

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

**FORM 8-K**

**CURRENT REPORT**  
**Pursuant to Section 13 or 15(d)**  
**of the Securities Exchange Act of 1934**  
**Date of report (Date of earliest event reported): September 23, 2024**

**VROOM, INC.**  
(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction  
of incorporation or organization)

**001-39315**  
(Commission  
File Number)

**90-1112566**  
(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, include area code)

**N/A**  
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

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

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

**Item 7.01. Regulation FD Disclosure.**

On September 23, 2024, representatives of Vroom, Inc. and subsidiaries (the “Company”) released an investor presentation (the “Investor Presentation”) which includes the Company’s long-term strategic plan and key initiatives. A copy of the Investor Presentation is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is also available at [ir.vroom.com](http://ir.vroom.com).

On January 22, 2024, the Company announced a Value Maximization Plan, pursuant to which the Company discontinued its ecommerce operations and wound down its used vehicle dealership. Since the announcement in January, the Company has been focused on building a long-term strategic plan leveraging its remaining assets to improve the profitability of the business.

The information contained in this Item 7.01, including Exhibit 99.1 hereto, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing made by the Company under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filings, unless expressly incorporated by specific reference in such filing.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits.

The following exhibit relating to Item 7.01 shall be deemed to be furnished, and not filed:

<b>Exhibit No.</b>	<b>Description</b>
99.1	<a href="#">Investor Presentation</a>
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

VROOM, INC.

Date: September 23, 2024

By: /s/ Thomas H. Shortt  
Thomas H. Shortt  
Chief Executive Officer

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# Long-Term Strategic Plan

September 23, 2024



Financing and Contract Servicing



Industry Leading Data, AI  
and Technology



Full eCommerce Platform  
Assets



# Disclaimer

## Forward Looking Statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this presentation that do not relate to matters of historical fact should be considered forward-looking statements, including without limitation statements regarding our expectations and business strategy regarding Vroom, United Auto Credit Corporation, and CarStory; the implementation of our three objectives and four strategic initiatives; our ability to build a world class lending program; our ability to return portfolio performance and operational cost metrics back to pre-COVID levels; the impact from the UACC's 2024-1 securitization transaction; residual sale impacts and the income recognition; expectations regarding originations; the impacts of credit tightening; our models regarding indicative potential for EBITDA, Adjusted EBITDA, unrestricted cash, and Excess Liquidity; our assumptions regarding operating capital, long-term debt, and macroeconomic, operational and competitive risks; and the timing of any of the foregoing. These statements are based on management's current assumptions and are neither promises nor guarantees, but involve known and unknown risks, uncertainties 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. For factors that could cause actual results to differ materially from the forward-looking statements in this presentation, please see the risks and uncertainties identified under the heading "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023, as updated by our Quarterly report on Form 10-Q for the quarter ended June 30, 2024, which are available on our Investor Relations website at [ir.vroom.com](http://ir.vroom.com) and on the SEC website at [www.sec.gov](http://www.sec.gov). All forward-looking statements reflect our beliefs and assumptions only as of the date of this presentation. We undertake no obligation to update forward-looking statements to reflect future events or circumstances.

## Non-GAAP Financial Measures

This presentation and the accompanying oral presentation include the following non-GAAP financial measures which we believe are useful in evaluating our operating performance: EBITDA and Adjusted EBITDA and Adjusted EBITDA % of Serviced Portfolio Target. 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.

We define 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 define 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. We define Adjusted EBITDA % of Serviced Portfolio Target as Adjusted EBITDA divided by gross serviced portfolio. 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, financial, and liquidity 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.

## Industry and Market Information

To the extent this presentation includes information concerning the industry and the markets in which the Company operates, including general observations, expectations, market position, market opportunity and market size, such information is based on management's knowledge and experience in the markets in which we operate, including publicly available information from independent industry analysts and publications, as well as the Company's own estimates. Our estimates are based on third-party sources, as well as internal research, which the Company believes to be reasonable, but which are inherently uncertain and imprecise. Accordingly, you are cautioned not to place undue reliance on such market and industry information.



# Presenters

Tom Shortt	CEO	Tom is CEO of Vroom, Inc. which now consists of UACC, CarStory and Vroom's ecommerce platform assets. He is a transformational leader and change agent with experience delivering order of magnitude operating improvements in Fortune 1 to multibillion dollar Public and Private Equity companies leveraging Advanced Analytics and Digital Transformation to drive Execution while inspiring an innovative culture.
Stefano Balistreri	Chief Risk Officer - UACC	Stefano most recently spent 13 years at Wells Fargo Auto Finance where he led risk programs for the full credit spectrum. He has 24 years of experience in the consumer financial services industry.
Lyndon Elam	Chief Operating Officer - UACC	Lyn has 20 years of experience with full-spectrum credit programs at companies including Wells Fargo Dealer Services, Yamaha Financial Services, and Synchrony Financial.
Stacie Grueser	Senior Vice President Sales & Marketing - UACC	Stacie has 15 years of experience in sales, marketing, customer experience, strategy, and operations across multiple industries. Prior to joining UACC, Stacie spent 5 years driving sales, support, and transactions for Vroom.
Jon Sandison	CFO and Treasurer - UACC	Jon has 15 years of experience in strategy, P&L management, financial modeling, FP&A and investor relations across multiple industries. Jon has been involved in driving improvement at UACC over the last two years.



# Agenda

- Vroom Overview
- Strategic Plan Overview
- Strategic Initiatives
  - Build a World Class Lending Program
  - Build a World Class Sales and Marketing Program
  - Build Operational Excellence in Originations
  - Build Operational Excellence in Servicing
- Strategic Plan Indicative Models



# Vroom Overview



**UNITED AUTO CREDIT**  
Financing and Contract Servicing



**CarStory**  
Industry Leading Data, AI  
and Technology



**Vroom**  
Full eCommerce Platform  
Assets





# Vroom, Inc. Overview

- Following the wind-down of our eCommerce operations, Vroom's business is comprised of UACC, CarStory and the Vroom Automotive eCommerce Platform
  - UACC is a national indirect lender that offers vehicle financing to consumers through third-party dealers under the UACC brand, focusing primarily on the non-prime market
  - CarStory is a leader in AI-powered analytics and digital services for automotive retail
- Vroom continues to own the technology, IP and digital assets that previously powered Vroom's retail automotive eCommerce platform. We believe our Vroom IP and Tech Stack have the potential to create value for our business and continue to explore opportunities to monetize these assets through asset sales, licensing and a SaaS model



## **united auto credit business**

### *Financing and Loan Servicing*

- Acquired by Vroom in 2022
- Non-prime lending expertise
- Successful capital markets experience
- 9,500+ independent dealer network
- \$1B+ gross serviced portfolio
- \$629M in loan origination in 2022
- External finance and management portal for dealers
- Consumer payment integrations and auto-pay functionality
- Integrated with largest dealer management platform for credit applications
- Automatic pricing programs for both independent and franchise dealerships
- 3<sup>rd</sup> generation proprietary pricing engine powered by big data models with machine learning
- 100+ nationwide sales team with strong dealer relationships
- Tangible book value at 6/30 ~\$154M

## **carstory business**

### *Industry Leading Data, AI and Technology*

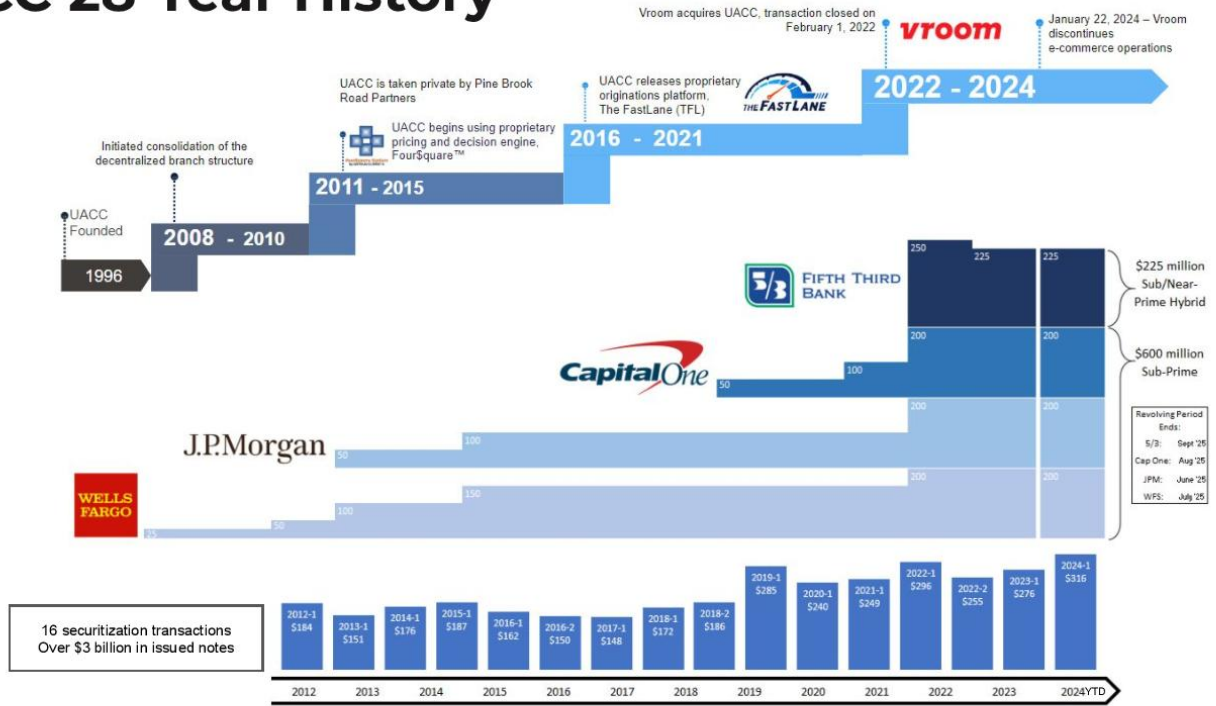
- Acquired by Vroom in 2021
- 18+ years of automotive vehicle history
- Extensive patent portfolio, including 31 issued or allowed and 8 pending patents
- Website conversion expertise
- Data science and analytics
- AI and ML models for vehicle pricing, similarity and imaging processing
- Major financial institution customers, dealers and retail auto service providers
- Vehicle acquisition and pricing product suite for dealers
- Consumer mobile apps with full-featured marketplace and augmented reality shopping experience

## **vroom assets**

### *Automotive eCommerce Platform*

- eCommerce used vehicle platform
- Predictive price and P&L models
- Consumer and B2B Inventory acquisition
- Consumer shopping solution
- Self-service checkout
- Consumer transaction hub deal status, pending action items, delivery and registration tracking
- Delivery and logistics solution with integrated tools for seamless driveway experiences
- Patent-pending titling, registration and document platform
- Proprietary document processing pipeline for automated contracting
- Payment integrations for credit card, ACH, debit and wire transfer payments
- Internal sales-enablement platform to guide sales and support agents on financing terms and approval probabilities

# UACC 28 Year History



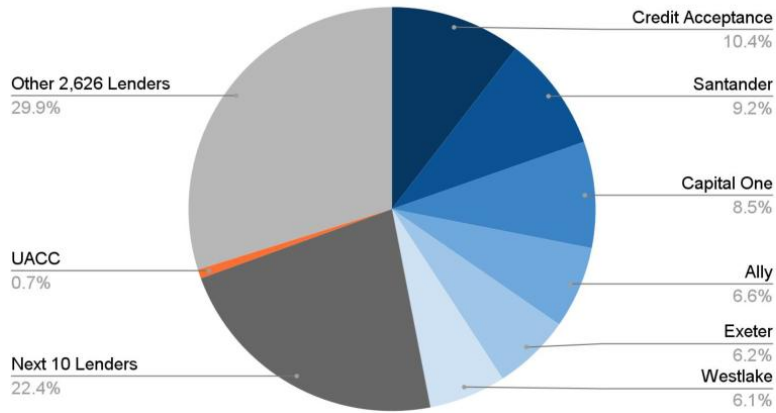
UACC has operated in the subprime auto finance industry since 1996



# Subprime Market

**\$33B** Total Addressable Annual Originations Market <sup>(1)</sup>

**Subprime & Deep Subprime Market Share (Used)** <sup>(2)</sup>



(1) Source: Experian State of the Automotive Finance Market Q4 2023 report; February 2024 and Automotive Market Trends Q4 2023 report; March 2024

(2) Source: Experian Velocity data; July 2024 YTD

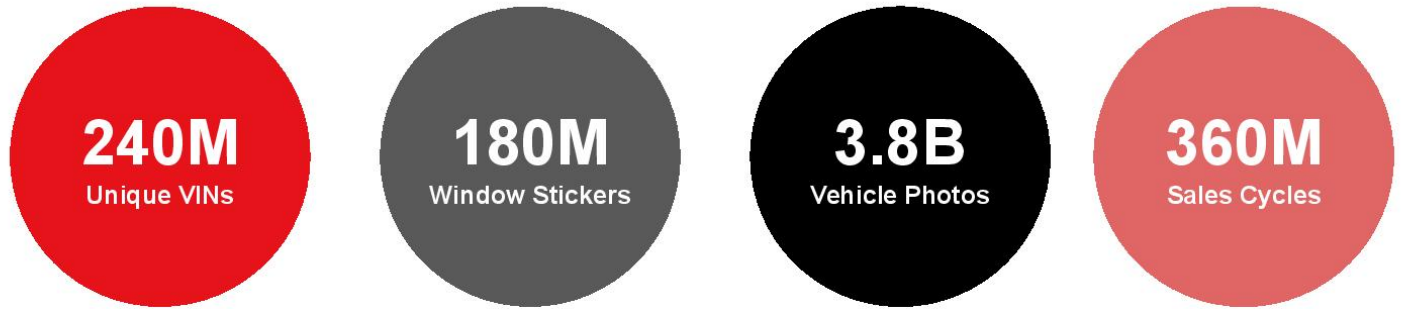
Note that dataset excludes Buy Here Pay Here dealers, unassigned lienholders, and Title Loan (refinance) lenders

Large and fragmented market



# CarStory VIN Database

Leveraging big data, computer vision and AI, CarStory has curated a comprehensive used vehicle information database

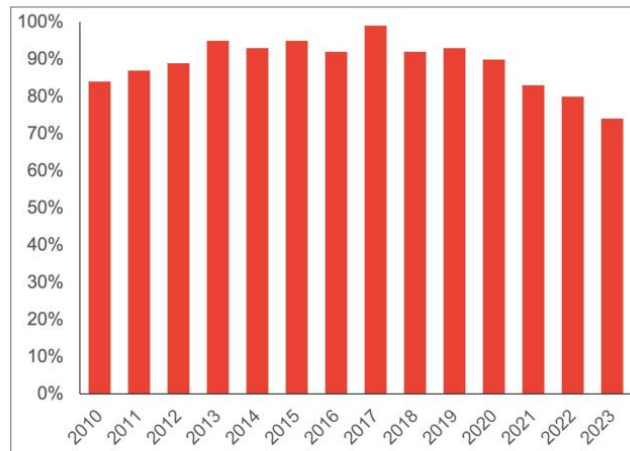


Our large VIN database is intended to enable more accurate vehicle valuations



# CarStory has VIN Data for 90% of US Consumer Vehicles

### VIN Database Coverage by Model Year



VIN Database Coverage = Unique VINS in CarStory database / FRED Light Weight Vehicle Sales  
FRED Sales data available at: <https://fred.stlouisfed.org/series/ALTSALES#0>

**Our large VIN database is intended to enable more accurate vehicle valuations**



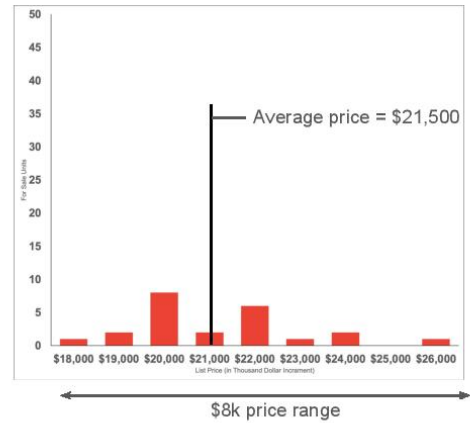
# Average Market Prices Can Be Misleading

For Sale 2022 Chevy Equinox LT (28-33k Miles)  
Nationwide – Last Seen For Sale 5/1/24-7/1/24<sup>(1)</sup>



- 205 VINs
- 297 Vehicle Features
- 182 Dealers
- 169 Cities

For Sale 2022 Chevy Equinox LT (28-33k Miles)  
Ohio – Last Seen For Sale 5/1/24-7/1/24<sup>(1)</sup>



## Why the discrepancy?

- Today's pricing tools often oversimplify the vehicle
- There may not be enough similar vehicles
- Averages typically do not account for local supply, demand, and dealer performance

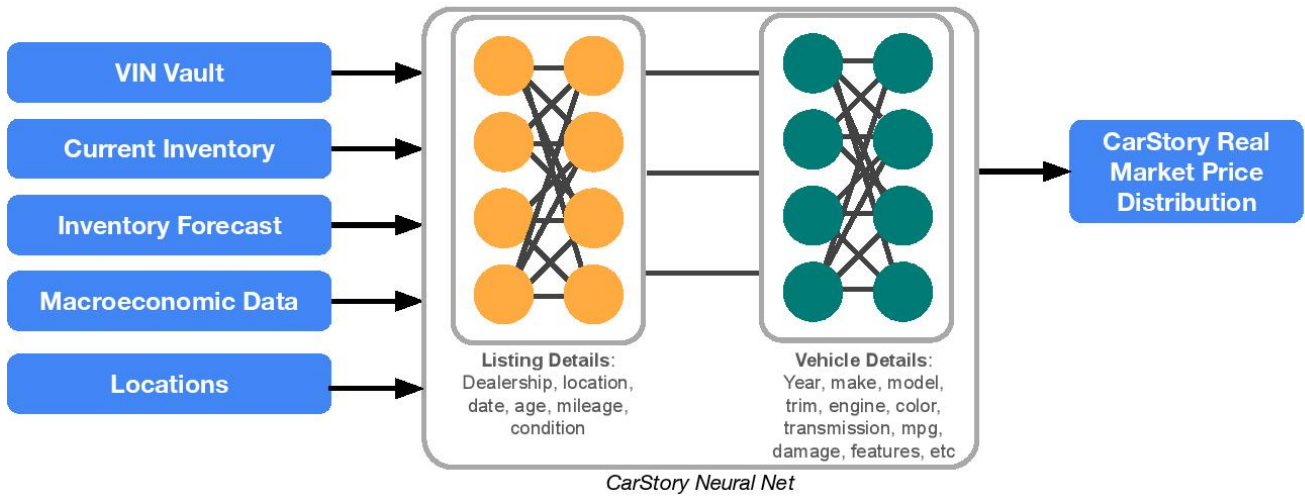
<sup>(1)</sup> For Sale inventory in nationwide feed data provided to CarStory

**Valuations based on market averages can over or understate the vehicle's market value**



# CarStory Real Market Price

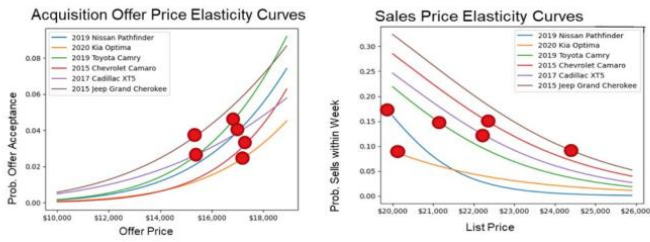
Unlike simple averages, CarStory's patented neural-net algorithm provides more accurate market price, regardless of "exact" matches. CarStory Real Market Price accounts for factors that averages often miss: local market dynamics, dealer performance.



# CarStory VIN Database and Pricing Models

VIN Data, Pricing Models and AI are used in CarStory, were used at Vroom and are starting to be used at UACC

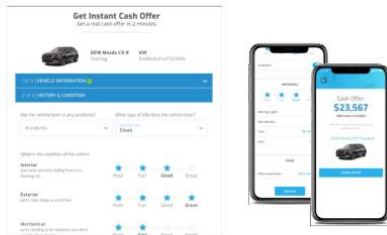
## Price Elasticity



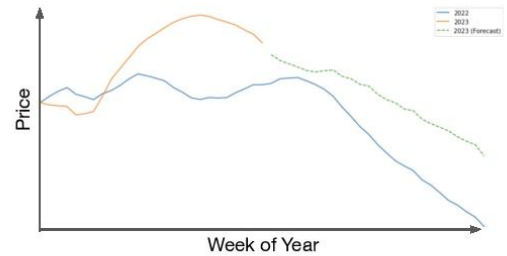
## VINspect



## Instant Cash Offer



## Vehicle Depreciation



Culmination of 15 years of data collection and analytics; 39 patents or pending patents





# Strategic Plan Overview



# Leverage the Assets and IP of All 3 Businesses

## 3 Objectives

Achieve pre-COVID Cumulative Net Losses (CNL) or lower

Grow origination with pre-COVID CNL or lower

Lower operating cost

## 4 Strategic Initiatives

Build a world class lending program

Build a world class sales & marketing program

Build operational excellence in originations

Build operational excellence in servicing



# Long-Term Strategic Plan Indicative Models

	Base Model	Growth Model	Aggressive Growth Model
Subprime Cumulative Net Loss (CNL)	Low 20's% (Pre-COVID Level)	High Teens (%)	Mid Teens (%)
Nearprime Cumulative Net Loss (CNL)	N/A	~10%	~10%
Origination Cost Per Funded Contract	Pre-COVID Level		
Servicing Cost Per Serviced Account	Pre-COVID Level	~10% below Pre-COVID	~15% below Pre-COVID
Subprime Program Mix	100%	~90%	~80%
Near-Prime Program Mix	<1%	~10%	~20%
Franchise Dealer Segment %	<1%	>1%	Grow Market Share
Leverage CarStory Real Market Price for Valuations	Leverage CarStory Vehicle Valuations in underwriting and servicing activities		
Dealer Portal Tech Investment	Integrate existing Vroom tech into platform	Build new tech into the platform	

**Base:** Return business to profitability

**Growth:** Grow share through near prime program, grow the Franchise segment, and deepen dealer relationships

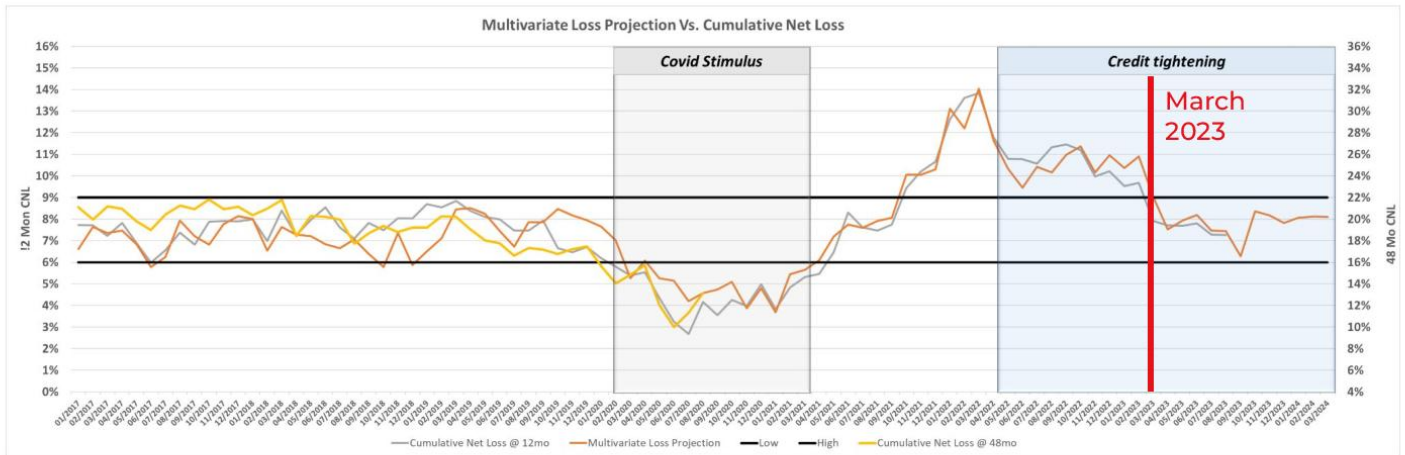
**Aggressive Growth:** Based on success of strategic initiatives - accelerate growth



# Strategic Initiative: Build a World Class Lending Program



# Portfolio Performance



Multivariate 12 mo CNL Model (Orange) correlates to Actual 12 mo CNL (Gray) [Left Axis], which correlates to Actual 48 mo CNL (Yellow) [Right Axis]

	2017	2018	2019	2020	2021	2022	2023	YTD-2024
Avg. FICO	579	581	577	584	578	567	584	591
Avg. Back-End LTV	110.2%	112.7%	112.4%	112.6%	117.1%	125.5%	113.0%	112.9%

Goal: pre-COVID subprime cumulative net loss (CNL)



# Build a World Class Lending Program

Risk initiatives aimed at reducing CNL and achieving profitable growth

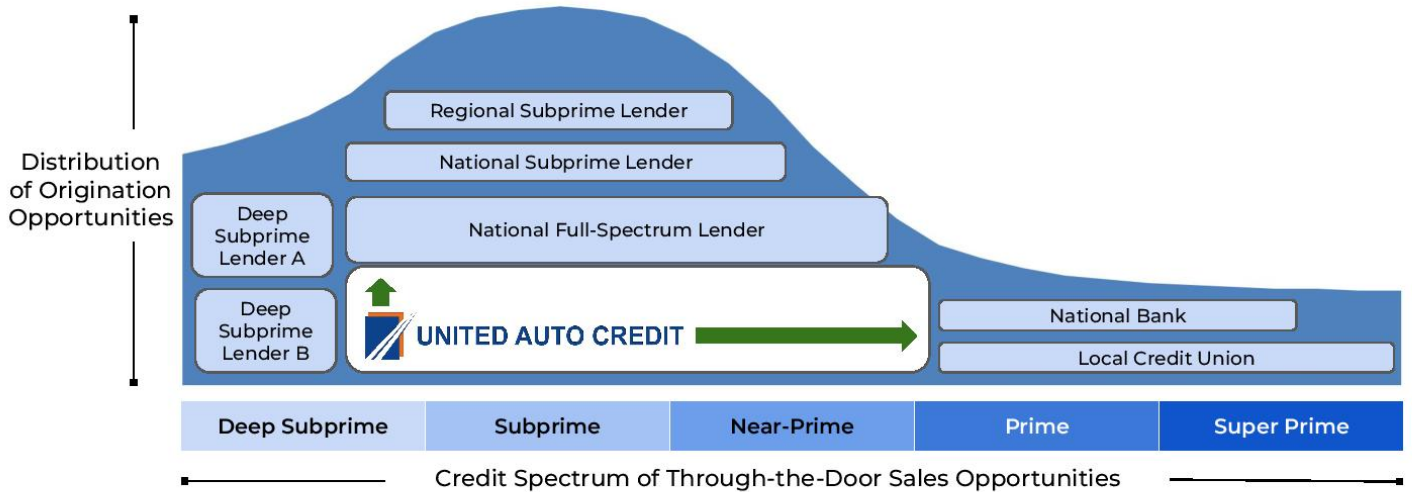
	In Process: Expand to Near-Prime and Refine Subprime program	Short-Term: Modernize credit program	Longer-Term: Build a World Class Lending Program
Consumer Credit Risk Assessment	<ul style="list-style-type: none"> <li>New Internal Credit Score</li> <li>Build on predictive analytics</li> </ul>	<ul style="list-style-type: none"> <li>Expanded use of FICO 9</li> <li>More Pre-verification of Stips</li> </ul>	
Core Program Offerings	<ul style="list-style-type: none"> <li>Near-Prime Program Launch</li> </ul>	<ul style="list-style-type: none"> <li>Expand Near Prime Rollout</li> <li>Optimize Approval Logic</li> </ul>	<ul style="list-style-type: none"> <li>3rd Party VSC allowance</li> <li>Market Specific Programs</li> </ul>
System Capabilities	<ul style="list-style-type: none"> <li>Increase Data Sources</li> </ul>	<ul style="list-style-type: none"> <li>New Cloud Decision Engine</li> <li>Multi-decisioning for Dealers' Inventory</li> </ul>	
Market Expansion		<ul style="list-style-type: none"> <li>New Dealer Risk Assessment</li> </ul>	<ul style="list-style-type: none"> <li>Enter Franchise Market</li> </ul>

Focus on using advanced models/analytics - aim to predict losses and drive profitable growth



# Near-Prime Expansion

- Dealers tend to work with as few lenders as possible, while ensuring they have sufficient coverage
- Lenders with broader credit coverage tend to get “first look” on credit apps
- Expansion into Near-Prime aims to increase UACC’s coverage footprint and generate more “first look” opportunities



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With the Near-Prime program, UACC aims to become a more significant partner to the dealer

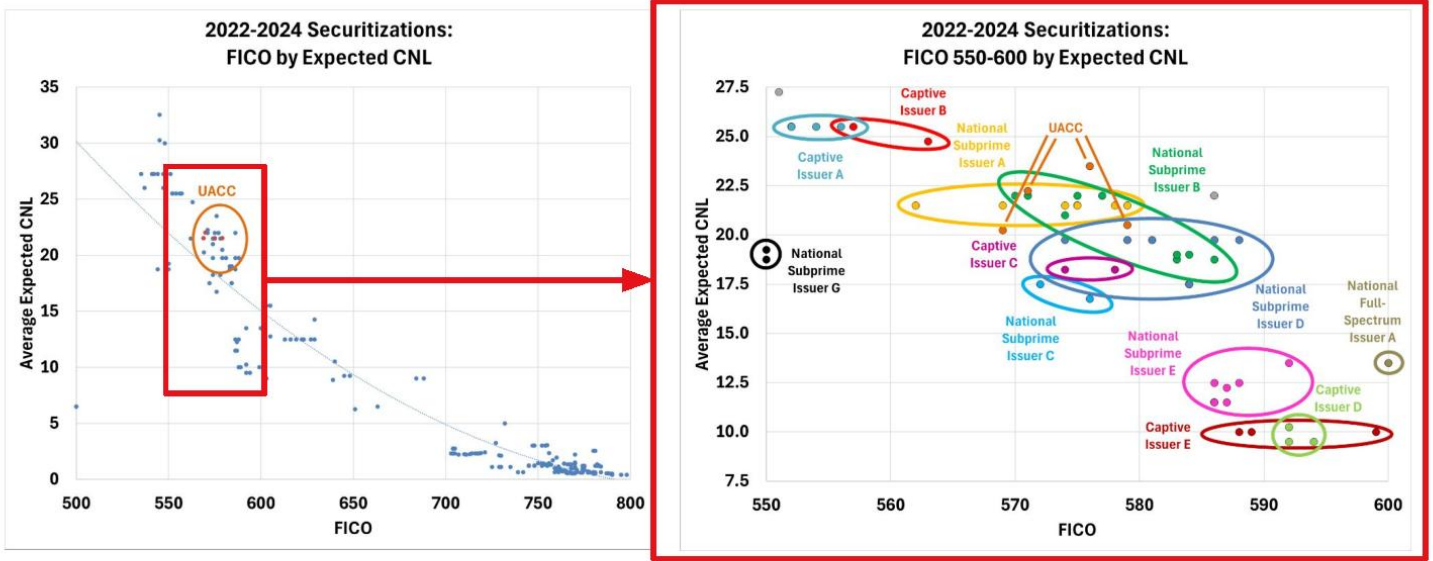


# Virtuous Cycle – Combining Disciplined Risk Management with Market-Sensing Program Expansion





# Subprime CNL Opportunity



Source: S&P Global Ratings research reports for Auto Receivable Trusts for the periods of 2022-2024

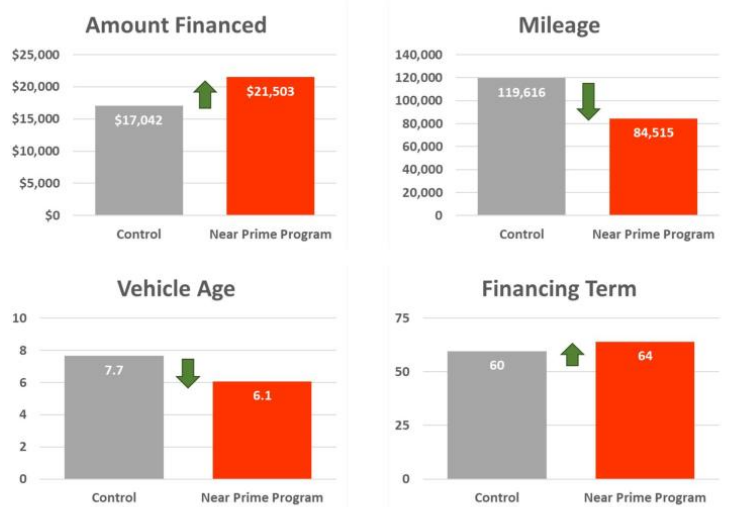
**Opportunity to improve CNL within current FICO range**



# Near-Prime Pilot: Avg 672 FICO with 2x Conversion

- In 2023, developed a Near-Prime program for **Vroom** applicants (7/23-2/24)
- **235 Vroom** customer funded deals - we have yet to experience a loss (**Avg FICO: 671**)
- Modified Vroom program to launch **UACC Dealer** Near-Prime pilot
- Launched **UACC Dealer** Near Prime Pilot: **June 11, 2024**
  - Total Near Prime Deals (June 11 - Sept 9, 2024): **233**
  - **Avg FICO: 672**

## UACC Dealer Near-Prime Pilot Metrics

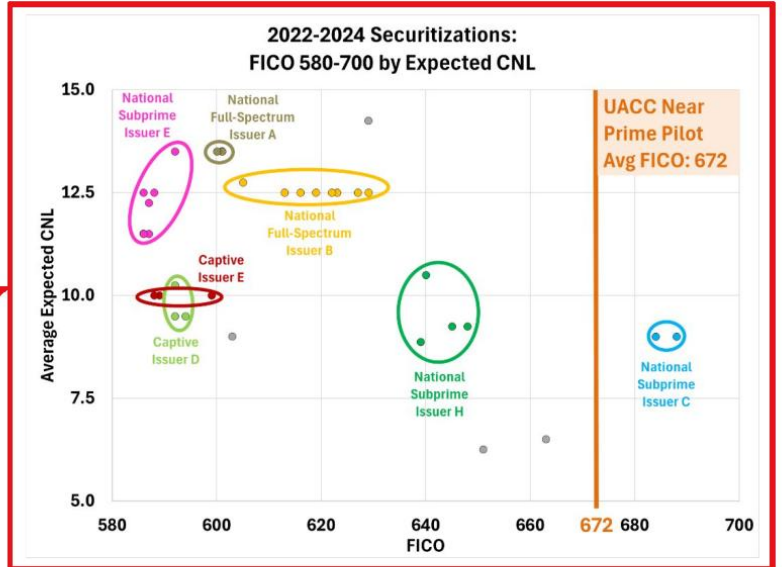
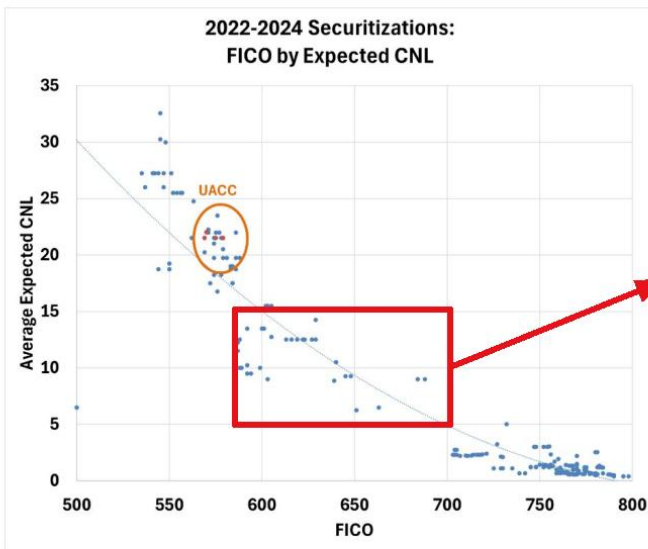


\*Vroom Near-Prime Program excludes first time buyers that are ineligible for the program.

Early results are positive and reflect better customer and vehicle mix relative to our traditional subprime program



# Near-prime CNL Opportunity



Source: S&P Global Ratings research reports for Auto Receivable Trusts for the periods of 2022-2024

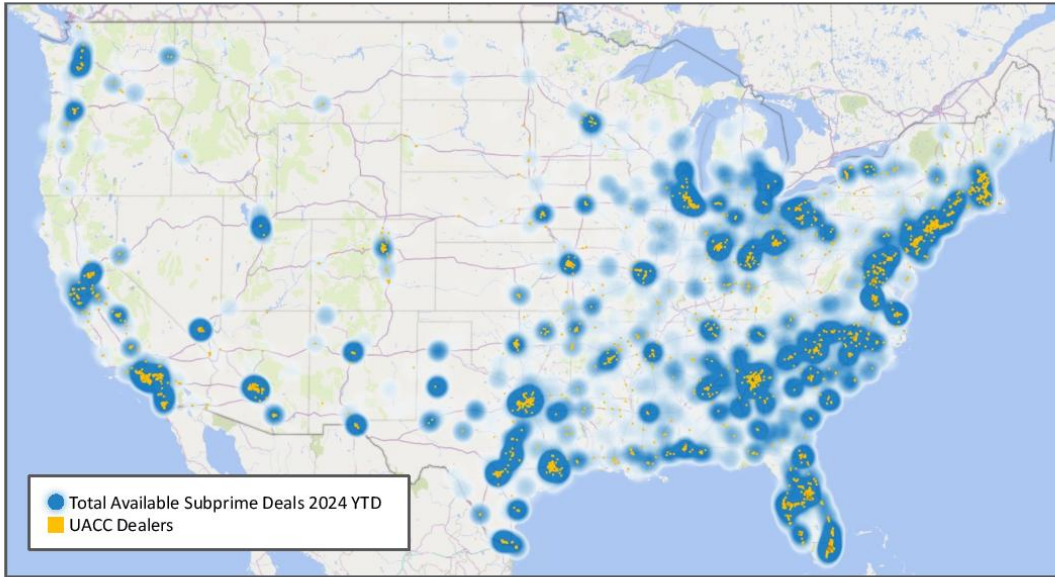
**Goal: Competitive expected CNL's**



# Strategic Initiative: Build a World Class Sales and Marketing Program



# National Presence with Local Focus



- National Presence: licensed in 49 states
- External sales team aligned with high-density markets
- Internal sales team focused on less dense markets

Source: Experian's Velocity data  
Note that dataset excludes Buy Here Pay Here dealers, unassigned lienholders, and Title Loan (refinance) lenders

**Aligning resources with density optimizes efficiency and allows for scalability**



# Building a World Class Sales & Marketing Program

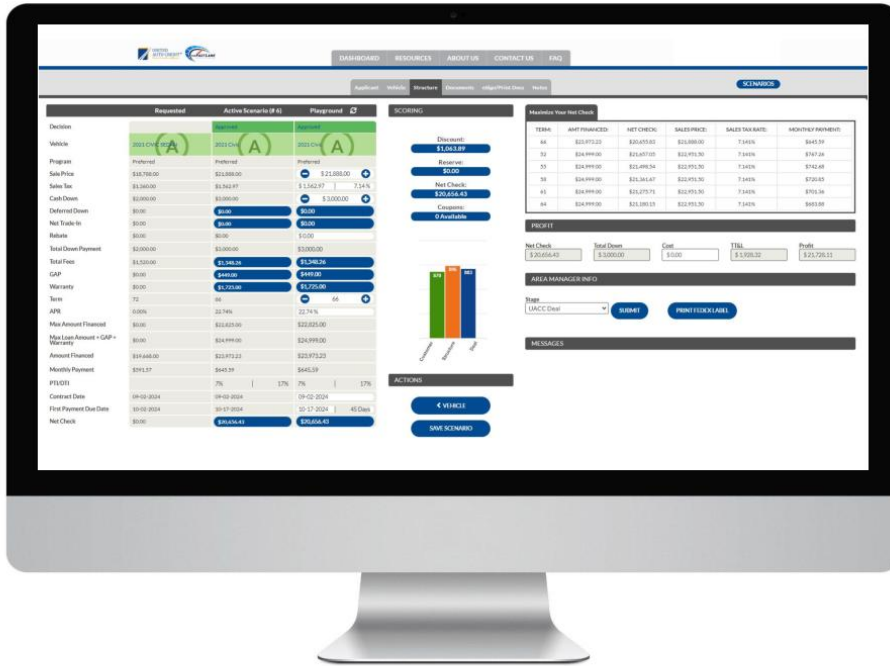
	In Process / Enabled	Short Term	Longer Term
Market Alignment	New market definitions and team alignment	Utilize market data to drive growth and provide focus	
Sales Compensation & Performance	Tighter alignment of goals and compensation Data specialization to guide team	Balance current and longer term performance	Sales performance scorecard revamp
Marketing Program		Increased data utilization in targeted marketing efforts	Comprehensive strategy to drive dealer commitment
Dealer Loyalty & engagement	Provide exclusive CarStory data and insights Dealer portal improvements	Full loyalty program to drive dealer engagement and performance	Continued portal enhancements
Dealer Performance	Expanded programs to drive higher value customers	Details and recommendations to improve performance	Dealer performance scorecard revamp

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Attract & retain the best dealers and drive deeper dealer engagement to enable growth



# The Fast Lane



- ✓ 24/7 access for dealers to view and work applications
- ✓ Instant approvals after submitting customer and vehicle information
- ✓ Populate, print, and sign/e-sign contract documents
- ✓ Track contract progress with LIVE funding updates
- ✓ LIVE chat feature available to connect with funding

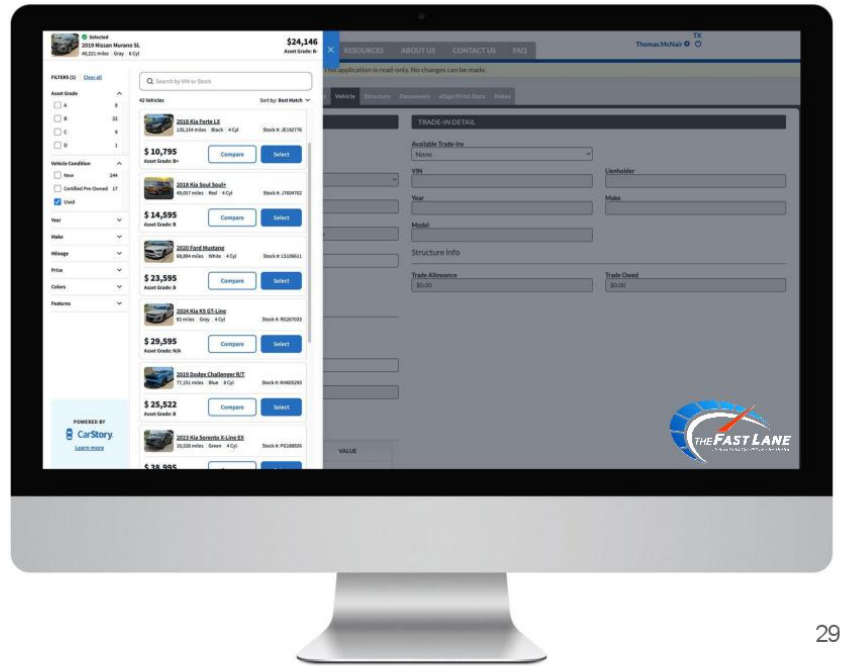
A portal built to provide the dealer with everything they need from application through contracting



# Dealer Inventory in The Fast Lane Launched June 2024

## Inventory integration provides:

- Seamless dealer experience with streamlined vehicle selection and bookouts
- Ability for dealers to improve their own profitability
- Inventory review and financial impacts at a granular level



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Increase credit app volume and drive dealer engagement with tools to improve their profits

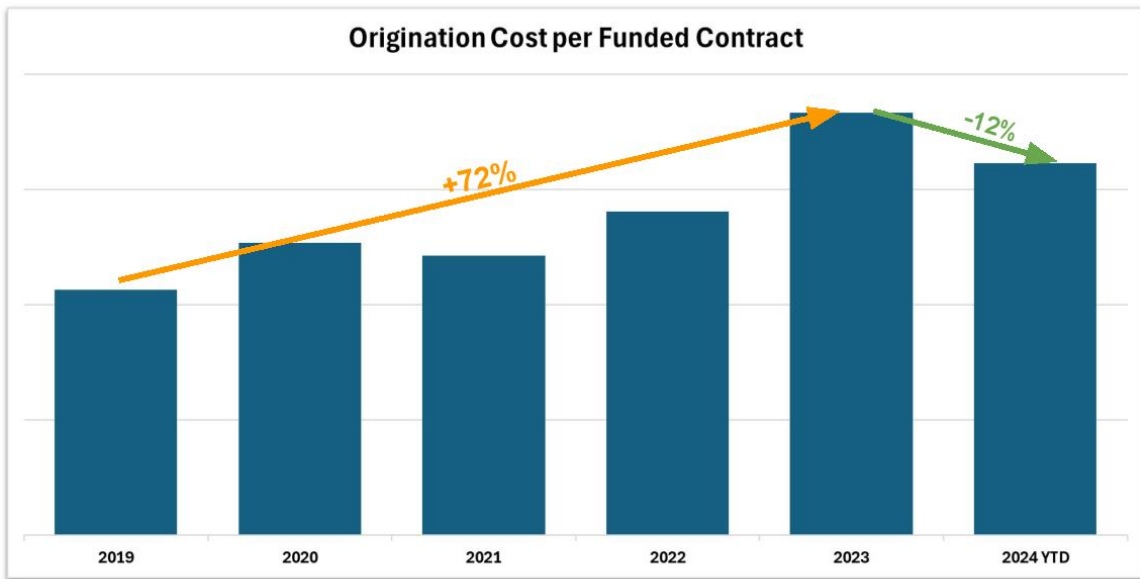




# Strategic Initiative: Build Operational Excellence in Originations



# Origination Cost per Funded Contract

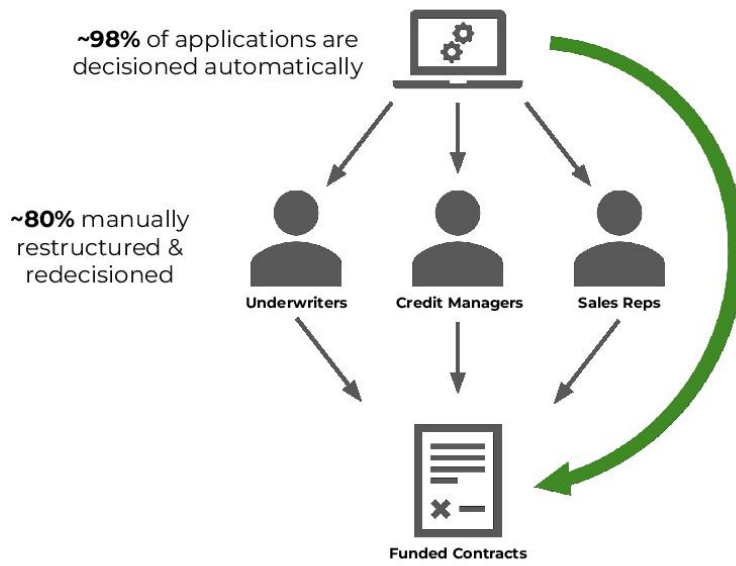


Note: Cost per funded contract represents origination cost as incurred in the period presented, assuming no capitalization of origination cost  
Funded contracts exclude Vroom originations

**Origination cost per funded contract increased 72% from 2019 to 2023**



# Originations are highly manual



## Opportunities to Streamline:

- Optimize automated credit decisions
  - Expand straight approvals / turndowns
  - Improve callback structure / pricing
  - Tailor callbacks to dealers' needs/preferences
- Provide dealers with better tools to quickly & easily self-serve

# Integrating Vroom Patent-Pending Title and Registration Product into UACC Funding Process

AI and computer vision used for classification, data extraction and object detection

## Automated Document Classification

Document Type: Drivers License  
Classification: Drivers License



## Automated Data Extraction

State: New York  
License Nbr: 123 456 789  
Name: Motorist, Michael M  
DOB: 10/30/1972  
Expiration Date: 10/30/2025

## Automated Signature Detection



Document Type: Electronic Signature Acknowledgement  
Task: Signature detection  
Actual: 3  
Expected: 3  
Status: Passed

Document Type: Insurance Card  
Classification: Proof of Insurance



State: Illinois  
Name: Doe, John A and Jane B  
Policy Nbr: 9999999999999999999  
Effective Date: 08/27/2024  
Expiration Date: 02/27/2025

Document Type: Pay Stub  
Classification: Proof of Income

ABC Employment Inc.		EARNINGS STATEMENT	
Employee	123456789	Period	09/01 - 09/18
Payroll	2000.00	Gross Pay	2000.00
Medical	100.00	Net Pay	1900.00
Retirement	50.00		
Other	0.00		
Total	2100.00		

Employer: ABC Employment Inc.  
Pay Period: 9/7 - 9/18  
Name: Doe, John  
Gross income: \$800.00  
Net Income: \$577.84



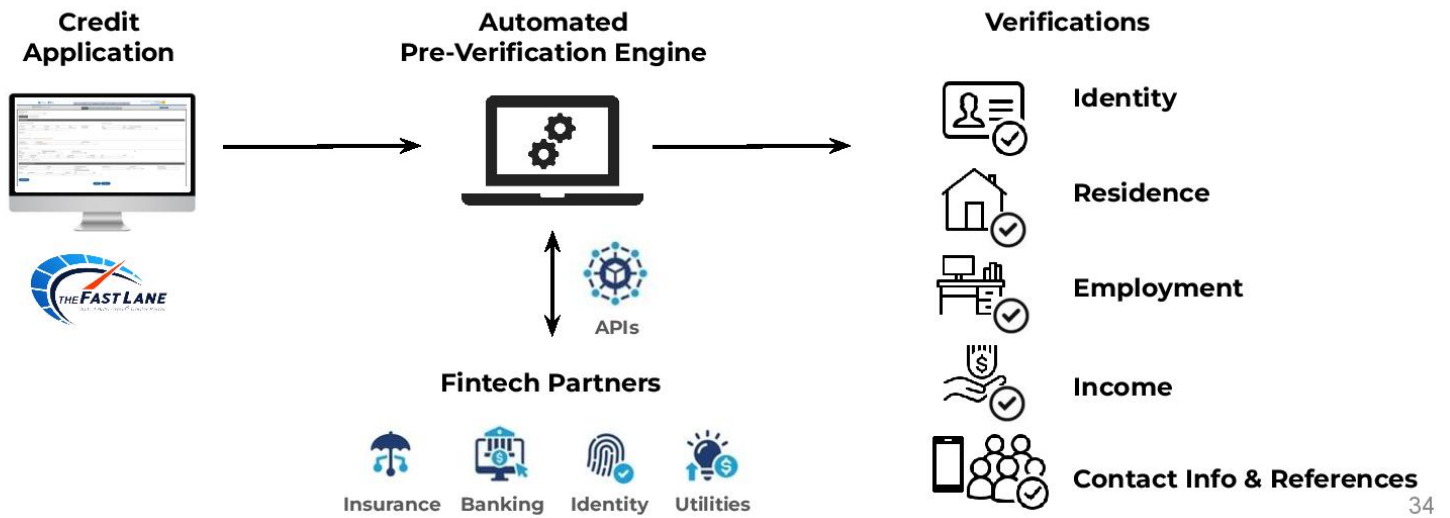
Document Type: Guaranteed Asset Protection Waiver  
Task: Signature detection  
Actual: 3  
Expected: 3  
Status: Passed

Reduce costs, improve accuracy, and reduce fraud



# Building Pre-Verification Automated Engine

Automated stipulation verification accelerates the funding process and gives dealers confidence that the applicant's information is correct



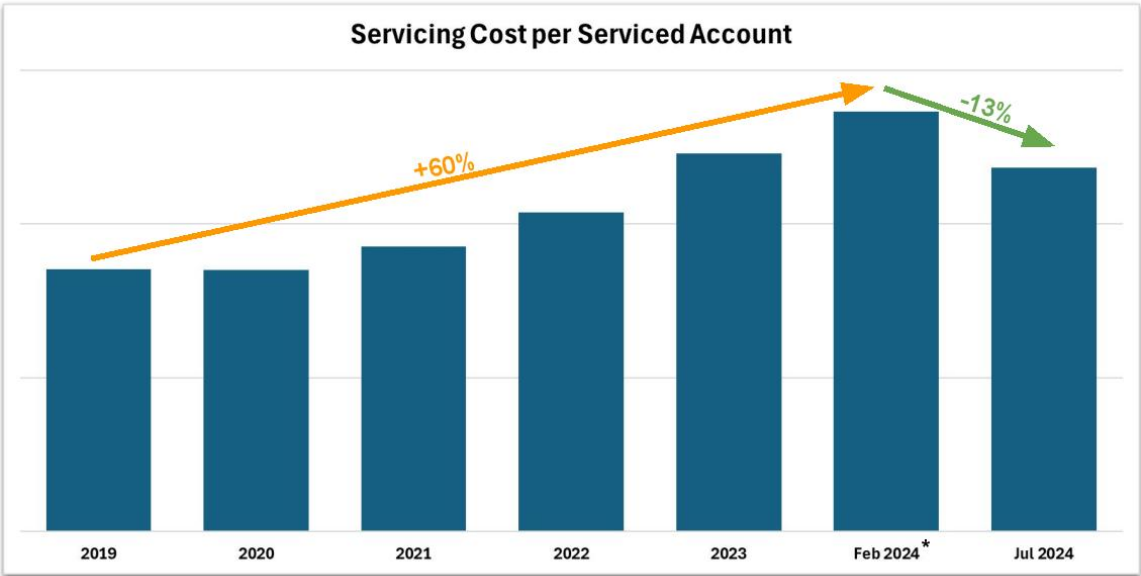
Pre-Verification improves dealer service, improves credit quality and increases capture rates



# Strategic Initiative: Build Operational Excellence in Servicing



# Servicing Cost per Serviced Account



\* Servicing headcount peaked in Feb 2024

Note: Cost per account includes compensation and operating expenses related to servicing activities

Servicing cost per serviced account increased 60% from 2019 to February 2024 

# Build Operational Excellence in Servicing

## Automated Decisioning

## Creating a Frictionless Experience



### Data Science Decisioning Models

- ★ Behavior Score (Account Treatment)
- ★ Repossession Timing
- ★ Customer Extensions
- ★ Vehicle Pricing
- ★ Vehicle Reconditioning

### Workflow & Account Management

- ★ Cycle-Based Account Assignment
- ★ Repo Vendor Assignments

### Digital Communications & Tracking

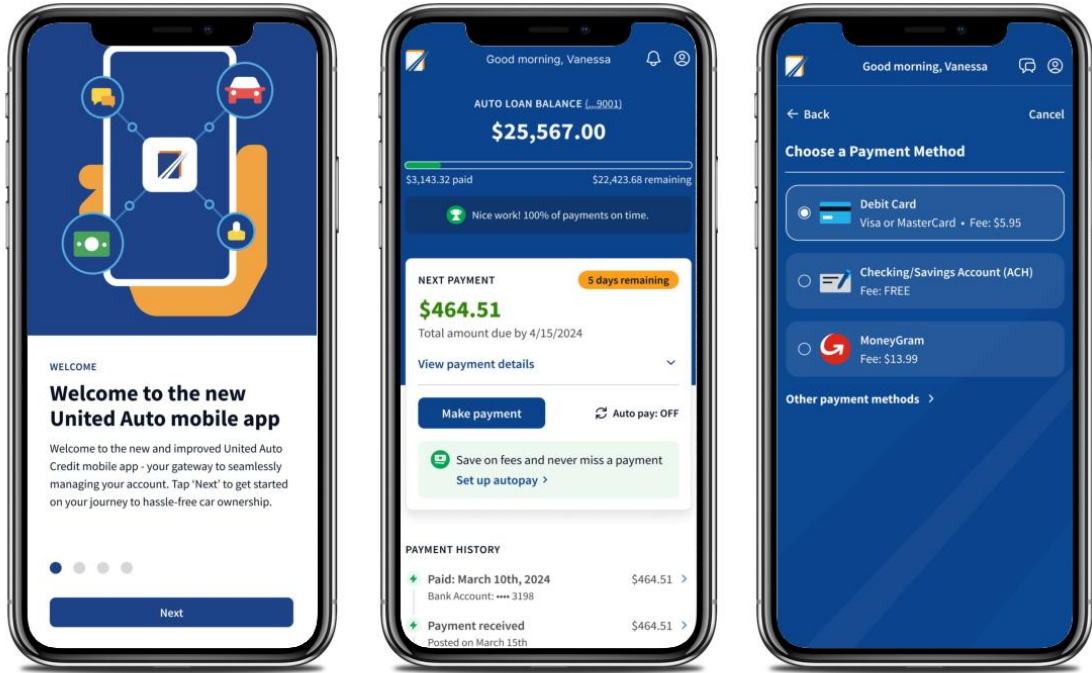
- ★ Consumer Mobile App
- ★ Expand Digital Campaigns
- ★ Wireless GPS Devices

### Payment Processing

- ★ Automatic Payment
- ★ Expand Payment Channel Options



# Native Consumer Mobile App Launched September 2024



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New channel for customer engagement and communication targeting on-time payments



# Strategic Plan Indicative Models



# Long-Term Strategic Plan Indicative Models

	Base Model	Growth Model	Aggressive Growth Model
Subprime Cumulative Net Loss (CNL)	Low 20's% (Pre-COVID Level)	High Teens (%)	Mid Teens (%)
Nearprime Cumulative Net Loss (CNL)	N/A	~10%	~10%
Origination Cost Per Funded Contract	Pre-COVID Level		
Servicing Cost Per Serviced Account	Pre-COVID Level	~10% below Pre-COVID	~15% below Pre-COVID
Subprime Program Mix	100%	~90%	~80%
Near-Prime Program Mix	<1%	~10%	~20%
Franchise Dealer Segment %	<1%	>1%	Grow Market Share
Leverage CarStory Real Market Price for Valuations	Leverage CarStory Vehicle Valuations in underwriting and servicing activities		
Dealer Portal Tech Investment	Integrate existing Vroom tech into platform	Build new tech into the platform	
Origination Growth CAGR	~2% - 4%	~15% - 20%	~25% - 30%
Gross Serviced Portfolio Size	~\$1 Billion	~\$2 Billion	~\$3-4 Billion
Long-Term Adjusted EBITDA % of Serviced Portfolio Target	~2.5% - 5.0%	~3.5% - 5.0%	~4.0% - 5.0%

Adjusted EBITDA % of Serviced Portfolio Target is a non-GAAP financial measure. See slide 2 for a definition of Adjusted EBITDA % of Serviced Portfolio Target. A reconciliation of Adjusted EBITDA % of Serviced Portfolio Target to the most directly comparable U.S. GAAP measure is not available on a forward-looking basis without unreasonable effort due to uncertainty regarding, and the potential variability of, the costs and expenses that may be incurred in the future.

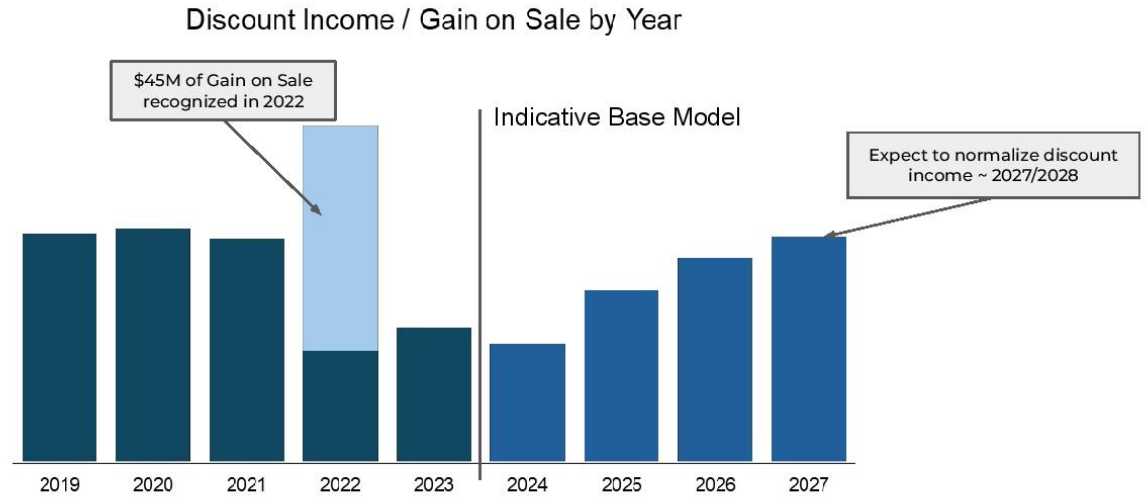
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**Base:** Return business to profitability

**Growth:** Grow share through near prime program, grow the Franchise segment, and deepen dealer relationships

**Aggressive Growth:** Based on success of strategic initiatives - accelerate growth

# Residual Sale Impacts Timing of Income Recognition

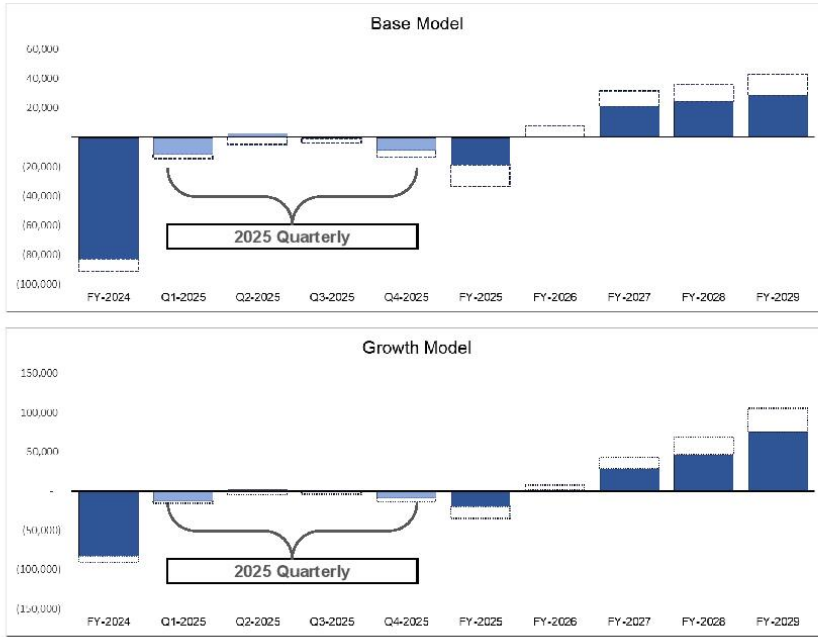


- Selling residuals for 2022 securitizations pulled forward discount income via gain on sale recognition
- Expect discount income amortization to normalize by 2027/2028




# Indicative Model Potential Adjusted EBITDA

values in 000s



- Potential to have positive Adjusted EBITDA for a quarter in 2025
- Potential to have positive Adjusted EBITDA in FY 2026
- Our models do not reflect
  - Potential interest rate reductions (**positive**)
  - Potential recession (**negative**)
  - Other potential macroeconomic, operational and competitive risks

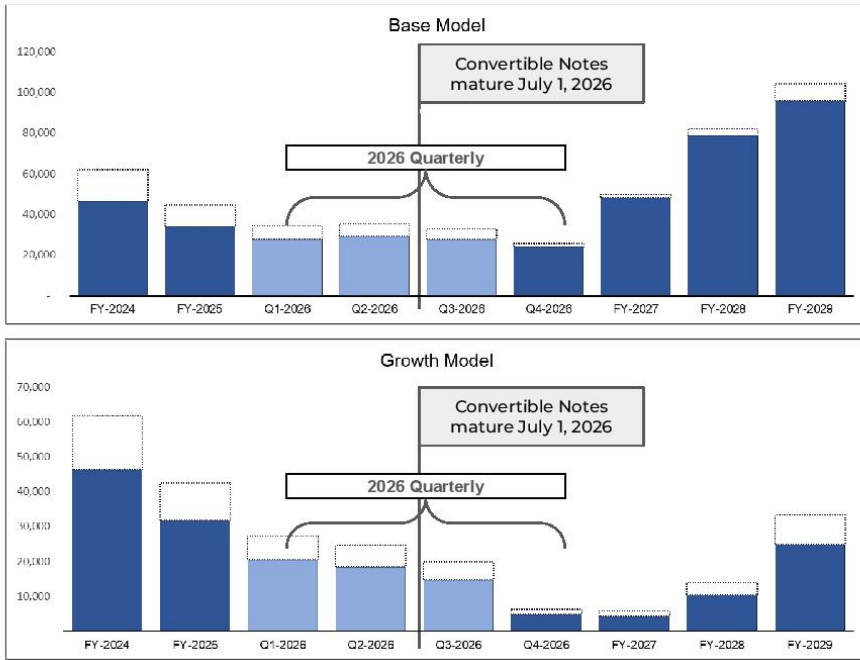
 Estimated range under respective indicative model

Each of the Base Model and Growth Model assumes the current interest rate environment (assuming no rate cuts or increases) and normal macroeconomic conditions (assuming no potential recession). EBITDA and Adjusted EBITDA are non-GAAP financial measures. See slide 2 for a definition of EBITDA and Adjusted EBITDA. A reconciliation of EBITDA and Adjusted EBITDA in this presentation to, in each case, the most directly comparable U.S. GAAP measure is not available on a forward-looking basis without unreasonable effort due to uncertainty regarding, and the potential variability of, the costs and expenses that may be incurred in the future



# Indicative Model Potential Unrestricted Cash and Excess Liquidity

values in 000s



- Represents Operating Capital which includes Unrestricted Cash and Excess Liquidity
- Does not take into account the Convertible Notes that mature July 1, 2026 subject to earlier repurchase, redemption or conversion (\$287.6 million aggregate principal amount of convertible senior notes outstanding, net of deferred issuance costs of \$2.9 million)
- We will continue to explore strategic options for addressing our outstanding Convertible Notes

Estimated range under respective indicative model

We define Excess Liquidity as cash that can be generated from the Warehouse Credit Facilities by pledging and borrowing against eligible finance receivables. Indicative potential unrestricted cash and Excess Liquidity only considers operating cash utilization and does not consider or reflect the maturation of Convertible Notes on July 1, 2026.

**The aggressive growth scenario would require raising additional operating capital**



# Thank You



