's Chief Financial Officer, Treasurer and principal financial officer and retained her role as principal accounting officer. Also effective on the CFO Transition Date, C. Denise Stott stepped down as the Company's Chief People & Culture Officer and, on August 23, 2024, Patricia Moran will be stepping down as Chief Legal Officer. Our future performance will depend, in part, on the successful transition of these positions and any other key management positions that may experience turnover in the future. We heavily rely on the continued service and performance of our senior management team, which provides leadership, contributes to the core areas of our business

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and helps us to efficiently execute our business, including with respect to strategic initiatives such as our Value Maximization Plan. If members of our senior management team, including our executive leadership, become ill, or if we are otherwise unable to retain them, we may not be able to manage our business effectively and, as a result, our business and operating results could be harmed. If the senior management team, including any new hires that we make, fails to work together effectively and to execute our plans and strategies on a timely basis, or if we are unable to retain key employees in a cost effective manner or at all, then our business and future growth prospects could be harmed.

In addition, we issue equity awards to certain of our employees as part of our hiring and retention efforts, and job candidates and existing employees often consider the value of the equity awards they receive in connection with their employment. Our employees' inability to sell their shares in the public market at times and/or at prices desired may lead to a larger than normal turnover rate. The market value of our common stock has declined significantly. If the actual or perceived value of our common stock does not recover, or if our common stock is delisted from the Nasdaq Global Select Market, it may adversely affect our ability to hire or retain employees. See "Risk Factors —We may be unable to satisfy a continued listing rule from the Nasdaq". In addition, we may periodically change our equity compensation practices, which may include reducing the number of employees eligible for equity awards or reducing the size or value of equity awards granted per employee or undertaking other efforts that may prove to be an unsuccessful retention mechanism. For instance, on April 27, 2024, our Board of Directors adopted, and on June 13, 2024 our stockholders approved, an amendment to the Company's 2020 Incentive Award Plan (the "2020 Plan") to (i) increase the number of shares of our common stock authorized for issuance under the 2020 Plan by 350,000 shares and (ii) correspondingly increase by 350,000 shares the limit on the number of shares that can be issued under the 2020 Plan pursuant to the exercise of "incentive stock options." The purpose of the amendment was to ensure the Company has a sufficient reserve of shares available to attract, retain and motivate selected employees, consultants and directors who are essential to the Company's long-term growth while preserving cash, particularly in light of the goals of the Value Maximization Plan. If we are unable to make meaningful equity awards to our employees or directors, or otherwise fail to attract, integrate, adequately compensate, or retain the qualified and highly skilled personnel required to fulfill our current or future needs, our business and future growth prospects could be harmed.

Furthermore, in light of the reduction in headcount as part of our Value Maximization Plan, we may find it difficult to maintain valuable aspects of our culture, to prevent a negative effect on employee morale or attrition beyond our planned reduction in headcount, and to attract competent personnel who are willing to embrace our culture in the future. Our executive officers and other employees are at-will employees, which means they may terminate their employment relationship with us at any time, and their knowledge of our business and industry would be extremely difficult to replace. We may not be able to retain the services of any members of our senior management or other key employees, particularly in light of the discontinuance of our ecommerce business and wind-down of our used vehicle dealership business. If we do not succeed in retaining and motivating existing employees or attracting well-qualified employees in the future, our business, financial condition and results of operations could be materially and adversely affected.

### **Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

None.

### **Item 3. Defaults Upon Senior Securities**

None.

### **Item 4. Mine Safety Disclosures**

Not applicable.

### **Item 5. Other Information**

#### **(a) Disclosure in lieu of reporting on a Current Report on Form 8-K.**

None.

#### **(b) Material changes to the procedures by which security holders may recommend nominees to the board of directors**

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None.

**(c) Insider Trading Arrangements and Policies**

During the three months ended June 30, 2024, no director or officer of the Company adopted or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

**Item 6. Exhibits**

INDEX TO EXHIBITS							
Exhibit Number	Exhibit Description	Form	File No.	Exhibit	Filing Date	Filed Herewith	Furnished Herewith
2.1	<a href="#">Agreement and Plan of Merger, dated as of October 11, 2021, by and among Vroom, Inc., Vroom Finance Corporation, Unitas Holdings Corp. and Fortis Advisors LLC, solely in its capacity as the equityholders' representative</a>	8-K	001-39315	2.1	October 12, 2021		
3.1	<a href="#">Amended and Restated Certificate of Incorporation of Vroom, Inc.</a>	10-Q	001-39315	3.1	August 13, 2020		
3.2	<a href="#">Certificate of Amendment of Amended and Restated Certificate of Incorporation of Vroom, Inc., dated February 13, 2024.</a>	8-K	001-39315	3.1	February 14, 2024		
3.3	<a href="#">Amended and Restated Bylaws of Vroom, Inc.</a>	10-Q	001-39315	3.2	August 13, 2020		
4.1	<a href="#">Specimen Stock Certificate evidencing the shares of common stock</a>	S-1/A	333-238482	4.1	June 1, 2020		
4.2	<a href="#">Indenture, dated as of June 18, 2021, between Vroom, Inc. and U.S. Bank National Association, as trustee</a>	8-K	001-39315	4.1	June 21, 2021		
4.3	<a href="#">Form of Global Note representing the 0.750% Convertible Senior Notes due 2026 (included in Exhibit 4.2)</a>	8-K	001-39315	4.2	June 21, 2021		
4.4	<a href="#">Eighth Amended and Restated Investors' Rights Agreement, dated as of November 21, 2019, by and among Vroom, Inc. and certain holders of its capital stock</a>	S-1/A	333-238482	4.2	May 18, 2020		
10.1	<a href="#">Separation Agreement, dated as of May 7, 2024, by and between Robert R. Krakowiak and Vroom, Inc.</a>						X



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10.2	<a href="#"><u>Separation Agreement, dated as of May 7, 2024, by and between C. Denise Stott and Vroom, Inc.</u></a>	X	
10.3	<a href="#"><u>Employment Letter, dated as of May 7, 2024, by and between Agnieszka Zakowicz and Vroom, Inc.</u></a>	X	
10.4	<a href="#"><u>Separation and Consulting Agreement, dated as of July 23, 2024, between Patricia Moran and Vroom, Inc.</u></a>	X	
10.5	<a href="#"><u>Employment Letter, dated as of July 23, 2024, between Anna-Lisa Corrales and Vroom, Inc.</u></a>	X	
31.1	<a href="#"><u>Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u></a>	X	
31.2	<a href="#"><u>Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</u></a>	X	
32.1	<a href="#"><u>Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u></a>		X
32.2	<a href="#"><u>Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</u></a>		X
101.INS	Inline XBRL Instance Document	X	
101.SCH	Inline XBRL Taxonomy Extension Schema Document	X	
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	X	
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document	X	
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document	X	
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	X	

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104	Cover Page Interactive Data File (embedded within the Inline XBRL document)	X
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**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 thereunto duly authorized.

Vroom, Inc.

Date: August 8, 2024

By: \_\_\_\_\_  
/s/ Thomas H. Shortt  
Thomas H. Shortt  
Chief Executive Officer  
*(principal executive officer)*

Date: August 8, 2024

By: \_\_\_\_\_  
/s/ Agnieszka Zakowicz  
Agnieszka Zakowicz  
Chief Financial Officer  
*(principal financial officer and principal accounting officer)*



May 7, 2024

By Email and/or DocuSign to rkrakowi633@gmail.com  
Robert R. Krakowiak  
633 Natalie Lane  
Northville, MI 48167

Dear Robert:

I write about your separation from Vroom, Inc. ("Company"). This agreement, including Exhibit A and Exhibit B (collectively referred to as the "Agreement") refers to the Company and Robert R. Krakowiak ("you" and/or "Executive") collectively as the "Parties" or individually referred to as "Party", and to the Amended and Restated Vroom, Inc. Executive Severance Plan, as Amended and Restated on March 8, 2024, as the "Severance Plan." Executive and the Company have mutually agreed to Executive's separation from service as an officer and employee of the Company and its Affiliates (as defined below) on the terms set forth below:

1. **Separation.** Your employment with the Company is terminated effective as of July 16, 2024 (the "Separation Date"). During the period from May 17, 2024 (the "Transition Date") through the Separation Date, you agree to assist in a smooth transition of your duties as may be reasonably requested by the Company, but will no longer hold the position of Chief Financial Officer and will be relieved of all of your authority and responsibilities in that position and all of your regular duties. You agree that as of the Transition Date you hereby resign as an officer of the Company and as a director or officer of each of its subsidiaries, as applicable. You will be paid any wages earned at your current rate of pay through your Separation Date. Wages will include, if required under applicable law, any accrued, but unused paid time off and/or holiday pay.
2. Whether or not you sign this Agreement, the following benefits will be paid or provided to you:
  - a. **Notice Pay.** You will receive pay in lieu of any applicable company notice requirement ("Notice Pay") for the 8.6 week period between the Transition Date and Separation Date, and subject to applicable tax withholding, in the form of salary continuation. Notice Pay will be paid to you in biweekly installments in the same manner as your regular payroll and will begin no later than the next practical payroll date after the Transition Date. To the extent any statutory or other pay or notice is legally required, the parties agree that Notice Pay will satisfy any such requirement under the Federal Worker Adjustment and Retraining Notification Act ("WARN"), or any other applicable law.
  - b. **Benefits.** Any medical, dental, and vision benefits that you elected will continue through the end of the month in which your Separation Date occurs. All life and disability coverage ends on the Separation Date. You will also receive in a separate document information about your ability to convert such coverage to individual policies.

- c. Expenses.** You will be reimbursed by the Company for any reasonable and customary business expenses incurred by you through the Separation Date as approved and outlined in Vroom's business expense policy. You agree to submit all expenses you claim are due immediately. Vroom cannot reimburse you for expenses that you do not submit for approval with appropriate documentation.
- 3. Severance Benefits.** Provided that you (i) sign and return this Agreement no later than forty-five (45) days from the receipt of this Agreement and do not revoke this Agreement pursuant to the revocation procedures set forth below, (ii) sign and reaffirm this Agreement (including, for the avoidance of doubt, the release of claims set forth in paragraph 5 below) in the second signature block below (the "Reaffirmation") after your Separation Date, but no later than forty-five (45) days from the Separation Date and do not revoke said Reaffirmation pursuant to the revocation procedures set forth below, (iii) comply with this Agreement, (iv) comply with the provisions in the Employee Inventions and Proprietary Information Agreement between you and the Company (the "PIA Surviving Provisions") and (v) comply with the covenants and agreements set forth in Section 9 of the Severance Plan "Confidential Information, Non-Competition and Non-Solicitation"), the Company shall provide you with the compensation and benefits set forth below in this Paragraph (the "Severance Benefits"). The Severance Benefits consist of:
- a. Severance Pay.** You will receive Severance Pay in the amount of \$542,875, (representing the Severance Amount, as defined in the Severance Plan, less the Notice Pay) and subject to applicable tax withholding, which will be paid to you in substantially equal installments in accordance with the Company's regular payroll practices beginning no later than the earliest practical payroll date after the effective date of the Reaffirmation and ending at the end of the Severance Period (as defined in the Severance Plan).
- b. COBRA.** For a period of 10 month(s) the Company shall directly pay or, at its election, reimburse you for COBRA premiums for you and your covered dependents (at the same benefit levels as would have applied if your employment had not been terminated, based on your elections in effect on the Separation Date) if you are eligible for and properly elect healthcare continuation coverage under the Company's group health insurance plans pursuant to COBRA. You further agree to provide timely notice if you become eligible for medical benefits with a new employer, at which time the Company's obligation to pay or reimburse you for COBRA premiums shall cease.
- c. Vesting of Outstanding Equity Grants.** Your previously granted outstanding stock options ("Outstanding Stock Options") and restricted stock unit awards ("Outstanding RSUs") granted under the Vroom, Inc. 2020 Incentive Award Plan will continue to vest following the Separation Date in the event you continue to provide services to the Company or its subsidiaries through each applicable vesting date; provided, that if your services are terminated by the Company or its subsidiaries without Cause (as defined in the Severance Plan) any such Outstanding RSUs will accelerate and vest in full. The post-termination exercise period of any vested Outstanding Stock Options held by you upon your cessation of services (other than on a termination of your services for Cause) shall be extended through the original expiration date of such options. Except as provided for in this Paragraph 2(c), upon any cessation of services, all equity awards that are then held by you and remain unvested shall be forfeited for no consideration.

**d. Outplacement.** The Company shall make available to you professional outplacement services delivered by Right Management Associates ("Right") for a period of twelve (12) months provided that your initial meeting with Right occurs no later than thirty (30) days after the Effective Date of the Release.

**4.** You understand and agree that except for the compensation specifically described in this Agreement, you shall receive no other payments or benefits from the Company and that the payments and benefits provided herein satisfy in full all obligations of the Company to you arising out of or in connection with your employment with the Company and separation thereof, including, without limitation, all salary, wages, commissions, bonuses, and other compensation. You represent and confirm that you have received all salary, wages, commissions, bonuses, and other compensation due to you through the date you sign or reaffirm this Agreement, as applicable.

**5. Executive Release of Claims.**

**a.** In consideration for the Severance Benefits, you, on your own behalf and on behalf of your heirs, assigns, and representatives (collectively, "Releasor"), hereby release and forever discharge the Company and each of its parents, subsidiaries, and affiliates, including, without limitation, Vroom Automotive, LLC d/b/a Texas Direct Auto d/b/a Vroom, Nations Drive, LLC, Vroom Logistics, LLC, Vroom Indianapolis LLC d/b/a Vroom, CarStory, LLC, Vast.com Inc. d/b/a CarStory, Vast.com D.O.O., Vroom Finance Holdings, LLC, Vroom Finance Corporation, Vroom Automotive Finance Corp., Darkwater Funding, LLC, United Auto Credit Corporation, Auto America Technologies LTD, AAGP, LLC d/b/a Vroom, and Vroom Transportation Services, LLC (collectively, "Affiliates"), and its/their respective predecessors, successors, officers, directors, managers, members, partners, equity holders, agents, representatives, vendors, employees, consultants, attorneys, and advisors (collectively, "Releasees"), from any and all claims, counterclaims, demands, debts, actions, causes of action, suits, expenses, costs, attorneys' fees, damages, indemnities, obligations, and/or liabilities of any nature ("Claims"), whether known or unknown, that Releasor had, has, or later may have against the Releasees, for any matter, cause, or thing from the beginning of the world to the date your execution of this Agreement or the Reaffirmation, as applicable, including, but not limited to, the following, each as amended if applicable:

- i. all such Claims directly or indirectly arising out of or in any way relating to your employment with the Company, wages or compensation (including bonuses or equity awards) or the termination of that employment;
- ii. any Claims arising under any federal, state, or local law, statute, regulation, or ordinance, including, without limitation, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Age Discrimination in Employment Act, sections 1981 through 1988 of Title 42 of the United States Code, the Equal Pay Act, the Employee Retirement Income Security Act ("ERISA"), the Family and Medical Leave Act, the Immigration Reform and Control Act, the Americans with Disabilities Act, the Workers Adjustment and Retraining Notification Act, the

Sarbanes-Oxley Act, the Occupational Safety and Health Act, the Consolidated Omnibus Budget Reconciliation Act, the Genetic Information Nondiscrimination Act, the Immigration Reform and Control Act, the Fair Credit Reporting Act, and the National Labor Relations Act;

- iii. state and/or local Claims, and other state/local modifications, if any, are contained in Exhibit A. You are instructed to carefully review Exhibit A for the state(s) where you worked while employed with the Company in order to review these state-specific claims as well as other state-specific modifications to this Agreement. However, the omission of any specific statute or law shall not limit the scope of this general release in any manner; and
  - iv. any Claims arising under any public policy or for breach of contract, express or implied, including any Claim for breach of any implied covenant of good faith and fair dealing, wrongful discharge, constructive discharge, discrimination, harassment, retaliation, failure to accommodate, fraud, defamation, intentional tort, interference with contractual relations or prospective business advantage, invasion of privacy, emotional distress, or negligence.
- b. However, nothing in this Agreement releases any claims that Releasor has or may have against the Releasees regarding (i) obligations under this Agreement, including payment of the Severance Benefits as specified in this Agreement; (ii) any claims that may arise after your execution of this Agreement or the Reaffirmation, as applicable; (iii) continued healthcare coverage under an employee health plan required pursuant to COBRA or similar state law; (iv) your right to file an administrative charge or complaint with the Equal Employment Opportunity Commission ("EEOC"), the Securities and Exchange Commission ("SEC"), the National Labor Relations Board, or any other federal, state, or local administrative agency, although to the fullest extent permitted by law, you waive any right to monetary damages or other equitable relief related to such a charge or complaint; (v) enforcing your rights to your nonforfeitable accrued benefits (within the meaning of Sections 203 and 204 of ERISA) under the Company's 401(k) plan, which shall continue to be governed by the terms of the 401(k) plan and applicable laws; (vi) any claim that, as a matter of law, cannot be released by private agreement; or (vii) any claims for indemnification and/or advancement of expenses arising under any indemnification agreement between Executive and the Company or under the bylaws, certificate of incorporation or other similar governing document of the Company.
- c. Nothing in this Agreement shall prevent you from (i) communicating directly with, cooperating with, or providing information to, or receiving financial awards from, any federal, state or local government agency, including without limitation the SEC, the U.S. Commodity Futures Trading Commission, the U.S. Department of Justice, the EEOC, or the U.S. National Labor Relations Board, without notifying or seeking permission from the Company, (ii) exercising any rights you may have under Section 7 of the U.S. National Labor Relations Act, or (iii) discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that you have reason to believe is unlawful.

## 6. Executive Representation and Covenants.

- a. With the exception of any reports or complaints made to the SEC, you represent that, as of the date of this Agreement or the Reaffirmation, as applicable, you have not filed any lawsuits, complaints, petitions, claims, or other accusatory pleadings against any of the Releasees in any court or with any governmental agency.
- b. You undertake and agree that, during the Restricted Period, as defined in the Severance Plan, you will be subject to and comply with the covenants and agreements set forth in Section 9 of the Severance Plan “Confidential Information, Non-Competition and Non-Solicitation”, which shall be deemed incorporated into this Agreement by reference.

**7. Release Notification and Acknowledgement.** You acknowledge that as part of this Agreement you are releasing and waiving all charges, claims and complaints under the Age Discrimination in Employment Act (“ADEA”) and the Older Workers’ Protection Benefit Act of 1990, and you are agreeing not to sue the Releasees in connection with any of your rights under the ADEA. In order for you to waive your ADEA rights through this Agreement, pursuant to the requirements of 29 U.S.C. § 626, you acknowledge and agree that:

- a. you knowingly and voluntarily execute this Agreement and release, waive and agree not to sue the Releasees; and
- b. the release, waiver and agreement not to sue includes settlement of any allegation of age discrimination arising under the ADEA; and
- c. the release, waiver and agreement not to sue includes all claims under the ADEA arising up to and including the date of execution of this release, but not claims occurring thereafter; and
- d. you have been advised to consult with an attorney concerning your rights and obligations under the release, waiver and agreement not to sue and before signing this Agreement; and
- e. this Agreement is written in a manner that you can understand, and you have fully considered the terms and conditions of this Agreement; and
- f. you are not releasing or waiving any rights that you are prohibited by law, rule or regulation from releasing or waiving; and
- g. you have been given a reasonable period of time of **forty-five (45)** days from receipt of this Agreement, to consider this Agreement before executing it.

**9. Your Right to Revoke; Effective Date.** You have seven (7) days to revoke this Agreement. This Agreement is effective on the eighth (8th) day after the date of your signature below (“Effective Date”) if you have not exercised your right to revoke this Agreement before such time. You may at any time before the Effective Date revoke this Agreement by delivering written notice of your revocation to the Company in accordance with Paragraph 13 below. If you revoke this Agreement, you will be considered not to have accepted the Agreement’s terms, the Agreement will be void, and you will not receive the Severance Benefits. If you reaffirm and sign this Agreement, but revoke the same within seven (7) days, such revocation shall not impact the effectiveness of the Agreement when it was signed the first time.

- 10. Comments to Others.** You agree that you shall not ever make, publish, or communicate to any person or entity, privately or in any public forum, any defamatory or maliciously false comments or statements concerning the Releasees. However, nothing in this Agreement prevents either Party from (i) enforcing its rights under this Agreement; (ii) making privileged statements to the Party's attorney(s); (iii) exercising protected rights, including under the National Labor Relations Act, or the federal securities laws, including the Dodd-Frank Act, to the extent these rights cannot be waived by agreement; or (iv) complying with any applicable law or regulation, or a valid order of a court of competent jurisdiction or a government agency, as long as such compliance does not exceed what is required by law.
- 10. No Admission.** This Agreement does not constitute an admission of liability or wrongdoing of any kind by you or by any of the Releasees.
- 11. Cooperation.** You agree to cooperate with the Company and its Affiliates and its or their respective counsel in connection with any claim, dispute, investigation, administrative proceeding, arbitration or litigation relating to any matter in which you were involved, to which your service to the Company or its Affiliates may be relevant or of which you have knowledge that may be relevant. You acknowledges that the foregoing could involve, but is not limited to, assisting with the response to, or defense of, any such proceeding or litigation, meeting and consulting with the Company and its Affiliates and its or their respective counsel, preparing witness statements, sitting for depositions and giving evidence in person or otherwise on behalf of the Company, and otherwise providing information in relation to any such proceeding or litigation. This provision is not intended to affect the substance of any information or testimony that you are asked to provide. Rather, you agree, without limitation, to provide truthful information and testimony and to otherwise assist the Company or its Affiliates in light of and in full compliance with all applicable laws. In making any request for your cooperation, the Company will seek to reasonably accommodate other personal or professional commitments that the you may have.
- 12. Return of Confidential Information and Company Property.** You undertake and agree that no later than the Transition Date you shall return all information and documents containing Confidential Information (defined below) and all other Company property, except any Company-issued laptop, and that you have deleted any files with Confidential Information in your personal possession or control, including on any personal computer, smartphone, iPad, or other device, or any cloud-based storage service. However, this representation does not apply to any documents and information that you received only in your capacity as a holder of equity in the Company or that you were instructed by counsel for the Company to preserve. You will be allowed to keep the Company-issued laptop.

"Confidential Information" means all information relating to Company or Affiliates not generally known by the public or others who they compete or do business with, or plan to compete or do business with. Confidential Information includes, but is not limited to, the Company's and any of its Affiliates' business, technology, practices, products, marketing, sales, services, finances, strategic opportunities, internal strategies, legal affairs (including pending litigation), the terms of business relationships, intellectual property, and patent applications. Confidential Information

also includes, but is not limited to, similar information the Company or Affiliates may have belonging to customers, suppliers, consultants, and others who do business with them.

- 13. Notices.** Any notices, demands, and other communications under this Agreement must be sent to the address(es) listed in this Paragraph, and will be considered delivered upon receipt by personal delivery, one business day after being given to a nationally recognized overnight courier, or two days after being mailed by certified or registered mail with postage prepaid.

if to the Company, to:

Vroom Automotive, LLC AND legal@vroom.com  
3600 W Sam Houston Pkwy. S.  
Houston, TX 77042  
Attn: Chief Legal Officer

if to you, to: your address shown at the top of this Agreement, or any other address the Company or you designate by written notice to the other.

- 14. Intended Third-Party Beneficiaries.** The Releasees are intended third-party beneficiaries of this Agreement.
- 15. Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors, assigns, heirs, and representatives; provided, however, that you may not assign, transfer, or delegate your rights or obligations under this Agreement and any attempt to do so shall be invalid.
- 16. Counterparts.** This Agreement may be signed and delivered (including by fax or electronically) in one or more parts. Each of these parts shall constitute an original document, but all of them together shall be considered the same Agreement.
- 17. Severability.** The Parties want this Agreement enforced to the fullest extent allowed by law. If a court with jurisdiction judges any provision of this Agreement invalid, prohibited, or unenforceable for any reason, that provision shall be revised so that it is not invalid, prohibited, or unenforceable. If revision is not possible, such provision shall be considered ineffective, without invalidating the rest of this Agreement or making the Agreement unenforceable.
- 18. Governing Law.** This Agreement shall be governed by and interpreted under the laws of the State of New York, without regard to principles of conflicts of laws.
- 19. Jurisdiction and Venue.** Any claims or actions concerning this Agreement shall be subject to the terms of the Severance Plan (as modified by this Agreement); provided, however, in no event shall the Company be responsible for Executive's legal fees with respect to an action or proceeding concerning Executive's alleged breach or anticipated breach of a restrictive covenant. With respect to any action or proceeding arising out of or relating to this Agreement that is not covered by the arbitration requirements in Section 11.4 of the Severance Plan, or for recognition or enforcement of any judgment, the Company and the Executive hereby irrevocably and unconditionally submit, for themselves and their property, to the jurisdiction of any state or federal court located in New York County, New York. The Company and Executive irrevocably



waive, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

- 20. Merger Clause; Amendment; Headings.** This Agreement (including Exhibit A and Exhibit B hereto), together with the Severance Plan and the PIA Surviving Provisions, is the entire, final agreement of the Parties relating to the Agreement's subject. The Agreement overrides and replaces any other oral and written statements. If this Agreement conflicts with the Severance Plan or the PIA Surviving Provisions, this Agreement shall control. In entering into this Agreement, you have not relied on any representations other than those set forth in this Agreement. This Agreement may only be changed, terminated, or waived by a writing signed by the Chief Executive Officer of the Company and you. The captions and headings in this Agreement are for convenience only, and do not control the scope or content of any provision of this Agreement.
- 21. Neutral Interpretation.** This Agreement shall be interpreted in a neutral manner, and not more strongly for or against either Party based on the Party that drafted this Agreement.
- 22. Section 409A of the Code.** This Agreement is intended, to the greatest extent permitted under law, to comply with the short-term deferral exemption and the separation pay exemption provided in Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations and other interpretative guidance issued thereunder ("Section 409A") such that no benefits or payments under this Agreement are subject to Section 409A. Notwithstanding anything herein to the contrary, the timing of any payments under this Agreement shall be made consistent with such exemption. To the extent applicable, this Agreement shall be interpreted in accordance with Section 409A, including without limitation any such regulations or other guidance that may be issued after the Separation Date. Notwithstanding any provision of this Agreement to the contrary, in the event that the Company determines that any amounts payable hereunder may be subject to Section 409A, the Company may, to the extent permitted under Section 409A cooperate in good faith to adopt such amendments to this Agreement or adopt other appropriate policies and procedures, including amendments and policies with retroactive effect, that the Company determines are necessary or appropriate to avoid the imposition of taxes under Section 409A; provided however, that this paragraph shall not create an obligation on the part of the Company to adopt any such amendment, policy or procedure or take any such other action, nor shall the Company have any liability for failing to do so. To the extent that any reimbursements payable pursuant to this Agreement are subject to the provisions of Section 409A, such reimbursements shall be paid to Executive no later than December 31 of the year following the year in which the expense was incurred, the amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year, and Executive's right to reimbursement under this Agreement shall not be subject to liquidation or exchange for another benefit. For purposes of Section 409A (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii)), Executive's right to receive any installment payments under this Agreement shall be treated as a right to receive a series of separate payments and, accordingly, each such installment payment shall at all times be considered a separate and distinct payment. To the extent required to avoid accelerated taxation and/or tax penalties under Section 409A, amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to this Agreement during the six-month period immediately following the Separation Date shall instead be paid in a lump sum on the first day of the seventh month following the Separation Date (or upon Executive's death, if earlier).

**23. WAIVER OF JURY TRIAL.** NO PARTY TO THIS AGREEMENT OR ANY ASSIGNEE, SUCCESSOR, HEIR, OR PERSONAL REPRESENTATIVE OF A PARTY SHALL SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM, OR ANY OTHER LITIGATION PROCEDURE ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR THE DEALINGS OR RELATIONSHIP BETWEEN THE PARTIES. NO PARTY SHALL SEEK TO CONSOLIDATE ANY SUCH ACTION, IN WHICH A JURY TRIAL HAS BEEN WAIVED, WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT OR HAS NOT BEEN WAIVED. THE PROVISIONS OF THIS SECTION HAVE BEEN FULLY DISCUSSED BY THE PARTIES HERETO, AND THESE PROVISIONS SHALL BE SUBJECT TO NO EXCEPTIONS. NEITHER PARTY HAS IN ANY WAY AGREED WITH OR REPRESENTED TO THE OTHER PARTY THAT THE PROVISIONS OF THIS SECTION WILL NOT BE FULLY ENFORCED IN ALL SITUATIONS.

**24. ACKNOWLEDGEMENT OF FULL UNDERSTANDING.** YOU ACKNOWLEDGE AND AGREE

- a. THAT YOU HAVE FULLY READ, UNDERSTAND, AND VOLUNTARILY ENTER INTO THIS AGREEMENT;
- b. THAT YOU HAVE HAD AN OPPORTUNITY TO ASK QUESTIONS AND CONSULT WITH AN ATTORNEY OF YOUR CHOICE BEFORE SIGNING THIS AGREEMENT;
- c. THAT YOUR SIGNATURE BELOW IS AN AGREEMENT TO RELEASE THE COMPANY AND OTHER RELEASEES FROM ANY AND ALL CLAIMS THAT CAN BE RELEASED AS A MATTER OF LAW;
- d. THAT BY SIGNING THIS AGREEMENT YOU ARE NOT WAIVING ANY RIGHTS OR CLAIMS THAT MAY ARISE AFTER YOU HAVE SIGNED THIS AGREEMENT;
- e. THAT THE SEVERANCE BENEFITS ARE SOMETHING OF VALUE THAT YOU ARE NOT OTHERWISE ENTITLED TO RECEIVE; AND
- f. THAT YOU HAVE RECEIVED THE DISCLOSURE INFORMATION CONTAINED IN EXHIBIT B TO THIS AGREEMENT.

**[Signatures follow on next page]**

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be duly executed and delivered as of the date indicated next to their respective signatures below.

On Behalf of the Company

By: Patricia Moran  
Its: Chief Legal Officer  
ACCEPTED AND AGREED:

**Robert R. Krakowiak**

Date:

IN WITNESS WHEREOF, the undersigned has reaffirmed and executed this Agreement this \_\_\_\_ day of \_\_\_\_\_, 2024.

ACCEPTED AND AGREED:

\_\_\_\_\_  
**Robert R. Krakowiak**

Date: \_\_\_\_\_

**EXHIBIT A**

**MICHIGAN**

In addition to the Claims released in Paragraph 5(a) of the Agreement, you agree that this release includes, but is not limited to, any and all Claims under the Michigan Elliott-Larsen Civil Rights Act (ELCRA), the Michigan Persons with Disabilities Civil Rights Act, the Payment of Wages and Fringe Benefits Act, the Paid Medical Leave Act, the Michigan Whistleblowers Protection Act (WPA), the Bullard-Plawecki Employee Right to Know Act, the Michigan Workforce Opportunity Wage Act, the Michigan Occupational Safety and Health Act (MIOSHA), the Michigan Social Security Number Privacy Act, and the Michigan Internet Privacy Protection Act, all including any amendments and their respective implementing regulations.

**NEW YORK**

In addition to the Claims released in Paragraph 5(a) of the Agreement, you agree that this release includes, but is not limited to, Claims under the New York Constitution, N.Y. Const. Art. 1, § 1, et seq.; the New York Criminal and Consumer Background Laws, N.Y. Correct. § 752, et seq., N.Y. Gen. Bus. Law § 380-B, et seq.; the New York Human Rights Law, N.Y. Exec. Law § 290, et seq.; the New York Labor Law, N.Y. Labor § 10, et seq.; the New York Marriage Equality Act, N.Y. Dom. Rel. Law § 10-a, et seq.; the New York Persons with Genetic Disorders Law, N.Y. Civ. Rts. § 48, et seq.; the New York Whistleblower Law, N.Y. Exec. Law § 740, et seq.; the New York City Human Rights Act; the New York City Administrative Code; the New York City Human Rights Law; all regulations of the New York State Division of Human Rights; the New York Public Health Law § 3369; the New York State WARN Act; the New York Paid Family Leave law; regulations and wage orders of New York State Department of Labor; and regulations of New York State Division of Human Rights. Additionally, you agree that you do not possess any Claim or allegation, either asserted or otherwise, that may be subject to or covered under the New York General Obligations Section 5-336 or the New York Civil Practice Law and Rules Section 5003-b.

Paragraph 5(b) is supplemented to include the New York State Division of Human Rights and the New York City Commission on Human Rights as one of the government agencies.

**TEXAS**

In addition to the Claims released in Paragraph 5(a) of the Agreement, you agree that this release includes, but is not limited to, any and all Claims arising under the Texas Labor Code, including the Texas Payday Act, the Texas Anti-Retaliation Act, Chapter 21 of the Texas Labor Code, the Texas Whistleblower Act, all including any amendments and their respective implementing regulations;

**Exhibit B**

**Do not sign your Agreement until you have read and reviewed this Notice.**

The Older Workers Benefit Protection Act requires the Company to provide the following information to you:

**Decisional Unit(s):** The class, unit, or group of employees from which the Company chose the employees who were and were not selected for the employment termination program ("Program") includes all United States employees in the following Decisional Units: E-Commerce, Corporate, and Technology Divisions.

**Selection Criteria:** All persons in the Decisional Unit selected for termination are eligible for the program. Employees were selected for termination from each Decisional Unit as set out below:

- E-Commerce Division – because the E-Commerce Division is closing, employees in the E-Commerce Division were selected for termination based on their position and skillset;
- Corporate Division – Employees were selected for termination based upon one or more of the following: ongoing business needs, role redundancy, skillset and/or job criticality related to ongoing corporate management and public company/reporting obligations;
- Data, Tech & Analytics Division – Employees were selected for termination based upon skillset related to continuing and evolving business needs;

**Eligibility Criteria:** To be eligible for the Severance Benefits as provided in an employee's Agreement, an employee must:

- Be selected from the Decisional Unit for involuntary termination as part of the program; and
- Properly sign and comply with the terms in the Agreement provided to the selected employee; and
- Return the properly signed Agreement to the Company within the time period specified in the employee's Agreement; and
- Not revoke the Agreement, if allowed to do so under the terms of the employee's Agreement.
  - If the employee is age forty (40) or older at the time of termination, the employee has at least forty-five (45) days to review and properly execute the Agreement.
  - If the employee is age forty (40) or older at the time of the termination, per the Agreement, once the Agreement is signed by the employee, the employee will have seven (7) days to revoke the Agreement, if the employee chooses to do so. However, if the employee revokes the Agreement, the employee will not be eligible for the Severance Benefits described in the Agreement.

Exhibit 10.1

- Employees selected for termination based upon the above, but subsequently terminated from employment, either voluntarily or involuntarily, before their employment is scheduled to end for any reason other than this Program are no longer eligible for the offer of Severance Benefits under the Program.

The following is a listing of the ages and job titles of all employees in each Decisional Unit who were and were not selected for termination. Employees are anticipated to be separated from employment between February 6, 2024 and September 29, 2024. All information is as of May 7, 2024.

**Job Titles and Ages of Employees Selected and Not Selected for Termination**

Decisional Unit	Job/Position Title	Age	Selected for Termination	Not Selected Termination
Corporate	Accountant	49	X	
Corporate	Accounts Payable Specialist	36	X	
Corporate	Accounts Payable Specialist	38	X	
Corporate	Accounts Payable Specialist	43	X	
Corporate	Accounts Payable Specialist	44	X	
Corporate	Accounts Receivable Specialist	53	X	
Corporate	Assoc. Manager, Accounting Operations	32	X	
Corporate	Assoc. Manager, L&D Content	27	X	
Corporate	Associate Accounts Payable Specialist	35		X
Corporate	Attorney	34	X	
Corporate	Chief Compliance Officer	48	X	
Corporate	Chief Executive Officer	55		X
Corporate	Chief Financial Officer	53	X	
Corporate	Chief Legal Officer	64		X
Corporate	Chief People & Culture Officer	56	X	
Corporate	Counsel, Commercial Transactions	42	X	
Corporate	Director, Accounting	33		X
Corporate	Director, Accounting	36	X	
Corporate	Director, Accounting	40	X	
Corporate	Director, Communications	53	X	
Corporate	Director, FP&A	43	X	
Corporate	Director, HR Business Partner	51	X	
Corporate	Director, HR Business Partner	54	X	
Corporate	Director, HR/Talent Excellence	49	X	
Corporate	Director, Learning & Development	66	X	
Corporate	Director, Procurement	63	X	
Corporate	Director, Senior Counsel	34		X
Corporate	Director, Talent Acquisition	40	X	
Corporate	HR Generalist	42	X	
Corporate	HR Manager	46	X	
Corporate	HR Specialist	26		X

Exhibit 10.1

Decisional Unit	Job/Position Title	Age	Selected for Termination	Not Selected Termination
Corporate	HR Specialist	34	X	
Corporate	Lead AP Specialist	30	X	
Corporate	Lead AP Specialist	34	X	
Corporate	Learning & Development Partner	30	X	
Corporate	Litigation Paralegal	38		X
Corporate	Manager, Accounting	28	X	
Corporate	Manager, Accounting	34	X	
Corporate	Manager, Accounting	38	X	
Corporate	Manager, Accounting	38	X	
Corporate	Manager, Accounting	51	X	
Corporate	Manager, Accounts Payable	32		X
Corporate	Manager, Financial Reporting	28		X
Corporate	Manager, HR Information Systems	72		X
Corporate	Manager, HR Services	27		X
Corporate	Manager, Payroll Operations	44		X
Corporate	Marketing Analyst	28	X	
Corporate	Marketing Manager	29	X	
Corporate	Paralegal	44	X	
Corporate	Paralegal, Corporate	60		X
Corporate	Payroll Specialist	45		X
Corporate	Risk Manager	43	X	
Corporate	Senior Accountant	26	X	
Corporate	Senior Accountant	31	X	
Corporate	Senior Accountant	31		X
Corporate	Senior Accountant	32		X
Corporate	Senior Accountant	37	X	
Corporate	Senior Accountant	45	X	
Corporate	Senior Accountant	52	X	
Corporate	Senior Accountant	54	X	
Corporate	Senior Accounts Payable Specialist	48	X	
Corporate	Senior Accounts Receivable Specialist	31	X	
Corporate	Senior Accounts Receivable Specialist	43	X	
Corporate	Senior Accounts Receivable Specialist	46	X	
Corporate	Senior Accounts Receivable Specialist	46	X	
Corporate	Senior Accounts Receivable Specialist	59	X	
Corporate	Senior Accounts Receivable Specialist	59	X	
Corporate	Senior Compensation Analyst	43	X	
Corporate	Senior Email Marketing Associate	25	X	
Corporate	Senior Employment Counsel	41	X	
Corporate	Senior Executive Assistant to C-Suite	48		X
Corporate	Senior Floorplan Accountant	30	X	
Corporate	Senior FP&A Analyst	29	X	
Corporate	Senior Legal Compliance Specialist	50	X	

Exhibit 10.1

Decisional Unit	Job/Position Title	Age	Selected for Termination	Not Selected Termination
Corporate	Senior Manager, Performance Marketing	40	X	
Corporate	Senior Marketing Analyst	30	X	
Corporate	Senior Marketing Manager	32	X	
Corporate	Senior Payroll Analyst	48		X
Corporate	Senior Recruiter	31	X	
Corporate	Senior Technical Recruiter	31	X	
Corporate	Senior/Lead Benefits Administrator	63		X
Corporate	Sr. Director, Accounting	34		X
Corporate	Sr. Director, Accounting	38	X	
Corporate	Sr. Director, Accounting	38		X
Corporate	Sr. Director, HR Operations	45		X
Corporate	Sr. Director, Marketing Analytics	48	X	
Corporate	Sr. Manager, Accounting	33	X	
Corporate	Sr. Manager, Accounting	34	X	
Corporate	Sr. Mgr., Accounting	36	X	
Corporate	Supervisor, Accounting	32	X	
Corporate	Supervisor, Accounting	44	X	
Corporate	Supervisor, Accounting	46	X	
Corporate	Supervisor, Accounting	53	X	
Corporate	SVP & Principal Accounting Officer	51		X
Corporate	Treasury Manager	51		X
Corporate	Vice President of Legal Affairs, Commercial	41	X	
Corporate	Vice President of Legal Affairs, Corporate and Assistant Secretary	47		X
Corporate	VP of FP&A, Treasury and Investor Relations	48		X
Corporate	VP, FP&A	36		X
Corporate	VP, Learning & Development	64	X	
Corporate	VP, Marketing	37		X
Corporate	VP, Real Estate & Facilities	62	X	





May 7, 2024

By Email and/or DocuSign to denisestott@gmail.com  
C. Denise Stott  
67 Adams Street  
Garden City, NY 11530

Dear Denise:

I write about your separation from Vroom, Inc. ("Company"). This agreement, including Exhibit A and Exhibit B (collectively referred to as the "Agreement") refers to the Company and C. Denise Stott ("you" and/or "Executive") collectively as the "Parties" or individually referred to as "Party", and to the Amended and Restated Vroom, Inc. Executive Severance Plan, as Amended and Restated on March 8, 2024, as the "Severance Plan." Executive and the Company have mutually agreed to Executive's separation from service as an officer and employee of the Company and its Affiliates (as defined below) on the terms set forth below:

1. **Separation.** Your employment with the Company is terminated effective as of July 16, 2024 (the "Separation Date"). During the period from May 17, 2024 (the "Transition Date") through the Separation Date, you agree to assist in a smooth transition of your duties as may be reasonably requested by the Company, but will no longer hold the position of Chief People and Culture Officer and will be relieved of all of your authority and responsibilities in that position and all of your regular duties. You agree that as of the Transition Date you hereby resign as an officer of the Company and as a director or officer of each of its subsidiaries, as applicable. You will be paid any wages earned at your current rate of pay through your Separation Date and the previously approved bonus in the amount of \$25,000. Wages will include, if required under applicable law, any accrued, but unused paid time off and/or holiday pay.
2. Whether or not you sign this Agreement, the following benefits will be paid or provided to you:
  - a. **Notice Pay.** You will receive pay in lieu of any applicable company notice requirement ("Notice Pay") for the 8.6 week period between the Transition Date and Separation Date, and subject to applicable tax withholding, in the form of salary continuation. Notice Pay will be paid to you in biweekly installments in the same manner as your regular payroll and will begin no later than the next practical payroll date after the Transition Date. To the extent any statutory or other pay or notice is legally required, the parties agree that Notice Pay will satisfy any such requirement under the Federal Worker Adjustment and Retraining Notification Act ("WARN"), or any other applicable law.
  - b. **Benefits.** Any medical, dental, and vision benefits that you elected will continue through the end of the month in which your Separation Date occurs. All life and disability coverage ends on the Separation Date. You will also receive in a separate document information about your ability to convert such coverage to individual policies.

- c. **Expenses.** You will be reimbursed by the Company for any reasonable and customary business expenses incurred by you through the Separation Date as approved and outlined in Vroom's business expense policy. You agree to submit all expenses you claim are due immediately. Vroom cannot reimburse you for expenses that you do not submit for approval with appropriate documentation.

## 2. Consulting.

- a. **Consulting Period.** Your consulting period (the "Consulting Period") shall commence on the Separation Date and end on the earliest of (i) the one-year anniversary of the Transition Date, (ii) the date you notify the Company in writing that the Consulting Period shall terminate for any reason, or (iii) the date you cease to provide, or remain available to provide, the Transition Consulting Services (as defined below), or (iv) the date the Company terminates your services for Cause (as defined in the Severance Plan). During the Consulting Period, you shall serve as an advisor to the Company and remain available to provide periodic consulting services to the Company as a consultant on as-needed basis in your area of expertise, work experience and responsibility (the "Transition Consulting Services"). During the Consulting Period and thereafter as applicable, you reaffirm your commitment to remain in compliance with (i) the Employee Inventions and Proprietary Information Agreement between you and the Company (the "PIA Surviving Provisions"), it being understood that the term "employment" as used in therein shall include the Transition Consulting Services during the Consulting Period, and (ii) the covenants and agreements set forth in Section 9 of the Severance Plan "Confidential Information, Non-Competition and Non-Solicitation". You shall be permitted to perform services for other entities during the Consulting Period; provided, that such services are not in violation of the PIA Surviving Provisions or Section 9 of the Severance Plan and do not otherwise present an actual or potential conflict of interest with your duties under this Agreement.
- b. **Equity Awards.** During the Consulting Period, you will continue to vest in your previously granted outstanding stock options ("Outstanding Stock Options") and restricted stock unit awards ("Outstanding RSUs") granted under the Vroom, Inc. 2020 Incentive Award Plan in accordance with their terms; provided, that if your services are terminated by the Company or its subsidiaries without Cause (as defined in the Severance Plan) any such Outstanding RSUs will accelerate and vest in full. The post-termination exercise period of any vested Outstanding Stock Options held by you upon your cessation of services to the Company (other than on a termination of your services for Cause) shall be extended through the original expiration date of such options. Except as provided for in this Paragraph 2(b), upon any cessation of services, all equity awards that are then held by you and remain unvested shall be forfeited for no consideration.
- c. **Independent Contractor Status.** You and the Company acknowledge and agree that, during the Consulting Period, you shall be an independent contractor. During the Consulting Period and thereafter, you shall not be an agent or employee of the Company and shall not be authorized to act on behalf of the Company. Personal income and self-employment taxes shall be your sole responsibility. You agree to indemnify and hold the Company and the other entities released herein harmless for any tax claims or penalties resulting from any failure by you to make required personal income and self-employment tax payments.

- 3. Severance Benefits.** Provided that you (i) sign and return this Agreement no later than forty-five (45) days from the receipt of this Agreement and do not revoke this Agreement pursuant to the revocation procedures set forth below, (ii) sign and reaffirm this Agreement (including, for the avoidance of doubt, the release of claims set forth in paragraph 6 below) in the second signature block below (the “Reaffirmation”) after your Separation Date, but no later than forty-five (45) days from the Separation Date and do not revoke said Reaffirmation pursuant to the revocation procedures set forth below, (iii) comply with this Agreement, (iv) comply with the PIA Surviving Provisions and (v) comply with the covenants and agreements set forth in Section 9 of the Severance Plan “Confidential Information, Non-Competition and Non-Solicitation”), the Company shall provide you with the compensation and benefits set forth below in this Paragraph (the “Severance Benefits”). The Severance Benefits consist of:
- a. Severance Pay.** You will receive Severance Pay in the amount of \$ 313,197, (representing the Severance Amount, as defined in the Severance Plan, less the Notice Pay) and subject to applicable tax withholding, which will be paid to you in substantially equal installments in accordance with the Company’s regular payroll practices beginning no later than the earliest practical payroll date after the effective date of the Reaffirmation and ending at the end of the Severance Period (as defined in the Severance Plan).
  - b. COBRA.** For a period of 10 month(s) the Company shall directly pay or, at its election, reimburse you for COBRA premiums for you and your covered dependents (at the same benefit levels as would have applied if your employment had not been terminated, based on your elections in effect on the Separation Date) if you are eligible for and properly elect healthcare continuation coverage under the Company’s group health insurance plans pursuant to COBRA. You further agree to provide timely notice if you become eligible for medical benefits with a new employer, at which time the Company’s obligation to pay or reimburse you for COBRA premiums shall cease.
  - c. Outplacement.** The Company shall make available to you professional outplacement services delivered by Right Management Associates (“Right”) for a period of twelve (12) months provided that your initial meeting with Right occurs no later than thirty (30) days after the Effective Date of the Release.
- 4.** You understand and agree that except for the compensation specifically described in this Agreement, you shall receive no other payments or benefits from the Company and that the payments and benefits provided herein satisfy in full all obligations of the Company to you arising out of or in connection with your employment with the Company and separation thereof, including, without limitation, all salary, wages, commissions, bonuses, and other compensation. You represent and confirm that you have received all salary, wages, commissions, bonuses, and other compensation due to you through the date you sign or reaffirm this Agreement, as applicable.
- 5. Executive Release of Claims.**
- a.** In consideration for the Severance Benefits, you, on your own behalf and on behalf of your heirs, assigns, and representatives (collectively, “Releasor”), hereby release and forever discharge the Company and each of its parents, subsidiaries, and affiliates, including, without limitation, Vroom Automotive, LLC d/b/a Texas Direct Auto d/b/a

Vroom, Nations Drive, LLC, Vroom Logistics, LLC, Vroom Indianapolis LLC d/b/a Vroom, CarStory, LLC, Vast.com Inc. d/b/a CarStory, Vast.com D.O.O., Vroom Finance Holdings, LLC, Vroom Finance Corporation, Vroom Automotive Finance Corp., Darkwater Funding, LLC, United Auto Credit Corporation, Auto America Technologies LTD, AAGP, LLC d/b/a Vroom, and Vroom Transportation Services, LLC (collectively, "Affiliates"), and its/their respective predecessors, successors, officers, directors, managers, members, partners, equity holders, agents, representatives, vendors, employees, consultants, attorneys, and advisors (collectively, "Releasees"), from any and all claims, counterclaims, demands, debts, actions, causes of action, suits, expenses, costs, attorneys' fees, damages, indemnities, obligations, and/or liabilities of any nature ("Claims"), whether known or unknown, that Releasor had, has, or later may have against the Releasees, for any matter, cause, or thing from the beginning of the world to the date your execution of this Agreement or the Reaffirmation, as applicable, including, but not limited to, the following, each as amended if applicable:

- i. all such Claims directly or indirectly arising out of or in any way relating to your employment with the Company, wages or compensation (including bonuses or equity awards) or the termination of that employment;
  - ii. any Claims arising under any federal, state, or local law, statute, regulation, or ordinance, including, without limitation, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Age Discrimination in Employment Act, sections 1981 through 1988 of Title 42 of the United States Code, the Equal Pay Act, the Employee Retirement Income Security Act ("ERISA"), the Family and Medical Leave Act, the Immigration Reform and Control Act, the Americans with Disabilities Act, the Workers Adjustment and Retraining Notification Act, the Sarbanes-Oxley Act, the Occupational Safety and Health Act, the Consolidated Omnibus Budget Reconciliation Act, the Genetic Information Nondiscrimination Act, the Immigration Reform and Control Act, the Fair Credit Reporting Act, and the National Labor Relations Act;
  - iii. state and/or local Claims, and other state/local modifications, if any, are contained in Exhibit A. You are instructed to carefully review Exhibit A for the state(s) where you worked while employed with the Company in order to review these state-specific claims as well as other state-specific modifications to this Agreement. However, the omission of any specific statute or law shall not limit the scope of this general release in any manner; and
  - iv. any Claims arising under any public policy or for breach of contract, express or implied, including any Claim for breach of any implied covenant of good faith and fair dealing, wrongful discharge, constructive discharge, discrimination, harassment, retaliation, failure to accommodate, fraud, defamation, intentional tort, interference with contractual relations or prospective business advantage, invasion of privacy, emotional distress, or negligence.
- b.** However, nothing in this Agreement releases any claims that Releasor has or may have against the Releasees regarding (i) obligations under this Agreement, including payment of the Severance Benefits as specified in this Agreement; (ii) any claims that may arise

after your execution of this Agreement or the Reaffirmation, as applicable; (iii) continued healthcare coverage under an employee health plan required pursuant to COBRA or similar state law; (iv) your right to file an administrative charge or complaint with the Equal Employment Opportunity Commission (“EEOC”), the Securities and Exchange Commission (“SEC”), the National Labor Relations Board, or any other federal, state, or local administrative agency, although to the fullest extent permitted by law, you waive any right to monetary damages or other equitable relief related to such a charge or complaint; (v) enforcing your rights to your nonforfeitable accrued benefits (within the meaning of Sections 203 and 204 of ERISA) under the Company’s 401(k) plan, which shall continue to be governed by the terms of the 401(k) plan and applicable laws; (vi) any claim that, as a matter of law, cannot be released by private agreement; or (vii) any claims for indemnification and/or advancement of expenses arising under any indemnification agreement between Executive and the Company or under the bylaws, certificate of incorporation or other similar governing document of the Company.

- c. Nothing in this Agreement shall prevent you from (i) communicating directly with, cooperating with, or providing information to, or receiving financial awards from, any federal, state or local government agency, including without limitation the SEC, the U.S. Commodity Futures Trading Commission, the U.S. Department of Justice, the EEOC, or the U.S. National Labor Relations Board, without notifying or seeking permission from the Company, (ii) exercising any rights you may have under Section 7 of the U.S. National Labor Relations Act, or (iii) discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that you have reason to believe is unlawful.

**6. Executive Representation and Covenants.**

- a. With the exception of any reports or complaints made to the SEC, you represent that, as of the date of this Agreement or the Reaffirmation, as applicable, you have not filed any lawsuits, complaints, petitions, claims, or other accusatory pleadings against any of the Releasees in any court or with any governmental agency.
- b. You undertake and agree that, during the Restricted Period, as defined in the Severance Plan, you will be subject to and comply with the covenants and agreements set forth in Section 9 of the Severance Plan “Confidential Information, Non-Competition and Non-Solicitation”, which shall be deemed incorporated into this Agreement by reference.

**7. Release Notification and Acknowledgement.** You acknowledge that as part of this Agreement you are releasing and waiving all charges, claims and complaints under the Age Discrimination in Employment Act (“ADEA”) and the Older Workers’ Protection Benefit Act of 1990, and you are agreeing not to sue the Releasees in connection with any of your rights under the ADEA. In order for you to waive your ADEA rights through this Agreement, pursuant to the requirements of 29 U.S.C. § 626, you acknowledge and agree that:

- a. you knowingly and voluntarily execute this Agreement and release, waive and agree not to sue the Releasees; and
- b. the release, waiver and agreement not to sue includes settlement of any allegation of age discrimination arising under the ADEA; and

- c. the release, waiver and agreement not to sue includes all claims under the ADEA arising up to and including the date of execution of this release, but not claims occurring thereafter; and
  - d. you have been advised to consult with an attorney concerning your rights and obligations under the release, waiver and agreement not to sue and before signing this Agreement; and
  - e. this Agreement is written in a manner that you can understand, and you have fully considered the terms and conditions of this Agreement; and
  - f. you are not releasing or waiving any rights that you are prohibited by law, rule or regulation from releasing or waiving; and
  - g. you have been given a reasonable period of time of **forty-five (45)** days from receipt of this Agreement, to consider this Agreement before executing it.
- 9. Your Right to Revoke; Effective Date.** You have seven (7) days to revoke this Agreement. This Agreement is effective on the eighth (8th) day after the date of your signature below (“Effective Date”) if you have not exercised your right to revoke this Agreement before such time. You may at any time before the Effective Date revoke this Agreement by delivering written notice of your revocation to the Company in accordance with Paragraph 14 below. If you revoke this Agreement, you will be considered not to have accepted the Agreement’s terms, the Agreement will be void, and you will not receive the Severance Benefits. If you reaffirm and sign this Agreement, but revoke the same within seven (7) days, such revocation shall not impact the effectiveness of the Agreement when it was signed the first time.
- 10. Comments to Others.** You agree that you shall not ever make, publish, or communicate to any person or entity, privately or in any public forum, any defamatory or maliciously false comments or statements concerning the Releasees. However, nothing in this Agreement prevents either Party from (i) enforcing its rights under this Agreement; (ii) making privileged statements to the Party’s attorney(s); (iii) exercising protected rights, including under the National Labor Relations Act, or the federal securities laws, including the Dodd-Frank Act, to the extent these rights cannot be waived by agreement; or (iv) complying with any applicable law or regulation, or a valid order of a court of competent jurisdiction or a government agency, as long as such compliance does not exceed what is required by law.
- 10. No Admission.** This Agreement does not constitute an admission of liability or wrongdoing of any kind by you or by any of the Releasees.
- 11. Cooperation.** You agree to cooperate with the Company and its Affiliates and its or their respective counsel in connection with any claim, dispute, investigation, administrative proceeding, arbitration or litigation relating to any matter in which you were involved, to which your service to the Company or its Affiliates may be relevant or of which you have knowledge that may be relevant. You acknowledges that the foregoing could involve, but is not limited to, assisting with the response to, or defense of, any such proceeding or litigation, meeting and consulting with the Company and its Affiliates and its or their respective counsel, preparing witness statements, sitting for depositions and giving evidence in person or otherwise on behalf

of the Company, and otherwise providing information in relation to any such proceeding or litigation. This provision is not intended to affect the substance of any information or testimony that you are asked to provide. Rather, you agree, without limitation, to provide truthful information and testimony and to otherwise assist the Company or its Affiliates in light of and in full compliance with all applicable laws. In making any request for your cooperation, the Company will seek to reasonably accommodate other personal or professional commitments that the you may have.

- 12. Return of Confidential Information and Company Property.** You undertake and agree that no later than the Transition Date you shall return all information and documents containing Confidential Information (defined below) and all other Company property, except any Company-issued laptop, and that you have deleted any files with Confidential Information in your personal possession or control, including on any personal computer, smartphone, iPad, or other device, or any cloud-based storage service. However, this representation does not apply to any documents and information that you received only in your capacity as a holder of equity in the Company or that you were instructed by counsel for the Company to preserve. You will be allowed to keep the Company-issued laptop in your possession.

“Confidential Information” means all information relating to Company or Affiliates not generally known by the public or others who they compete or do business with, or plan to compete or do business with. Confidential Information includes, but is not limited to, the Company’s and any of its Affiliates’ business, technology, practices, products, marketing, sales, services, finances, strategic opportunities, internal strategies, legal affairs (including pending litigation), the terms of business relationships, intellectual property, and patent applications. Confidential Information also includes, but is not limited to, similar information the Company or Affiliates may have belonging to customers, suppliers, consultants, and others who do business with them.

- 13. Notices.** Any notices, demands, and other communications under this Agreement must be sent to the address(es) listed in this Paragraph, and will be considered delivered upon receipt by personal delivery, one business day after being given to a nationally recognized overnight courier, or two days after being mailed by certified or registered mail with postage prepaid.

if to the Company, to:

Vroom Automotive, LLC AND legal@vroom.com  
3600 W Sam Houston Pkwy. S.  
Houston, TX 77042  
Attn: Chief Legal Officer

if to you, to: your address shown at the top of this Agreement, or any other address the Company or you designate by written notice to the other.

- 14. Intended Third-Party Beneficiaries.** The Releasees are intended third-party beneficiaries of this Agreement.
- 15. Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors, assigns, heirs, and representatives; provided, however,

that you may not assign, transfer, or delegate your rights or obligations under this Agreement and any attempt to do so shall be invalid.

- 16. Counterparts.** This Agreement may be signed and delivered (including by fax or electronically) in one or more parts. Each of these parts shall constitute an original document, but all of them together shall be considered the same Agreement.
- 17. Severability.** The Parties want this Agreement enforced to the fullest extent allowed by law. If a court with jurisdiction judges any provision of this Agreement invalid, prohibited, or unenforceable for any reason, that provision shall be revised so that it is not invalid, prohibited, or unenforceable. If revision is not possible, such provision shall be considered ineffective, without invalidating the rest of this Agreement or making the Agreement unenforceable.
- 18. Governing Law.** This Agreement shall be governed by and interpreted under the laws of the State of New York, without regard to principles of conflicts of laws.
- 19. Jurisdiction and Venue.** Any claims or actions concerning this Agreement shall be subject to the terms of the Severance Plan (as modified by this Agreement); provided, however, in no event shall the Company be responsible for Executive's legal fees with respect to an action or proceeding concerning Executive's alleged breach or anticipated breach of a restrictive covenant. With respect to any action or proceeding arising out of or relating to this Agreement that is not covered by the arbitration requirements in Section 11.4 of the Severance Plan, or for recognition or enforcement of any judgment, the Company and the Executive hereby irrevocably and unconditionally submit, for themselves and their property, to the jurisdiction of any state or federal court located in New York County, New York. The Company and Executive irrevocably waive, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.
- 20. Merger Clause; Amendment; Headings.** This Agreement (including Exhibit A and Exhibit B hereto), together with the Severance Plan and the PIA Surviving Provisions, is the entire, final agreement of the Parties relating to the Agreement's subject. The Agreement overrides and replaces any other oral and written statements. If this Agreement conflicts with the Severance Plan or the PIA Surviving Provisions, this Agreement shall control. In entering into this Agreement, you have not relied on any representations other than those set forth in this Agreement. This Agreement may only be changed, terminated, or waived by a writing signed by the Chief Executive Officer of the Company and you. The captions and headings in this Agreement are for convenience only, and do not control the scope or content of any provision of this Agreement.
- 21. Neutral Interpretation.** This Agreement shall be interpreted in a neutral manner, and not more strongly for or against either Party based on the Party that drafted this Agreement.
- 22. Section 409A of the Code.** This Agreement is intended, to the greatest extent permitted under law, to comply with the short-term deferral exemption and the separation pay exemption provided in Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations and other interpretative guidance issued thereunder ("Section 409A") such that no benefits or payments under this Agreement are subject to Section 409A. Notwithstanding anything herein to the contrary, the timing of any payments under this Agreement shall be made consistent with



such exemption. To the extent applicable, this Agreement shall be interpreted in accordance with Section 409A, including without limitation any such regulations or other guidance that may be issued after the Separation Date. Notwithstanding any provision of this Agreement to the contrary, in the event that the Company determines that any amounts payable hereunder may be subject to Section 409A, the Company may, to the extent permitted under Section 409A cooperate in good faith to adopt such amendments to this Agreement or adopt other appropriate policies and procedures, including amendments and policies with retroactive effect, that the Company determines are necessary or appropriate to avoid the imposition of taxes under Section 409A; provided however, that this paragraph shall not create an obligation on the part of the Company to adopt any such amendment, policy or procedure or take any such other action, nor shall the Company have any liability for failing to do so. To the extent that any reimbursements payable pursuant to this Agreement are subject to the provisions of Section 409A, such reimbursements shall be paid to Executive no later than December 31 of the year following the year in which the expense was incurred, the amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year, and Executive's right to reimbursement under this Agreement shall not be subject to liquidation or exchange for another benefit. For purposes of Section 409A (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii)), Executive's right to receive any installment payments under this Agreement shall be treated as a right to receive a series of separate payments and, accordingly, each such installment payment shall at all times be considered a separate and distinct payment. To the extent required to avoid accelerated taxation and/or tax penalties under Section 409A, amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to this Agreement during the six-month period immediately following the Separation Date shall instead be paid in a lump sum on the first day of the seventh month following the Separation Date (or upon Executive's death, if earlier).

**23. WAIVER OF JURY TRIAL.** NO PARTY TO THIS AGREEMENT OR ANY ASSIGNEE, SUCCESSOR, HEIR, OR PERSONAL REPRESENTATIVE OF A PARTY SHALL SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM, OR ANY OTHER LITIGATION PROCEDURE ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR THE DEALINGS OR RELATIONSHIP BETWEEN THE PARTIES. NO PARTY SHALL SEEK TO CONSOLIDATE ANY SUCH ACTION, IN WHICH A JURY TRIAL HAS BEEN WAIVED, WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT OR HAS NOT BEEN WAIVED. THE PROVISIONS OF THIS SECTION HAVE BEEN FULLY DISCUSSED BY THE PARTIES HERETO, AND THESE PROVISIONS SHALL BE SUBJECT TO NO EXCEPTIONS. NEITHER PARTY HAS IN ANY WAY AGREED WITH OR REPRESENTED TO THE OTHER PARTY THAT THE PROVISIONS OF THIS SECTION WILL NOT BE FULLY ENFORCED IN ALL SITUATIONS.

**24. ACKNOWLEDGEMENT OF FULL UNDERSTANDING.** YOU ACKNOWLEDGE AND AGREE

- a. THAT YOU HAVE FULLY READ, UNDERSTAND, AND VOLUNTARILY ENTER INTO THIS AGREEMENT;
- b. THAT YOU HAVE HAD AN OPPORTUNITY TO ASK QUESTIONS AND CONSULT WITH AN ATTORNEY OF YOUR CHOICE BEFORE SIGNING THIS AGREEMENT;
- c. THAT YOUR SIGNATURE BELOW IS AN AGREEMENT TO RELEASE THE COMPANY AND OTHER RELEASEES FROM ANY AND ALL CLAIMS THAT CAN BE RELEASED AS A MATTER OF LAW;

- d. THAT BY SIGNING THIS AGREEMENT YOU ARE NOT WAIVING ANY RIGHTS OR CLAIMS THAT MAY ARISE AFTER YOU HAVE SIGNED THIS AGREEMENT;
- e. THAT THE SEVERANCE BENEFITS ARE SOMETHING OF VALUE THAT YOU ARE NOT OTHERWISE ENTITLED TO RECEIVE;  
AND
- f. THAT YOU HAVE RECEIVED THE DISCLOSURE INFORMATION CONTAINED IN EXHIBIT B TO THIS AGREEMENT.

**[Signatures follow on next page]**

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be duly executed and delivered as of the date indicated next to their respective signatures below.

On Behalf of the Company

By: Patricia Moran  
Its: Chief Legal Officer  
ACCEPTED AND AGREED:

**C. Denise Stott**

Date:

IN WITNESS WHEREOF, the undersigned has reaffirmed and executed this Agreement this \_\_\_\_ day of \_\_\_\_\_, 2024.

ACCEPTED AND AGREED:

\_\_\_\_\_  
**C. Denise Stott**

Date: \_\_\_\_\_

**EXHIBIT A**

**NEW YORK**

In addition to the Claims released in Paragraph 5(a) of the Agreement, you agree that this release includes, but is not limited to, Claims under the New York Constitution, N.Y. Const. Art. 1, § 1, et seq.; the New York Criminal and Consumer Background Laws, N.Y. Correct. § 752, et seq., N.Y. Gen. Bus. Law § 380-B, et seq.; the New York Human Rights Law, N.Y. Exec. Law § 290, et seq.; the New York Labor Law, N.Y. Labor § 10, et seq.; the New York Marriage Equality Act, N.Y. Dom. Rel. Law § 10-a, et seq.; the New York Persons with Genetic Disorders Law, N.Y. Civ. Rts. § 48, et seq.; the New York Whistleblower Law, N.Y. Exec. Law § 740, et seq.; the New York City Human Rights Act; the New York City Administrative Code; the New York City Human Rights Law; all regulations of the New York State Division of Human Rights; the New York Public Health Law § 3369; the New York State WARN Act; the New York Paid Family Leave law; regulations and wage orders of New York State Department of Labor; and regulations of New York State Division of Human Rights. Additionally, you agree that you do not possess any Claim or allegation, either asserted or otherwise, that may be subject to or covered under the New York General Obligations Section 5-336 or the New York Civil Practice Law and Rules Section 5003-b.

Paragraph 5(b) is supplemented to include the New York State Division of Human Rights and the New York City Commission on Human Rights as one of the government agencies.

**TEXAS**

In addition to the Claims released in Paragraph 5(a) of the Agreement, you agree that this release includes, but is not limited to, any and all Claims arising under the Texas Labor Code, including the Texas Payday Act, the Texas Anti-Retaliation Act, Chapter 21 of the Texas Labor Code, the Texas Whistleblower Act, all including any amendments and their respective implementing regulations;

**Exhibit B**

**Do not sign your Agreement until you have read and reviewed this Notice.**

The Older Workers Benefit Protection Act requires the Company to provide the following information to you:

**Decisional Unit(s):** The class, unit, or group of employees from which the Company chose the employees who were and were not selected for the employment termination program ("Program") includes all United States employees in the following Decisional Units: E-Commerce, Corporate, and Technology Divisions.

**Selection Criteria:** All persons in the Decisional Unit selected for termination are eligible for the program. Employees were selected for termination from each Decisional Unit as set out below:

- E-Commerce Division – because the E-Commerce Division is closing, employees in the E-Commerce Division were selected for termination based on their position and skillset;
- Corporate Division – Employees were selected for termination based upon one or more of the following: ongoing business needs, role redundancy, skillset and/or job criticality related to ongoing corporate management and public company/reporting obligations;
- Data, Tech & Analytics Division – Employees were selected for termination based upon skillset related to continuing and evolving business needs;

**Eligibility Criteria:** To be eligible for the Severance Benefits as provided in an employee's Agreement, an employee must:

- Be selected from the Decisional Unit for involuntary termination as part of the program; and
- Properly sign and comply with the terms in the Agreement provided to the selected employee; and
- Return the properly signed Agreement to the Company within the time period specified in the employee's Agreement; and
- Not revoke the Agreement, if allowed to do so under the terms of the employee's Agreement.
  - If the employee is age forty (40) or older at the time of termination, the employee has at least forty-five (45) days to review and properly execute the Agreement.
  - If the employee is age forty (40) or older at the time of the termination, per the Agreement, once the Agreement is signed by the employee, the employee will have seven (7) days to revoke the Agreement, if the employee chooses to do so. However, if the employee revokes the Agreement, the employee will not be eligible for the Severance Benefits described in the Agreement.

Exhibit 10.2

- Employees selected for termination based upon the above, but subsequently terminated from employment, either voluntarily or involuntarily, before their employment is scheduled to end for any reason other than this Program are no longer eligible for the offer of Severance Benefits under the Program.

The following is a listing of the ages and job titles of all employees in each Decisional Unit who were and were not selected for termination. Employees are anticipated to be separated from employment between February 6, 2024 and September 29, 2024. All information is as of May 7, 2024.

**Job Titles and Ages of Employees Selected and Not Selected for Termination**

Decisional Unit	Job/Position Title	Age	Selected for Termination	Not Selected Termination
Corporate	Accountant	49	X	
Corporate	Accounts Payable Specialist	36	X	
Corporate	Accounts Payable Specialist	38	X	
Corporate	Accounts Payable Specialist	43	X	
Corporate	Accounts Payable Specialist	44	X	
Corporate	Accounts Receivable Specialist	53	X	
Corporate	Assoc. Manager, Accounting Operations	32	X	
Corporate	Assoc. Manager, L&D Content	27	X	
Corporate	Associate Accounts Payable Specialist	35		X
Corporate	Attorney	34	X	
Corporate	Chief Compliance Officer	48	X	
Corporate	Chief Executive Officer	55		X
Corporate	Chief Financial Officer	53	X	
Corporate	Chief Legal Officer	64		X
Corporate	Chief People & Culture Officer	56	X	
Corporate	Counsel, Commercial Transactions	42	X	
Corporate	Director, Accounting	33		X
Corporate	Director, Accounting	36	X	
Corporate	Director, Accounting	40	X	
Corporate	Director, Communications	53	X	
Corporate	Director, FP&A	43	X	
Corporate	Director, HR Business Partner	51	X	
Corporate	Director, HR Business Partner	54	X	
Corporate	Director, HR/Talent Excellence	49	X	
Corporate	Director, Learning & Development	66	X	
Corporate	Director, Procurement	63	X	
Corporate	Director, Senior Counsel	34		X
Corporate	Director, Talent Acquisition	40	X	
Corporate	HR Generalist	42	X	
Corporate	HR Manager	46	X	
Corporate	HR Specialist	26		X

Exhibit 10.2

Decisional Unit	Job/Position Title	Age	Selected for Termination	Not Selected Termination
Corporate	HR Specialist	34	X	
Corporate	Lead AP Specialist	30	X	
Corporate	Lead AP Specialist	34	X	
Corporate	Learning & Development Partner	30	X	
Corporate	Litigation Paralegal	38		X
Corporate	Manager, Accounting	28	X	
Corporate	Manager, Accounting	34	X	
Corporate	Manager, Accounting	38	X	
Corporate	Manager, Accounting	38	X	
Corporate	Manager, Accounting	51	X	
Corporate	Manager, Accounts Payable	32		X
Corporate	Manager, Financial Reporting	28		X
Corporate	Manager, HR Information Systems	72		X
Corporate	Manager, HR Services	27		X
Corporate	Manager, Payroll Operations	44		X
Corporate	Marketing Analyst	28	X	
Corporate	Marketing Manager	29	X	
Corporate	Paralegal	44	X	
Corporate	Paralegal, Corporate	60		X
Corporate	Payroll Specialist	45		X
Corporate	Risk Manager	43	X	
Corporate	Senior Accountant	26	X	
Corporate	Senior Accountant	31	X	
Corporate	Senior Accountant	31		X
Corporate	Senior Accountant	32		X
Corporate	Senior Accountant	37	X	
Corporate	Senior Accountant	45	X	
Corporate	Senior Accountant	52	X	
Corporate	Senior Accountant	54	X	
Corporate	Senior Accounts Payable Specialist	48	X	
Corporate	Senior Accounts Receivable Specialist	31	X	
Corporate	Senior Accounts Receivable Specialist	43	X	
Corporate	Senior Accounts Receivable Specialist	46	X	
Corporate	Senior Accounts Receivable Specialist	46	X	
Corporate	Senior Accounts Receivable Specialist	59	X	
Corporate	Senior Accounts Receivable Specialist	59	X	
Corporate	Senior Compensation Analyst	43	X	
Corporate	Senior Email Marketing Associate	25	X	
Corporate	Senior Employment Counsel	41	X	
Corporate	Senior Executive Assistant to C-Suite	48		X
Corporate	Senior Floorplan Accountant	30	X	
Corporate	Senior FP&A Analyst	29	X	
Corporate	Senior Legal Compliance Specialist	50	X	

Exhibit 10.2

Decisional Unit	Job/Position Title	Age	Selected for Termination	Not Selected Termination
Corporate	Senior Manager, Performance Marketing	40	X	
Corporate	Senior Marketing Analyst	30	X	
Corporate	Senior Marketing Manager	32	X	
Corporate	Senior Payroll Analyst	48		X
Corporate	Senior Recruiter	31	X	
Corporate	Senior Technical Recruiter	31	X	
Corporate	Senior/Lead Benefits Administrator	63		X
Corporate	Sr. Director, Accounting	34		X
Corporate	Sr. Director, Accounting	38	X	
Corporate	Sr. Director, Accounting	38		X
Corporate	Sr. Director, HR Operations	45		X
Corporate	Sr. Director, Marketing Analytics	48	X	
Corporate	Sr. Manager, Accounting	33	X	
Corporate	Sr. Manager, Accounting	34	X	
Corporate	Sr. Mgr., Accounting	36	X	
Corporate	Supervisor, Accounting	32	X	
Corporate	Supervisor, Accounting	44	X	
Corporate	Supervisor, Accounting	46	X	
Corporate	Supervisor, Accounting	53	X	
Corporate	SVP & Principal Accounting Officer	51		X
Corporate	Treasury Manager	51		X
Corporate	Vice President of Legal Affairs, Commercial	41	X	
Corporate	Vice President of Legal Affairs, Corporate and Assistant Secretary	47		X
Corporate	VP of FP&A, Treasury and Investor Relations	48		X
Corporate	VP, FP&A	36		X
Corporate	VP, Learning & Development	64	X	
Corporate	VP, Marketing	37		X
Corporate	VP, Real Estate & Facilities	62	X	





May 7, 2024

Agnieszka Zakowicz  
Delivered via email

Dear Agnieszka:

We are pleased to continue your employment with Vroom, Inc. ("Vroom") by entering into the terms of this employment letter (this "Employment Letter"). This Employment Letter shall supersede the terms and conditions of that certain offer letter previously entered into between you and Vroom, dated as of January 29, 2019 (the "Prior Letter").

**Position:** Chief Financial Officer and Treasurer, reporting directly to the Chief Executive Officer of Vroom.

**Transition Date:** Effective May 17, 2024, you will commence employment as Chief Financial Officer and Treasurer of Vroom pursuant to the terms of this Employment Letter and, in that capacity, you will continue to be the principal accounting officer of Vroom.

**Location:** You will primarily work remotely, subject to appropriate business travel.

**Duties:** You agree to devote your reasonable best efforts and all of your active business time and attention (except for permitted vacation periods) to the business and affairs of Vroom and any entities from time to time directly or indirectly owned or controlled by Vroom (each an "Affiliate," or collectively, the "Affiliates"). If so requested by Vroom, you shall serve as an officer, director or manager of Vroom's Affiliates. During your employment, you will not engage in any material outside business activity without the prior written approval of the Chief Executive Officer (not to be unreasonably withheld). The foregoing restrictions shall not limit or prohibit you from engaging in passive investments or community, charitable and social activities, in each case, not interfering with your performance and obligations hereunder.

**Compensation:** Your gross annual base salary shall be \$375,000, payable bi-weekly on Fridays or otherwise in accordance with Vroom's payroll practices as in effect from time to time. Your role is currently classified as exempt. Therefore, you are exempt from the overtime provisions of the Fair Labor Standards Act (FLSA). Your annual base salary will be reviewed by the Compensation Committee of the Board on an annual basis, beginning in 2025.

**Annual Incentive:** You shall be entitled to participate in Vroom's annual incentive bonus plan. This plan is based upon Vroom's achievement of its business plan, as well as your success against personal performance goals.

- Your annual target bonus is 50% of your gross annual base salary actually paid with respect to the given year, prorated for partial years of service.
- Payments in respect of annual bonuses are generally made on or before the end of the first quarter following the relevant performance year. Except as set forth in the Executive Severance Plan, no part of any bonus will be paid to you unless you are actively employed by Vroom on the date the bonus is to be paid.
- The details of the bonus plan will be governed and outlined in a plan document that will be provided to you.

**Prior Payments and Equity:**

- **RSU Awards.** Notwithstanding anything herein to the contrary, your RSU awards shall remain outstanding in accordance with their existing terms and conditions, including those terms set forth in the Vroom 2020 Incentive Award Plan (as in effect from time to time, the "Plan"), the associated award agreements and your letter agreement with the Company dated as of March 11, 2024.
-

- **Options Awards.** Your Incentive Stock Option awards shall remain outstanding in accordance with their existing terms and conditions, including those terms set forth in the Vroom 2020 Incentive Award Plan (as in effect from time to time, the “Plan”) and the associated award agreements.

**Equity Awards:** Subject to your continued employment with Vroom through the applicable grant date, commencing in 2024, you shall be entitled to participate in an annual grant process along with other senior executives of Vroom. Such grants are generally expected to be made in March of each year, subject to the approval of the Board or its Compensation Committee, provided that the Board or its Compensation Committee may modify Vroom’s annual grant process at any time and for any reason in their sole discretion.

**Benefits:** You shall continue to be entitled to participate in Vroom’s comprehensive benefits package and retirement plan. For details on eligibility and our full benefits offering, please review our benefits handouts which have been provided to you. You also shall continue to be the beneficiary of a company-paid officers and directors liability insurance policy and tail on terms consistent with those applicable to other senior executives of Vroom.

**Business Expenses:** Vroom shall pay or reimburse you for all reasonable business expenses incurred by you in performing services under this Employment Letter in accordance with policies then in effect.

**Severance:** You shall continue to be designated as a participant in the Executive Severance Plan. In the event of your termination of employment with Vroom, except as explicitly provided herein, your severance benefits (if any) shall be determined in accordance with the terms of the Executive Severance Plan (or any successor plan), as in effect on the date of your termination, including, without limitation Section 7 thereof.

**Time Off:** You will continue to be entitled to participate in Vroom’s comprehensive Paid Time Off Policy (“PTO Policy”), including holidays, twenty (20) days of PTO annually, and five (5) days of sick leave annually. Please review Vroom’s PTO Policy for complete details.

**Non-Disparagement:** You agree that you shall not, during or after your employment with Vroom, disparage Vroom or any of its Affiliates or any of their respective products, services, operations or practices, or any of their respective directors, officers, advisors, operating partners, employees, agents, representatives, or equity holders, either orally or in writing, at any time; provided that you may (i) confer in confidence with your legal representatives, (ii) make truthful statements as required by law, and (iii) rebut false or misleading statements about you. Vroom shall not, and shall cause its executive officers and directors not to, disparage you, during or after your employment with Vroom; provided, that Vroom’s executive officers and directors may (i) confer in confidence with their respective legal representatives, (ii) make truthful statements as required by law, and (iii) rebut false or misleading statements about Vroom or any of its Affiliates.

**Acknowledgements; Representations:** Notwithstanding anything herein to the contrary, you acknowledge and agree that your Proprietary Information and Inventions Assignment Agreement (the “Vroom PIIA”) shall remain in full force and effect. In addition, you acknowledge and agree that you will continue to comply with Vroom’s policies, including, without limitation, the policies set forth in Vroom’s Employee Handbook, which may be updated from time to time (“Policies”). With your signature below, you represent that: (a) your execution, delivery and performance of this Employment Letter does not and shall not conflict with, breach or violate any agreement to which you are a party or any judgment to which you are subject and (b) upon the execution and delivery of this Employment Letter, this Employment Letter will be a binding obligation in respect of your employment with Vroom, enforceable in accordance with its terms.

**Indemnification; D&O.** You shall continue to be covered by your indemnification agreement, as well as the indemnification, advancement and other provisions as set forth in the bylaws, articles of incorporation and other governing documents. In addition, Vroom shall maintain Directors and Officers (D&O) liability insurance covering you under Vroom’s D&O coverage and other insurance coverage and no such indemnification, advancement or D&O provisions shall be amended or altered in any manner adverse to you without your consent (not to be unreasonably withheld).

**Complete Agreement:** Except as expressly set forth herein, this Employment Letter, those documents and policies expressly referred to herein) constitute the entire agreement between you and Vroom and supersede any prior understandings and agreements by or between you and Vroom, whether written or oral, related in any way to the subject matter of this Employment Letter.

**Successors and Assigns:** This Employment Letter shall be binding on, and shall inure to the benefit of, you and Vroom and your respective heirs, legal representatives, successors and permitted assigns. You may not assign, transfer or delegate your rights or obligations hereunder and any attempt to do so shall be void.

**Withholding of Taxes:** Vroom may deduct and withhold from the compensation payable to you hereunder or otherwise any and all applicable federal, state, and local income and employment withholding taxes and any other authorized amounts or amounts required to be deducted or withheld by Vroom under applicable law.

**Governing Law:** This Employment Letter shall in all respects be subject to, and governed by, the laws of the State of New York without regard to the principles of conflict of laws.

**Amendment and Waiver:** The provisions of this Employment Letter may be amended and waived only with the prior written consent of you and Vroom, and no course of conduct or failure or delay in enforcing the provisions of this Employment Letter shall affect the enforceability of this Employment Letter or any provision hereof.

**Counterparts:** This Employment Letter may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

**Code Section 409A:** This Employment Letter is intended to be interpreted and operated so that the payments and benefits set forth herein shall either be exempt from or comply with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A"). In no event shall Vroom be liable for any taxes, penalties or interest which may be imposed upon you pursuant to Section 409A. You hereby agree that no representations have been made to you relating to the tax treatment of any payment pursuant to this Employment Letter. To the extent required to comply with the provisions of Section 409A, (a) no reimbursement of expenses incurred by you during any taxable year shall be made after the last day of the following taxable year, (b) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, to you in any other taxable year, and (c) the right to reimbursement of such expenses shall not be subject to liquidation or exchange for another benefit.

**WAIVER OF JURY TRIAL:** NO PARTY TO THIS EMPLOYMENT LETTER OR ANY ASSIGNEE, SUCCESSOR, HEIR OR PERSONAL REPRESENTATIVE OF A PARTY SHALL SEEK A JURY TRIAL IN ANY LITIGATION BASED UPON OR ARISING OUT OF THIS EMPLOYMENT LETTER. NO PARTY WILL SEEK TO CONSOLIDATE ANY SUCH ACTION, IN WHICH A JURY TRIAL HAS BEEN WAIVED, WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT OR HAS NOT BEEN WAIVED. THE PROVISIONS UNDER THIS HEADING HAVE BEEN FULLY DISCUSSED BY THE PARTIES HERETO, AND THESE PROVISIONS SHALL BE SUBJECT TO NO EXCEPTIONS.

*[Signature Page Follows]*

To accept the terms of this Employment Letter, please complete, sign and scan the attached signature page. If you have any questions, do not hesitate to call. We look forward to continuing our relationship as we help drive Vroom's growth!

Sincerely,

---

Tom Shortt | Vroom  
Chief Executive Officer

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Date

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I accept the terms of employment and agree to the provisions stated in this letter. I acknowledge that, except as expressly set forth in this Employment Letter, this Employment Letter, together with the Executive Severance Plan, the Vroom PIIA and Policies, constitute the entire agreement between Vroom and me and supersedes all prior verbal or written agreements, arrangements or understandings pertaining to my employment. I understand that I am employed at-will and that my employment can be terminated at any time, with or without Cause, at the option of either Vroom or me, but subject to the terms of this letter and the Executive Severance Plan (as modified herein).

I UNDERSTAND THAT THIS EMPLOYMENT LETTER AFFECTS IMPORTANT RIGHTS. BY SIGNING BELOW, I CERTIFY THAT I HAVE READ IT CAREFULLY AND AM SATISFIED THAT I UNDERSTAND IT COMPLETELY.

---

Agnieszka Zakowicz

Date

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July 23, 2024

By Email and/or DocuSign to pmoran1111@gmail.com Ms. Patricia Moran  
1111 Park Ave.

Apt 8B

New York, NY 10128 Dear Patricia:

I write about your separation from Vroom, Inc. (the "Company"). This agreement, including Exhibit A hereto (collectively referred to as the "Agreement"), refers to the Company and Patricia Moran ("you" and/or "Executive") collectively as the "Parties" or individually referred to as "Party", and to the Amended and Restated Vroom, Inc. Executive Severance Plan, as amended and restated on March 8, 2024, as the "Severance Plan." Executive and the Company have mutually agreed to Executive's separation from service as an officer and employee of the Company and its Affiliates (as defined below) on the terms set forth below:

1. **Separation.** Your employment with the Company is terminated effective as of August 23, 2024 (the "Separation Date"). You agree that as of the Separation Date you hereby resign as an officer of the Company and as a director or officer of each of its subsidiaries, as applicable. You will be paid any wages earned at your current rate of pay through your Separation Date. Wages will include, if required under applicable law, any accrued, but unused paid time off and/or holiday pay.
2. Whether or not you sign this Agreement, the following benefits will be paid or provided to you:
  - a. **Benefits.** Any medical, dental, and vision benefits that you elected will continue through the end of the month in which your Separation Date occurs. All life and disability coverage ends on the Separation Date. You will also receive in a separate document information about your ability to convert such coverage to individual policies.
  - b. **Expenses.** You will be reimbursed by the Company for any reasonable and customary business expenses incurred by you through the Separation Date as approved and outlined in Vroom's business expense policy. You agree to submit all expenses you claim are due immediately. Vroom cannot reimburse you for expenses that you do not submit for approval with appropriate documentation.
2. **Consulting.**
  - a. **Consulting Period.** Your consulting period (the "Consulting Period") shall commence on

the Separation Date and end on the earliest of (i) the one-year anniversary of the

Separation Date, (ii) the date you notify the Company in writing that the Consulting Period shall terminate for any reason, or (iii) the date you cease to provide, or remain available to provide, the Consulting Services (as defined below), or (iv) the date the Company terminates your services following thirty (30) days advance notice except in the case of a termination for Cause (as defined in the Severance Plan). During the Consulting Period, you shall serve as a senior advisor to the Company and remain reasonably available to provide periodic consulting services to the Company as a consultant on as-needed basis in your area of expertise, work experience and responsibility, including, without limitation, providing strategic advice, guidance and consultation to the executive officers and directors of the Company on matters relating to corporate governance, business transformation and material corporate transactions (the "Consulting Services"). During the Consulting Period and thereafter as applicable, you reaffirm your commitment to remain in compliance with (i) the Employee Inventions and Proprietary Information Agreement between you and the Company (the "PIA Surviving Provisions"), it being understood that the term "employment" as used in therein shall include the Consulting Services during the Consulting Period, and (ii) the covenants and agreements set forth in Section 9 of the Severance Plan "Confidential Information, Non-Competition and Non- Solicitation". You shall be permitted to perform services for other entities during the Consulting Period; provided, that such services are not in violation of the PIA Surviving Provisions or Section 9 of the Severance Plan and do not otherwise present an actual or potential conflict of interest with your duties under this Agreement.

- b. Fees.** As full compensation for the Consulting Services, the Company shall pay you at a rate of \$500 per hour, payable within 30-days of receipt of your invoice submitted to ap@vroom.com. You acknowledge that you will receive an IRS Form 1099-NEC from the Company, and that you shall be solely responsible for all federal, state, and local taxes.
- c. Equity Awards.** During the Consulting Period, you will continue to vest in your previously granted outstanding stock options ("Outstanding Stock Options") and restricted stock unit awards ("Outstanding RSUs") granted under the Vroom, Inc. 2020 Incentive Award Plan in accordance with their terms; provided, that if your services are terminated by the Company or its subsidiaries without Cause (as defined in the Severance Plan) any such Outstanding RSUs will accelerate and vest in full. The post-termination exercise period of any vested Outstanding Stock Options held by you upon your cessation of services to the Company (other than on a termination of your services for Cause) shall be extended through the original expiration date of such options. Except as provided for in this Paragraph 2(c), upon any cessation of Consulting Services, all equity awards that are then held by you and remain unvested shall be forfeited for no consideration.
- d. Independent Contractor Status.** You and the Company acknowledge and agree that, during the Consulting Period, you shall be an independent contractor. During the Consulting Period and thereafter, you shall not be an agent or employee of the Company and shall not be authorized to act on behalf of the Company. Personal income and self-employment taxes shall be your sole responsibility. You agree to indemnify and hold the Company and the other entities released herein harmless for any tax claims or penalties resulting from any failure by you to make required personal income and self-employment tax payments.



- 3. Severance Benefits.** Provided that you (i) sign and return this Agreement no later than forty-five (45) days from the receipt of this Agreement and do not revoke this Agreement pursuant to the revocation procedures set forth below, (ii) sign and reaffirm this Agreement (including, for the avoidance of doubt, the release of claims set forth in paragraph 6 below) in the second signature block below (the "Reaffirmation") after your Separation Date, but no later than forty-five (45) days from the Separation Date and do not revoke said Reaffirmation pursuant to the revocation procedures set forth below, (iii) comply with this Agreement, (iv) comply with the PIA Surviving Provisions and (v) comply with the covenants and agreements set forth in Section 9 of the Severance Plan "Confidential Information, Non-Competition and Non-Solicitation"), the Company shall provide you with the compensation and benefits set forth below in this Paragraph (the "Severance Benefits"). The Severance Benefits consist of:
- a. Severance Pay.** You will receive Severance Pay in the amount of \$600,000 (representing the Severance Amount, as defined in the Severance Plan) and subject to applicable tax withholding, which will be paid to you in substantially equal installments in accordance with the Company's regular payroll practices beginning no later than the earliest practical payroll date after the effective date of the Reaffirmation and ending at the end of the Severance Period (as defined in the Severance Plan).
  - b. COBRA.** For a period of 12 month(s), the Company shall directly pay or, at its election, reimburse you for COBRA premiums for you and your covered dependents (at the same benefit levels as would have applied if your employment had not been terminated, based on your elections in effect on the Separation Date) if you are eligible for and properly elect healthcare continuation coverage under the Company's group health insurance plans pursuant to COBRA. You further agree to provide timely notice if you become eligible for medical benefits with a new employer, at which time the Company's obligation to pay or reimburse you for COBRA premiums shall cease.
  - c. Outplacement.** The Company shall make available to you professional outplacement services delivered by Right Management Associates ("Right") for a period of twelve (12) months provided that your initial meeting with Right occurs no later than thirty (30) days after the Effective Date of the Release.
- 4.** You understand and agree that, except for the compensation specifically described in this Agreement, you shall receive no other payments or benefits from the Company and that the payments and benefits provided herein satisfy in full all obligations of the Company to you arising out of or in connection with your employment with the Company and separation thereof, including, without limitation, all salary, wages, commissions, bonuses, and other compensation. You represent and confirm that you have received all salary, wages, commissions, bonuses, and other compensation due to you through the date you sign or reaffirm this Agreement, as applicable.
- 5. Executive Release of Claims.**
- a.** In consideration for the Severance Benefits, you, on your own behalf and on behalf of your heirs, assigns, and representatives (collectively, "Releasor"), hereby release and forever discharge the Company and each of its parents, subsidiaries, and affiliates,

including, without limitation, Vroom Automotive, LLC d/b/a Texas Direct Auto d/b/a Vroom, Nations Drive, LLC, Vroom Logistics, LLC, Vroom Indianapolis LLC d/b/a Vroom, CarStory, LLC, Vast.com Inc. d/b/a CarStory, Vast.com D.O.O., Vroom Finance Holdings, LLC, Vroom Finance Corporation, Vroom Automotive Finance Corp., Darkwater Funding, LLC, United Auto Credit Corporation, Auto America Technologies LTD, AAGP, LLC d/b/a Vroom, and Vroom Transportation Services, LLC (collectively, "Affiliates"), and its/their respective predecessors, successors, officers, directors, managers, members, partners, equity holders, agents, representatives, vendors, employees, consultants, attorneys, and advisors (collectively, "Releasees"), from any and all claims, counterclaims, demands, debts, actions, causes of action, suits, expenses, costs, attorneys' fees, damages, indemnities, obligations, and/or liabilities of any nature ("Claims"), whether known or unknown, that Releasor had, has, or later may have against the Releasees, for any matter, cause, or thing from the beginning of the world to the date your execution of this Agreement or the Reaffirmation, as applicable, including, but not limited to, the following, each as amended if applicable:

- i. all such Claims directly or indirectly arising out of or in any way relating to your employment with the Company, wages or compensation (including bonuses or equity awards) or the termination of that employment;
  - ii. any Claims arising under any federal, state, or local law, statute, regulation, or ordinance, including, without limitation, Title VII of the Civil Rights Act of 1964, the Civil Rights Act of 1991, the Age Discrimination in Employment Act, sections 1981 through 1988 of Title 42 of the United States Code, the Equal Pay Act, the Employee Retirement Income Security Act ("ERISA"), the Family and Medical Leave Act, the Immigration Reform and Control Act, the Americans with Disabilities Act, the Workers Adjustment and Retraining Notification Act, the Sarbanes-Oxley Act, the Occupational Safety and Health Act, the Consolidated Omnibus Budget Reconciliation Act, the Genetic Information Nondiscrimination Act, the Immigration Reform and Control Act, the Fair Credit Reporting Act, and the National Labor Relations Act;
  - iii. state and/or local Claims, and other state/local modifications, if any, are contained in Exhibit A. You are instructed to carefully review Exhibit A for the state(s) where you worked while employed with the Company in order to review these state-specific claims as well as other state-specific modifications to this Agreement. However, the omission of any specific statute or law shall not limit the scope of this general release in any manner; and
  - iv. any Claims arising under any public policy or for breach of contract, express or implied, including any Claim for breach of any implied covenant of good faith and fair dealing, wrongful discharge, constructive discharge, discrimination, harassment, retaliation, failure to accommodate, fraud, defamation, intentional tort, interference with contractual relations or prospective business advantage, invasion of privacy, emotional distress, or negligence.
- b. However, nothing in this Agreement releases any claims that Releasor has or may have against the Releasees regarding (i) obligations under this Agreement, including payment

of the Severance Benefits as specified in this Agreement; (ii) any claims that may arise after your execution of this Agreement or the Reaffirmation, as applicable; (iii) continued healthcare coverage under an employee health plan required pursuant to COBRA or similar state law; (iv) your right to file an administrative charge or complaint with the Equal Employment Opportunity Commission ("EEOC"), the Securities and Exchange Commission ("SEC"), the National Labor Relations Board, or any other federal, state, or local administrative agency, although to the fullest extent permitted by law, you waive any right to monetary damages or other equitable relief related to such a charge or complaint; (v) enforcing your rights to your nonforfeitable accrued benefits (within the meaning of Sections 203 and 204 of ERISA) under the Company's 401(k) plan, which shall continue to be governed by the terms of the 401(k) plan and applicable laws; (vi) any claim that, as a matter of law, cannot be released by private agreement; or (vii) any claims for indemnification and/or advancement of expenses arising under any indemnification agreement between Executive and the Company or under the bylaws, certificate of incorporation or other similar governing document of the Company.

- c. Nothing in this Agreement shall prevent you from (i) communicating directly with, cooperating with, or providing information to, or receiving financial awards from, any federal, state or local government agency, including without limitation the SEC, the U.S. Commodity Futures Trading Commission, the U.S. Department of Justice, the EEOC, or the U.S. National Labor Relations Board, without notifying or seeking permission from the Company, (ii) exercising any rights you may have under Section 7 of the U.S. National Labor Relations Act, or (iii) discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that you have reason to believe is unlawful.

#### **6. Executive Representation and Covenants.**

- a. With the exception of any reports or complaints made to the SEC, you represent that, as of the date of this Agreement or the Reaffirmation, as applicable, you have not filed any lawsuits, complaints, petitions, claims, or other accusatory pleadings against any of the Releasees in any court or with any governmental agency.
- b. You undertake and agree that, during the Restricted Period, as defined in the Severance Plan, you will be subject to and comply with the covenants and agreements set forth in Section 9 of the Severance Plan "Confidential Information, Non-Competition and Non-Solicitation", which shall be deemed incorporated into this Agreement by reference.

#### **7. Release Notification and Acknowledgement.** You acknowledge that as part of this Agreement you are releasing and waiving all charges, claims and complaints under the Age Discrimination in Employment Act ("ADEA") and the Older Workers' Protection Benefit Act of 1990, and you are agreeing not to sue the Releasees in connection with any of your rights under the ADEA. In order for you to waive your ADEA rights through this Agreement, pursuant to the requirements of 29 U.S.C. § 626, you acknowledge and agree that:

- a. you knowingly and voluntarily execute this Agreement and release, waive and agree not to sue the Releasees; and
- b. the release, waiver and agreement not to sue includes settlement of any allegation of age

discrimination arising under the ADEA; and

- c. the release, waiver and agreement not to sue includes all claims under the ADEA arising up to and including the date of execution of this release, but not claims occurring thereafter; and

- d. you have been advised to consult with an attorney concerning your rights and obligations under the release, waiver and agreement not to sue and before signing this Agreement; and
  - e. this Agreement is written in a manner that you can understand, and you have fully considered the terms and conditions of this Agreement; and
  - f. you are not releasing or waiving any rights that you are prohibited by law, rule or regulation from releasing or waiving; and
  - g. you have been given a reasonable period of time of **forty-five (45)** days from receipt of this Agreement, to consider this Agreement before executing it.
- 9. Your Right to Revoke; Effective Date.** You have seven (7) days to revoke this Agreement. This Agreement is effective on the eighth (8th) day after the date of your signature below (“Effective Date”) if you have not exercised your right to revoke this Agreement before such time. You may at any time before the Effective Date revoke this Agreement by delivering written notice of your revocation to the Company in accordance with Paragraph 14 below. If you revoke this Agreement, you will be considered not to have accepted the Agreement’s terms, the Agreement will be void, and you will not receive the Severance Benefits. If you reaffirm and sign this Agreement, but revoke the same within seven (7) days, such revocation shall not impact the effectiveness of the Agreement when it was signed the first time.
- 10. Comments to Others.** You agree that you shall not ever make, publish, or communicate to any person or entity, privately or in any public forum, any defamatory or maliciously false comments or statements concerning the Releasees. However, nothing in this Agreement prevents either Party from (i) enforcing its rights under this Agreement; (ii) making privileged statements to the Party’s attorney(s); (iii) exercising protected rights, including under the National Labor Relations Act, or the federal securities laws, including the Dodd-Frank Act, to the extent these rights cannot be waived by agreement; or (iv) complying with any applicable law or regulation, or a valid order of a court of competent jurisdiction or a government agency, as long as such compliance does not exceed what is required by law.
- 10. No Admission.** This Agreement does not constitute an admission of liability or wrongdoing of any kind by you or by any of the Releasees.
- 11. Cooperation.** You agree to cooperate with the Company and its Affiliates and its or their respective counsel in connection with any claim, dispute, investigation, administrative proceeding, arbitration or litigation relating to any matter in which you were involved, to which your service to the Company or its Affiliates may be relevant or of which you have knowledge that may be relevant. You acknowledges that the foregoing could involve, but is not limited to,

assisting with the response to, or defense of, any such proceeding or litigation, meeting and consulting with the Company and its Affiliates and its or their respective counsel, preparing witness statements, sitting for depositions and giving evidence in person or otherwise on behalf of the Company, and otherwise providing information in relation to any such proceeding or litigation. This provision is not intended to affect the substance of any information or testimony that you are asked to provide. Rather, you agree, without limitation, to provide truthful information and testimony and to otherwise assist the Company or its Affiliates in light of and in full compliance with all applicable laws. In making any request for your cooperation, the Company will seek to reasonably accommodate other personal or professional commitments that the you may have.

- 12. Return of Confidential Information and Company Property.** You undertake and agree that, no later than [the end of the Consulting Period], you shall return all information and documents containing Confidential Information (defined below) and all other Company property, except any Company-issued laptop, and that you have deleted any files with Confidential Information in your personal possession or control, including on any personal computer, smartphone, iPad, or other device, or any cloud-based storage service. However, this representation does not apply to any documents and information that you received only in your capacity as a holder of equity in the Company or that you were instructed by counsel for the Company to preserve. You will be allowed to keep the Company-issued laptop in your possession.

“Confidential Information” means all information relating to Company or Affiliates not generally known by the public or others who they compete or do business with, or plan to compete or do business with. Confidential Information includes, but is not limited to, the Company’s and any of its Affiliates’ business, technology, practices, products, marketing, sales, services, finances, strategic opportunities, internal strategies, legal affairs (including pending litigation), the terms of business relationships, intellectual property, and patent applications. Confidential Information also includes, but is not limited to, similar information the Company or Affiliates may have belonging to customers, suppliers, consultants, and others who do business with them.

- 13. Notices.** Any notices, demands, and other communications under this Agreement must be sent to the address(es) listed in this Paragraph, and will be considered delivered upon receipt by personal delivery, one business day after being given to a nationally recognized overnight courier, or two days after being mailed by certified or registered mail with postage prepaid.

if to the Company, to:

Vroom Automotive, LLC AND legal@vroom.com 3600 W Sam Houston  
Pkw. S.  
Houston, TX 77042 Attn: Chief Legal  
Officer

if to you, to: your address shown at the top of this Agreement, or any other address the Company or you designate by written notice to the other,  
AND pmoran1111@gmail.com.

- 14. Intended Third-Party Beneficiaries.** The Releasees are intended third-party beneficiaries of this

Agreement.

15. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the Parties and their respective successors, assigns, heirs, and representatives; provided, however, that you may not assign, transfer, or delegate your rights or obligations under this Agreement and any attempt to do so shall be invalid.
16. **Counterparts.** This Agreement may be signed and delivered (including by fax or electronically) in one or more parts. Each of these parts shall constitute an original document, but all of them together shall be considered the same Agreement.
17. **Severability.** The Parties want this Agreement enforced to the fullest extent allowed by law. If a court with jurisdiction judges any provision of this Agreement invalid, prohibited, or unenforceable for any reason, that provision shall be revised so that it is not invalid, prohibited, or unenforceable. If revision is not possible, such provision shall be considered ineffective, without invalidating the rest of this Agreement or making the Agreement unenforceable.
18. **Governing Law.** This Agreement shall be governed by and interpreted under the laws of the State of New York, without regard to principles of conflicts of laws.
19. **Jurisdiction and Venue.** Any claims or actions concerning this Agreement shall be subject to the terms of the Severance Plan (as modified by this Agreement); provided, however, in no event shall the Company be responsible for Executive's legal fees with respect to an action or proceeding concerning Executive's alleged breach or anticipated breach of a restrictive covenant. With respect to any action or proceeding arising out of or relating to this Agreement that is not covered by the arbitration requirements in Section 11.4 of the Severance Plan, or for recognition or enforcement of any judgment, the Company and the Executive hereby irrevocably and unconditionally submit, for themselves and their property, to the jurisdiction of any state or federal court located in New York County, New York. The Company and Executive irrevocably waive, to the fullest extent permitted by law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.
20. **Merger Clause; Amendment; Headings.** This Agreement (including Exhibit A hereto), together with the Severance Plan and the PIA Surviving Provisions, is the entire, final agreement of the Parties relating to the Agreement's subject. The Agreement overrides and replaces any other oral and written statements. If this Agreement conflicts with the Severance Plan or the PIA Surviving Provisions, this Agreement shall control. In entering into this Agreement, you have not relied on any representations other than those set forth in this Agreement. This Agreement may only be changed, terminated, or waived by a writing signed by the Chief Executive Officer of the Company and you. The captions and headings in this Agreement are for convenience only, and do not control the scope or content of any provision of this Agreement.
21. **Neutral Interpretation.** This Agreement shall be interpreted in a neutral manner, and not more strongly for or against either Party based on the Party that drafted this Agreement.
22. **Section 409A of the Code.** This Agreement is intended, to the greatest extent permitted under law, to comply with the short-term deferral exemption and the separation pay exemption provided in Section 409A of the Internal Revenue Code of 1986, as amended, and the regulations



and other interpretative guidance issued thereunder ("Section 409A") such that no benefits or payments under this Agreement are subject to Section 409A. Notwithstanding anything herein to the contrary, the timing of any payments under this Agreement shall be made consistent with such exemption. To the extent applicable, this Agreement shall be interpreted in accordance with Section 409A, including without limitation any such regulations or other guidance that may be issued after the Separation Date. Notwithstanding any provision of this Agreement to the contrary, in the event that the Company determines that any amounts payable hereunder may be subject to Section 409A, the Company may, to the extent permitted under Section 409A cooperate in good faith to adopt such amendments to this Agreement or adopt other appropriate policies and procedures, including amendments and policies with retroactive effect, that the Company determines are necessary or appropriate to avoid the imposition of taxes under Section 409A; provided however, that this paragraph shall not create an obligation on the part of the Company to adopt any such amendment, policy or procedure or take any such other action, nor shall the Company have any liability for failing to do so. To the extent that any reimbursements payable pursuant to this Agreement are subject to the provisions of Section 409A, such reimbursements shall be paid to Executive no later than December 31 of the year following the year in which the expense was incurred, the amount of expenses reimbursed in one year shall not affect the amount eligible for reimbursement in any subsequent year, and Executive's right to reimbursement under this Agreement shall not be subject to liquidation or exchange for another benefit. For purposes of Section 409A (including, without limitation, for purposes of Treasury Regulation Section 1.409A-2(b)(2)(iii)), Executive's right to receive any installment payments under this Agreement shall be treated as a right to receive a series of separate payments and, accordingly, each such installment payment shall at all times be considered a separate and distinct payment. To the extent required to avoid accelerated taxation and/or tax penalties under Section 409A, amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to this Agreement during the six-month period immediately following the Separation Date shall instead be paid in a lump sum on the first day of the seventh month following the Separation Date (or upon Executive's death, if earlier).

**23. WAIVER OF JURY TRIAL.** NO PARTY TO THIS AGREEMENT OR ANY ASSIGNEE, SUCCESSOR, HEIR, OR PERSONAL REPRESENTATIVE OF A PARTY SHALL SEEK A JURY TRIAL IN ANY LAWSUIT, PROCEEDING, COUNTERCLAIM, OR ANY OTHER LITIGATION PROCEDURE ARISING OUT OF OR RELATING TO THIS AGREEMENT, OR THE DEALINGS OR RELATIONSHIP BETWEEN THE PARTIES. NO PARTY SHALL SEEK TO CONSOLIDATE ANY SUCH ACTION, IN WHICH A JURY TRIAL HAS BEEN WAIVED, WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT OR HAS NOT BEEN WAIVED. THE PROVISIONS OF THIS SECTION HAVE BEEN FULLY DISCUSSED BY THE PARTIES HERETO, AND THESE PROVISIONS SHALL BE SUBJECT TO NO EXCEPTIONS. NEITHER PARTY HAS IN ANY WAY AGREED WITH OR REPRESENTED TO THE OTHER PARTY THAT THE PROVISIONS OF THIS SECTION WILL NOT BE FULLY ENFORCED IN ALL SITUATIONS.

**24. ACKNOWLEDGEMENT OF FULL UNDERSTANDING.** YOU ACKNOWLEDGE AND AGREE

- a. THAT YOU HAVE FULLY READ, UNDERSTAND, AND VOLUNTARILY ENTER INTO THIS AGREEMENT;
- b. THAT YOU HAVE HAD AN OPPORTUNITY TO ASK QUESTIONS AND CONSULT WITH AN ATTORNEY OF YOUR CHOICE BEFORE SIGNING THIS AGREEMENT;
- c. THAT YOUR SIGNATURE BELOW IS AN AGREEMENT TO RELEASE THE COMPANY AND OTHER RELEASEES FROM ANY AND ALL CLAIMS THAT CAN BE RELEASED AS A MATTER OF

LAW;

- d. THAT BY SIGNING THIS AGREEMENT YOU ARE NOT WAIVING ANY RIGHTS OR CLAIMS THAT MAY ARISE AFTER YOU HAVE SIGNED THIS AGREEMENT; AND
- e. THAT THE SEVERANCE BENEFITS ARE SOMETHING OF VALUE THAT YOU ARE NOT OTHERWISE ENTITLED TO RECEIVE.

**[Signatures follow on next page]**

IN WITNESS WHEREOF, the undersigned have caused this Agreement to be duly executed and delivered as of the date indicated next to their respective signatures below.

Vroom, Inc.

By: Thomas Shortt

Its: Chief Executive Officer ACCEPTED AND AGREED:

Patricia Moran

7/23/2024

Date:

IN WITNESS WHEREOF, the undersigned has reaffirmed and executed this Agreement this \_\_\_\_ day of  
\_\_\_\_, 2024. ACCEPTED AND AGREED:

Patricia Moran

Date: \_\_\_\_

**EXHIBIT A**

**NEW YORK**

In addition to the Claims released in Paragraph 5(a) of the Agreement, you agree that this release includes, but is not limited to, Claims under the New York Constitution, N.Y. Const. Art. 1, § 1, et seq.; the New York Criminal and Consumer Background Laws, N.Y. Correct. § 752, et seq., N.Y. Gen. Bus. Law § 380-B, et seq.; the New York Human Rights Law, N.Y. Exec. Law § 290, et seq.; the New York Labor Law, N.Y. Labor § 10, et seq.; the New York Marriage Equality Act, N.Y. Dom. Rel. Law § 10-a, et seq.; the New York Persons with Genetic Disorders Law, N.Y. Civ. Rts. § 48, et seq.; the New York Whistleblower Law, N.Y. Exec. Law § 740, et seq.; the New York City Human Rights Act; the New York City Administrative Code; the New York City Human Rights Law; all regulations of the New York State Division of Human Rights; the New York Public Health Law § 3369; the New York State WARN Act; the New York Paid Family Leave law; regulations and wage orders of New York State Department of Labor; and regulations of New York State Division of Human Rights. Additionally, you agree that you do not possess any Claim or allegation, either asserted or otherwise, that may be subject to or covered under the New York General Obligations Section 5-336 or the New York Civil Practice Law and Rules Section 5003-b.

Paragraph 5(b) is supplemented to include the New York State Division of Human Rights and the New York City Commission on Human Rights as one of the government agencies.

**TEXAS**

In addition to the Claims released in Paragraph 5(a) of the Agreement, you agree that this release includes, but is not limited to, any and all Claims arising under the Texas Labor Code, including the Texas Payday Act, the Texas Anti-Retaliation Act, Chapter 21 of the Texas Labor Code, the Texas Whistleblower Act, all including any amendments and their respective implementing regulations;



July 23, 2024

Ms. Anna-Lisa Corrales Delivered via email

Dear Anna-Lisa:

We are pleased to offer you employment with Vroom, Inc. ("Vroom") by entering into the terms of this employment letter (this "Employment Letter").

**Position:** Chief Legal Officer, Chief Compliance Officer and Secretary, reporting directly to the Chief Executive Officer of Vroom.

**Transition Date:** Effective August 23, 2024 (the "Commencement Date"), you will commence employment as Chief Legal Officer, Chief Compliance Officer, and Secretary of Vroom pursuant to the terms of this Employment Letter. Your consulting agreement previously entered into between you and Vroom effective as of May 29, 2024 shall terminate effective as of August 22, 2024.

**Location:** You will primarily work remotely, subject to appropriate business travel.

**Duties:** You agree to devote your reasonable best efforts and all of your active business time and attention (except for permitted vacation periods) to the business and affairs of Vroom and any entities from time to time directly or indirectly owned or controlled by Vroom (each an "Affiliate," or collectively, the "Affiliates"). If so requested by Vroom, you shall serve as an officer, director or manager of Vroom's Affiliates. During your employment, you will not engage in any material outside business activity without the prior written approval of the Chief Executive Officer (not to be unreasonably withheld). The foregoing restrictions shall not limit or prohibit you from engaging in passive investments or community, charitable and social activities, in each case, not interfering with your performance and obligations hereunder. For the avoidance of doubt, Vroom has approved your continued service with those organizations set forth on Exhibit A, such approval to continue until the earlier to occur of such time as such service interferes with the performance of your duties under this Employment Letter, violates Vroom's standards of conduct or raises a conflict under Vroom's conflict of interest policies.

**Compensation:** Your gross annual base salary shall be \$360,000 payable bi-weekly on Fridays or otherwise in accordance with Vroom's payroll practices as in effect from time to time. Your role is currently classified as exempt. Therefore, you are exempt from the overtime provisions of the Fair Labor Standards Act (FLSA). Your annual base salary will be reviewed by the Compensation Committee of the Board on an annual basis, beginning in 2025.

**Annual Incentive:** You shall be entitled to participate in Vroom's annual incentive bonus plan. This plan is based upon Vroom's achievement of its business plan, as well as your success against personal performance goals.

- Your annual target bonus is 50% of your gross annual base salary actually paid with respect to the given year, prorated for partial years of service. Your bonus for 2024 will be prorated for the period from the Commencement Date and continuing through December 31, 2024.
  - Payments in respect of annual bonuses are generally made on or before the end of the first quarter following the relevant performance year. Except as set forth in any severance plan or policy to which you may be subject, no part of any bonus will be paid to you unless you are actively employed by Vroom on the date the bonus is to be paid.
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- The details of the bonus plan will be governed and outlined in a plan document that will be provided to you.

**Severance Benefits:** You will not receive any Severance Pay (as defined in that certain separation agreement previously entered into between you and Vroom as of June 25, 2024) following the Commencement Date and any rights you may have to continue to receive Severance Pay following the Commencement Date shall terminate as of the Commencement Date. You represent and confirm that you understand that you will have no rights to any Severance Pay following your Commencement Date.

**Prior Equity:** Any outstanding stock options and RSU awards shall remain outstanding in accordance with their existing terms and conditions, including those terms set forth in the Vroom 2020 Incentive Award Plan and the Vroom 2014 Equity Incentive Plan, as applicable, and the associated award agreements.

**Equity Awards:** Subject to your continued employment with Vroom through the applicable grant date, commencing in 2024, you shall be entitled to participate in an annual grant process along with other senior executives of Vroom. Such grants are generally expected to be made in March of each year, subject to the approval of the Board or its Compensation Committee, provided that the Board or its Compensation Committee may modify Vroom's annual grant process at any time and for any reason in their sole discretion.

**Benefits:** You shall continue to be entitled to participate in Vroom's comprehensive benefits package and retirement plan. For details on eligibility and our full benefits offering, please review our benefits handouts which have been provided to you. You also shall be the beneficiary of a company-paid officers and directors liability insurance policy and tail on terms consistent with those applicable to other senior executives of Vroom.

**Business Expenses:** Vroom shall pay or reimburse you for all reasonable business expenses incurred by you in performing services under this Employment Letter in accordance with policies then in effect.

**Severance:** You shall be entitled to participate in any severance plan or policy generally made available to Section 16 Officers of the Company. In the event of your termination of employment with Vroom, except as explicitly provided herein, your severance benefits (if any) shall be determined in accordance with the terms of such plan or policy, as in effect on the date of your termination.

**Time Off:** You will continue to be entitled to participate in Vroom's comprehensive Paid Time Off Policy ("PTO Policy"), including holidays, twenty (20) days of PTO annually, and five (5) days of sick leave annually. Please review Vroom's PTO Policy for complete details.

**Non-Disparagement:** You agree that you shall not, during or after your employment with Vroom, disparage Vroom or any of its Affiliates or any of their respective products, services, operations or practices, or any of their respective directors, officers, advisors, operating partners, employees, agents, representatives, or equity holders, either orally or in writing, at any time; provided that you may (i) confer in confidence with your legal representatives, (ii) make truthful statements as required by law, and (iii) rebut false or misleading statements about you. Vroom shall not, and shall cause its executive officers and directors not to, disparage you, during or after your employment with Vroom; provided, that Vroom's executive officers and directors may (i) confer in confidence with their respective legal representatives, (ii) make truthful statements as required by law, and (iii) rebut false or misleading statements about Vroom or any of its Affiliates.

**Acknowledgements; Representations:** Notwithstanding anything herein to the contrary, you acknowledge and agree that your Proprietary Information and Inventions Assignment Agreement (the "Vroom PIIA") shall remain in full force and effect. In addition, you acknowledge and agree that you will continue to comply with Vroom's policies, including, without limitation, the policies set forth in Vroom's Employee Handbook, which may be updated from time to time ("Policies"). With your signature below, you represent that: (a) your execution, delivery and performance of this Employment Letter does not and shall

not conflict with, breach or violate any agreement to which you are a party or any judgment to which you are subject and (b) upon the execution and delivery of this Employment Letter, this Employment Letter will be a binding obligation in respect of your employment with Vroom, enforceable in accordance with its terms.

**Indemnification; D&O.** You shall be provided with an indemnification agreement in the form provided to other Section 16 Officers of the Company, and also shall be subject to the indemnification, advancement and other provisions as set forth in the bylaws, articles of incorporation and other governing documents. In addition, Vroom shall maintain Directors and Officers (D&O) liability insurance and you shall be covered under Vroom's D&O coverage and other insurance coverage and no such indemnification, advancement or D&O provisions shall be amended or altered in any manner adverse to you without your consent (not to be unreasonably withheld).

**Complete Agreement:** Except as expressly set forth herein, this Employment Letter, including those documents and policies expressly referred to herein, constitute the entire agreement between you and Vroom and supersede any prior understandings and agreements by or between you and Vroom, whether written or oral, related in any way to the subject matter of this Employment Letter.

**Successors and Assigns:** This Employment Letter shall be binding on, and shall inure to the benefit of, you and Vroom and your respective heirs, legal representatives, successors and permitted assigns. You may not assign, transfer or delegate your rights or obligations hereunder and any attempt to do so shall be void.

**Withholding of Taxes:** Vroom may deduct and withhold from the compensation payable to you hereunder or otherwise any and all applicable federal, state, and local income and employment withholding taxes and any other authorized amounts or amounts required to be deducted or withheld by Vroom under applicable law.

**Governing Law:** This Employment Letter shall in all respects be subject to, and governed by, the laws of the State of New York without regard to the principles of conflict of laws.

**Amendment and Waiver:** The provisions of this Employment Letter may be amended and waived only with the prior written consent of you and Vroom, and no course of conduct or failure or delay in enforcing the provisions of this Employment Letter shall affect the enforceability of this Employment Letter or any provision hereof.

**Counterparts:** This Employment Letter may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument.

**Code Section 409A:** This Employment Letter is intended to be interpreted and operated so that the payments and benefits set forth herein shall either be exempt from or comply with the requirements of Section 409A of the Internal Revenue Code of 1986, as amended ("Section 409A"). In no event shall Vroom be liable for any taxes, penalties or interest which may be imposed upon you pursuant to Section 409A. You hereby agree that no representations have been made to you relating to the tax treatment of any payment pursuant to this Employment Letter. To the extent required to comply with the provisions of Section 409A, (a) no reimbursement of expenses incurred by you during any taxable year shall be made after the last day of the following taxable year, (b) the amount of expenses eligible for reimbursement, or in-kind benefits provided, during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, to you in any other taxable year, and (c) the right to reimbursement of such expenses shall not be subject to liquidation or exchange for another benefit.

**WAIVER OF JURY TRIAL:** NO PARTY TO THIS EMPLOYMENT LETTER OR ANY ASSIGNEE, SUCCESSOR, HEIR OR PERSONAL REPRESENTATIVE OF A PARTY SHALL SEEK A JURY TRIAL IN ANY LITIGATION BASED UPON OR ARISING OUT OF THIS EMPLOYMENT LETTER. NO PARTY WILL



SEEK TO CONSOLIDATE ANY SUCH ACTION, IN WHICH A JURY TRIAL HAS BEEN WAIVED, WITH ANY OTHER ACTION IN WHICH A JURY TRIAL CANNOT OR HAS NOT BEEN WAIVED. THE PROVISIONS UNDER THIS HEADING HAVE BEEN FULLY DISCUSSED BY THE PARTIES HERETO, AND THESE PROVISIONS SHALL BE SUBJECT TO NO EXCEPTIONS.

*[Signature Page Follows]*

To accept the terms of this Employment Letter, please complete, sign and scan the attached signature page. If you have any questions, do not hesitate to call. We look forward to continuing our relationship as we help drive Vroom's growth!

Sincerely,

7/23/2024

Thomas H. Shortt | Vroom    Date Chief Executive Officer

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I accept the terms of employment and agree to the provisions stated in this letter. I acknowledge that, except as expressly set forth in this Employment Letter, this Employment Letter, together with those documents and policies expressly referred to herein, constitute the entire agreement between Vroom and me and supersedes all prior verbal or written agreements, arrangements or understandings pertaining to my employment. I understand that I am employed at-will and that my employment can be terminated at any time, with or without Cause, at the option of either Vroom or me, but subject to the terms of this letter and any severance plan or policy to which I am subject as of the date of termination of my employment.

**I UNDERSTAND THAT THIS EMPLOYMENT LETTER AFFECTS IMPORTANT RIGHTS. BY SIGNING BELOW, I CERTIFY THAT I HAVE READ IT CAREFULLY AND AM SATISFIED THAT I UNDERSTAND IT COMPLETELY.**

7/23/2024

Anna-Lisa Corrales Date

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Exhibit A

Your family Kolbe consulting business

## CERTIFICATION

I, Thomas H. Shortt, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Vroom, Inc.;
  2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
  3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
  4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
    - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
    - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
    - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
    - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
  5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
    - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
    - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.
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Date: August 8, 2024

By: \_\_\_\_\_  
/s/ Thomas H. Shortt  
Thomas H. Shortt  
Chief Executive Officer  
*(principal executive officer)*

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**CERTIFICATION**

I, Agnieszka Zakowicz, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Vroom, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2024

By: \_\_\_\_\_  
/s/ Agnieszka Zakowicz  
Agnieszka Zakowicz  
Chief Financial Officer  
*(principal financial officer and principal accounting officer)*

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO  
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report on Form 10-Q of Vroom, Inc. (the “Company”) for the period ended June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
  
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 8, 2024

By: \_\_\_\_\_  
/s/ Thomas H. Shortt  
Thomas H. Shortt  
Chief Executive Officer  
(*principal executive officer*)

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