

Q3 2023 Business Update

November 7, 2023



Cautionary Note Regarding Forward-Looking Statements

Certain information contained in this presentation, other matters discussed today and answers that may be given in response to questions may include “forward-looking statements.” We may, in some cases, use terms such as “aim,” “anticipates,” “believes,” “could,” “estimates,” “expects,” “goal,” “guide,” “intends,” “may,” “might,” “plans,” “potential,” “predicts,” “projects,” “seeks,” “should,” “target,” “will,” “would,” or other words that convey uncertainty of future events or outcomes to identify these forward-looking statements. In particular, statements in this presentation regarding: expected completion of our acquisition of the remaining interest in CarOffer (the “Transaction”) and the timeframe in which this will occur; our transformation to a transaction-enabled platform; industry trends; our market awareness; our business and growth strategy and our plans to execute on our growth strategy; our ability to grow our business profitably and efficiently; the growth levers we expect to drive our business; our brand awareness efforts; our investments in and ability to drive adoption of new and existing products and their benefits; the attractiveness and value proposition of our current offerings and other product opportunities; our ability to maintain existing and acquire new customers; addressable opportunities; synergies that can be created from our combined offerings, including our ability to help dealers optimize margins; the potential growth, scaling and efficiency of CarOffer, as well as the value proposition of CarOffer’s business and expected transaction synergies; the potential growth and scaling of CarGurus Instant Max Cash Offer and our Digital Retail product opportunities; the impact of macro-level industry issues on our business and financial results; global and domestic economic conditions; statements regarding our future financial and business performance for the fourth quarter of 2023; and other statements regarding our plans, prospects and expectations, are examples of such forward-looking statements. You should not place undue reliance on these statements. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results to differ materially from those reflected in such statements, including, without limitation, risks related to: our growth and our ability to grow our revenue; our relationships with dealers; competition in the markets in which we operate; market growth; our ability to innovate; the possibility that certain closing conditions to the Transaction will not be satisfied; uncertainty as to whether the anticipated benefits of the Transaction can be achieved; risks of unexpected hurdles, costs or delays; the potential impact on our or CarOffer’s business due to the announcement of the Transaction; the occurrence of any event, change or other circumstances that could give rise to the termination of the definitive transaction agreement with CarOffer; our ability to realize benefits from our acquisitions and successfully implement the integration strategies in connection therewith; global supply chain challenges, increased inflation and interest rates, and other macroeconomic issues; the material weakness identified in our internal controls over financial reporting; changes in our key personnel; natural disasters, epidemics or pandemics; and our ability to operate in compliance with applicable laws, as well as other risks and uncertainties as may be detailed from time to time in our Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q and other reports we file with the U.S. Securities and Exchange Commission. These factors could cause actual results and developments to be materially different from those expressed in or implied by such statements. Forward-looking statements do not guarantee future performance and actual results may differ materially from those projected. The forward-looking statements are made only as of the date of this presentation, and we undertake no obligation to update such forward-looking statements to reflect subsequent events or circumstance.

This presentation also contains estimates and other statistical data, including those relating to our industry and the market in which we operate, that we have obtained or derived from internally-prepared studies and surveys, third-party studies, industry publications and reports, as well as other publicly available information prepared by a number of third-party sources. We rely on both internal data and Google Analytics for data relating to our own key business metrics and, for consistency, we rely on Similarweb and, as applicable, third-party studies for data relating to comparisons with our competitors. Google Analytics, Similarweb and applicable third-party studies use different methodologies to derive their data and therefore their data for similar statistics are not comparable. These third-party studies and industry publications and reports generally indicate that they have obtained their information from sources believed to be reliable, but do not guarantee the accuracy and completeness of their information. This information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to these estimates, as there is no assurance that any of them will be reached. Based on our experience, we believe that these third-party studies and industry publications and reports are reliable and that the conclusions contained therein are reasonable. In addition, you are cautioned not to rely on our extrapolations of internally-prepared studies and surveys and/or third-party studies, as these are estimates involving a number of assumptions and limitations, which we are unable to ensure will be reached.

In addition to the financial measures contained in this presentation that are prepared in accordance with U.S. Generally Accepted Accounting Principles (“GAAP”), this presentation includes certain non-GAAP financial measures and other business metrics. The presentation of non-GAAP financial information and other business metrics is not meant to be considered in isolation or as a substitute for the directly comparable financial measures prepared in accordance with GAAP. While our non-GAAP financial measures and other business metrics are an important tool for financial and operational decision-making and for evaluating our own operating results over different periods of time, we urge investors to review the reconciliation of the non-GAAP financial measures to the comparable GAAP financial measure included in the Appendix to this presentation, and not to rely on any single financial measure to evaluate our business.

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Consumers needed easy, trustworthy answers to their car shopping questions...

- 1 Where can I buy a car like this if it is not in my area?
- 2 How do I know if I'm getting the best financing?
- 3 Have others liked working with this dealer?
- 4 Can I complete some steps of the purchase online?
- 5 Can I sell my car for a fair price?

... And much more.



We created a listings platform to meet their needs... But consumer and dealer needs continued to change...



We became the #1 listings platform¹...



...But needs continued to change...



...So we created an unmatched end-to-end transaction-enabled platform

Proprietary vehicle data
IMV price comparison
Dealer and deal ratings
Largest selection of inventory²

86%

CG users want an in-person test³

70%

Auto shoppers prefer to do more from home³

80%

of sellers would be open to selling online³

Largest selection of vehicles in the U.S.²
Price comparisons
Financing from a marketplace of lenders
Maximized offers from thousands of competing dealers
Flexibility to complete transaction in store or online

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1. Source: SimilarWeb: Traffic Report, Q3 2023, USA
2. Compared to major online automotive marketplaces in the U.S., defined as CarGurus.com, Autotrader.com, Cars.com, and TrueCar.com; Based on YipitData as of September 30, 2023
3. 2022 CarGurus Consumer Insight Report (October 2022)

So, we transformed to meet the market...

We've built a full lifecycle transaction platform on top of the nation's largest marketplace

Largest Dealer Network¹

24.4k

U.S. Paying Dealers

Largest Consumer Audience of any Automotive Marketplace in the U.S.²

83.9M

U.S. Monthly Sessions



Transaction-Enabled Platform

5 ^{1.} Compared to major online automotive marketplaces in the U.S., defined as CarGurus.com, Autotrader.com, Cars.com, and TrueCar.com; Based on YipitData as of September 30, 2023
^{2.} SimilarWeb: Audience Report, Q3 2023, USA
^{3.} CarGurusTM Instant Max Cash Offer is also referred to as "Instant Max Cash Offer", "Instant Max", or "IMCO" in this presentation.

...While creating full lifecycle solutions for dealers and consumers

Linking wholesale and retail transactions more tightly for dealers through shared data on a single platform will [help dealers optimize margins](#)

Consumers are eager to transact with confidence as we earn their trust through [access to more inventory and price transparency](#)



Full lifecycle solutions are possible only through synergies between our Listings, Digital Wholesale, and Digital Retail capabilities

...And accelerating growth in multiple large TAMs

We have constructed a portfolio of products into a platform with stability, stickiness, and long growth runways



D2D WHOLESALE

TAM¹: **\$15B**
 2022 Rev: **\$320M**
 Mkt Share³: **2%**

MARKETPLACE

TAM¹: **\$3B**
 2022 Rev²: **\$659M**
 Mkt Share³: **22%**

IMCO

TAM¹: **\$400B**
 2022 Rev: **\$676M**
 Mkt Share³: **<1%**

DIGITAL RETAIL

TAM¹: **\$1T**
 2022 Rev²: **NA**
 Mkt Share: **NA**

Transaction-Enabled Platform

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 1. CarGurus estimates based upon third-party and internal data sources
 2. Marketplace revenue is inclusive of Digital Retail revenue for FY 2022
 3. Calculated as the total segment revenue presented above divided by the segment TAM presented.

The Combination of Listings, Digital Wholesale and Digital Retail Creates Powerful Synergies Unavailable Elsewhere



Bundling to drive stickiness with consumers and dealers

Sell My Car access

for CO + CG dealers

Pricing & packaging incentives

for CO + CG dealers to transact more on CO and buy premium listings tiers

Sales team collaboration

to bring dealers onto both platforms

Consumer

with incentives and discounts for using Sell My Car + Digital Retail



Operational efficiencies

Consolidated call center support

to serve Sell My Car and Digital Retail

Scalable logistics network

enabling D2D, Sell My Car, and potentially Digital Retail

Efficiencies on marketing spend

due to higher CLV from multiple monetization pathways

Marketplace



CarGurus Listings marketplace is a platform of scale with a ready-to-purchase consumer audience

Largest Consumer Audience Of Any Automotive Marketplace In The U.S.¹

U.S. average monthly visitors²

46.7M



33.3M+

Competitor 1

28.8M+

Competitor 2

10.5M+

Competitor 3



Shoppers are serious...

Each unique visitor spends more time on CarGurus than our leading competitors' sites³

30%

...more minutes per unique visitor than the next competitor

... And more likely to purchase

2.5x

more likely to be the last site consumers visit before they purchase⁴

Attracting dealers through industry leading consumer traffic

1. SimilarWeb: Audience Report, Q3 2023, USA
2. SimilarWeb: Traffic Report, Q3 2023, USA
3. SimilarWeb: Engagement Report, Q3 2023, US
4. 2022 CarGurus Consumer Insight Report (October 2022)

The combination of which delivers a strong ROI for dealers

Providing dealers the best investment

“ CarGurus has been the best investment for our dealership! The support team we have is amazing. They are always available when we need their help and they are always looking out for our best practices!”

Kristin Wood, Show Cars of Boca Raton
Medium Independent Dealer



Built on technology to deliver transparency



Where the shoppers are



Delivering strong ROI



A trusted partner to support dealer needs

Innovating to stay ahead of the curve & sell more efficiently...

New Products Driving Engagement, Insights, & Efficiency

Geographic Expansion

CarGurus RPM®

Sell My Car

Improve Engagement

- ✓ Meet shopper demand
- ✓ Expand market
- ✓ Grow shopper connections

Dealer

Dashboard/App

Unique Insights

- ✓ Optimize inventory management
- ✓ Pricing tool—VIN scan
- ✓ Lead AI

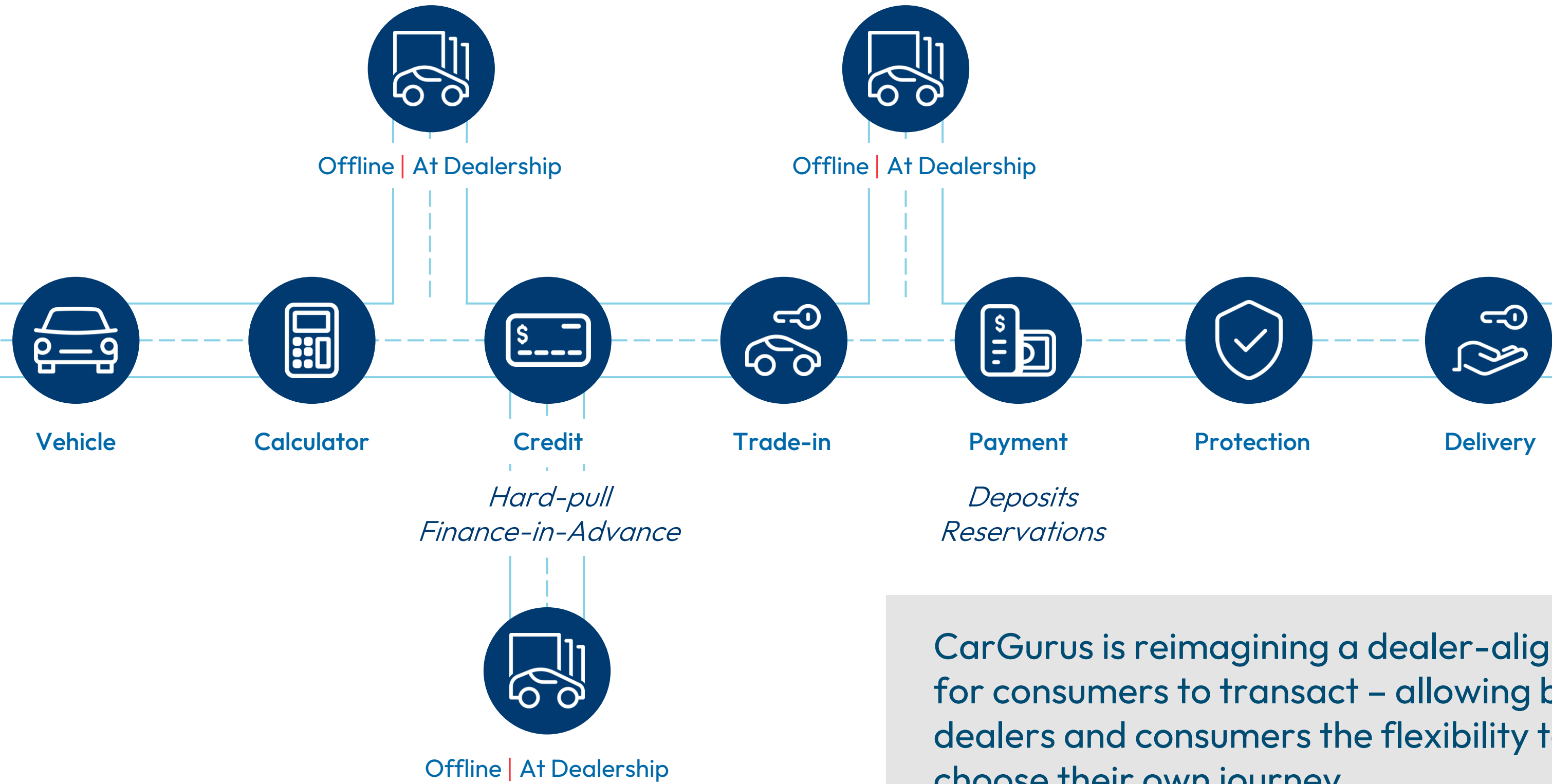
CarGurus

Digital Deal

Increase Efficiency

- ✓ Prioritize best leads
- ✓ Pre-qualify leads
- ✓ Support trade-ins

...And allowing dealers to flexibly serve the consumer



CarGurus is reimagining a dealer-aligned way for consumers to transact – allowing both dealers and consumers the flexibility to choose their own journey

Introducing Sell My Car – Top Dealer Offer

Top Dealer Offer empowers consumers to get highly competitive offers and to choose between selling their vehicle at a local dealership or selling 100% online and provides dealers with another source for used inventory and high-intent shoppers

- 1 Dealer set parameters to generate bids**
- 2 Consumer presses the “Sell My Car” button**
- 3 Lead is submitted to the winning dealer**
- 4 Consumer receives offers and accepts their choice**

Congratulations, you got an offer!


Your winning offer
\$18,324

Offer valid until 04/28/2023


2014 Toyota Sequoia Limited Sport Utility 4D
VIN: 5TDJW5G15ES103966 | Mileage: 92,798


This offer is from the listed participating dealer (and not CarGurus or its affiliate). Dealer inspection required. Based on the dealer inspection, the offer amount may shown be decreased. CarGurus and its affiliates are not responsible for offer adjustments or if a participating dealer won't accept your vehicle. Dealers pay a fee to participate in this program. Terms and Conditions apply.

Next steps


 Sell at the dealership


ABC Motors


 We connected you with the dealer with the best offer.



2 Kia Sorento 2020 - 2023 available at this location

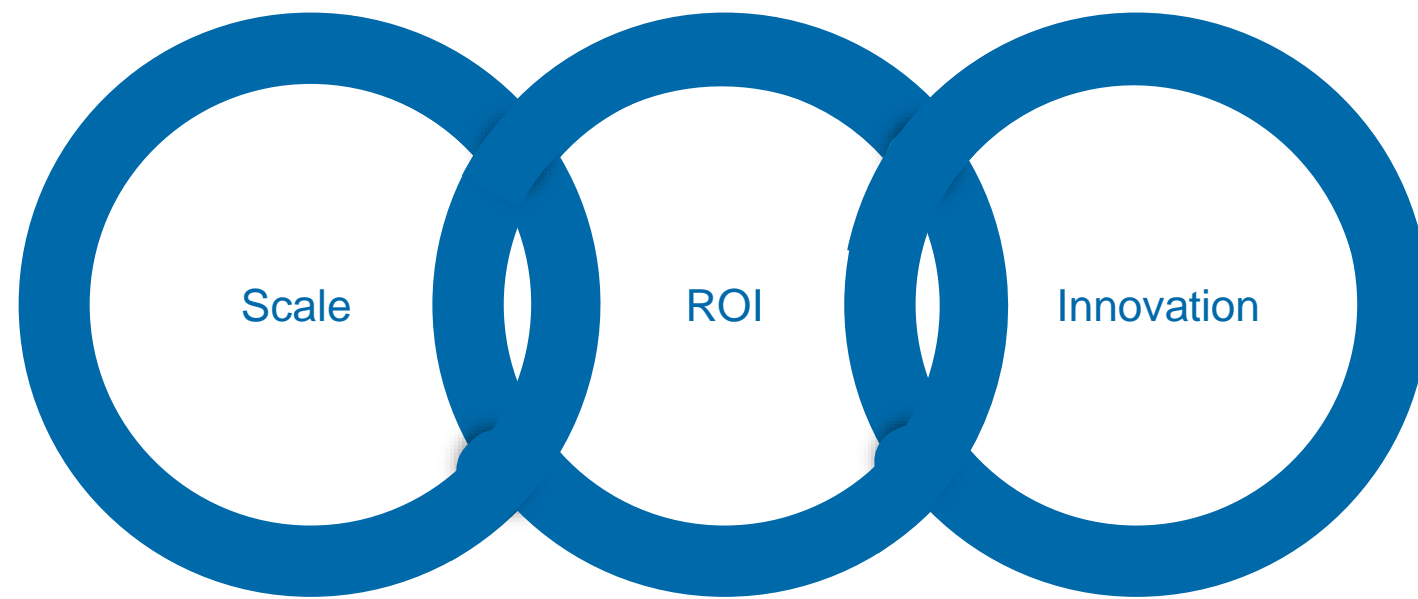
 Visit website

 (555) 555-5555

 12 miles away

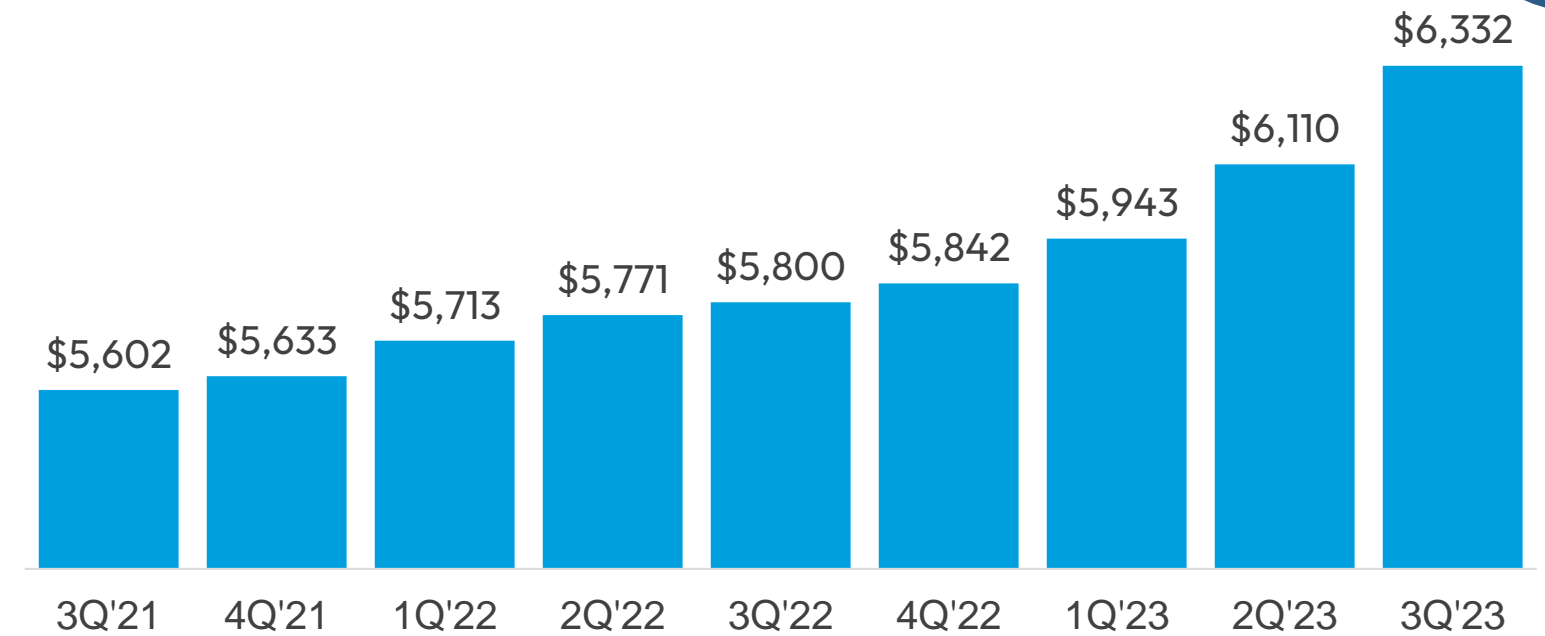
Resulting in our leading position

A Unique Combination

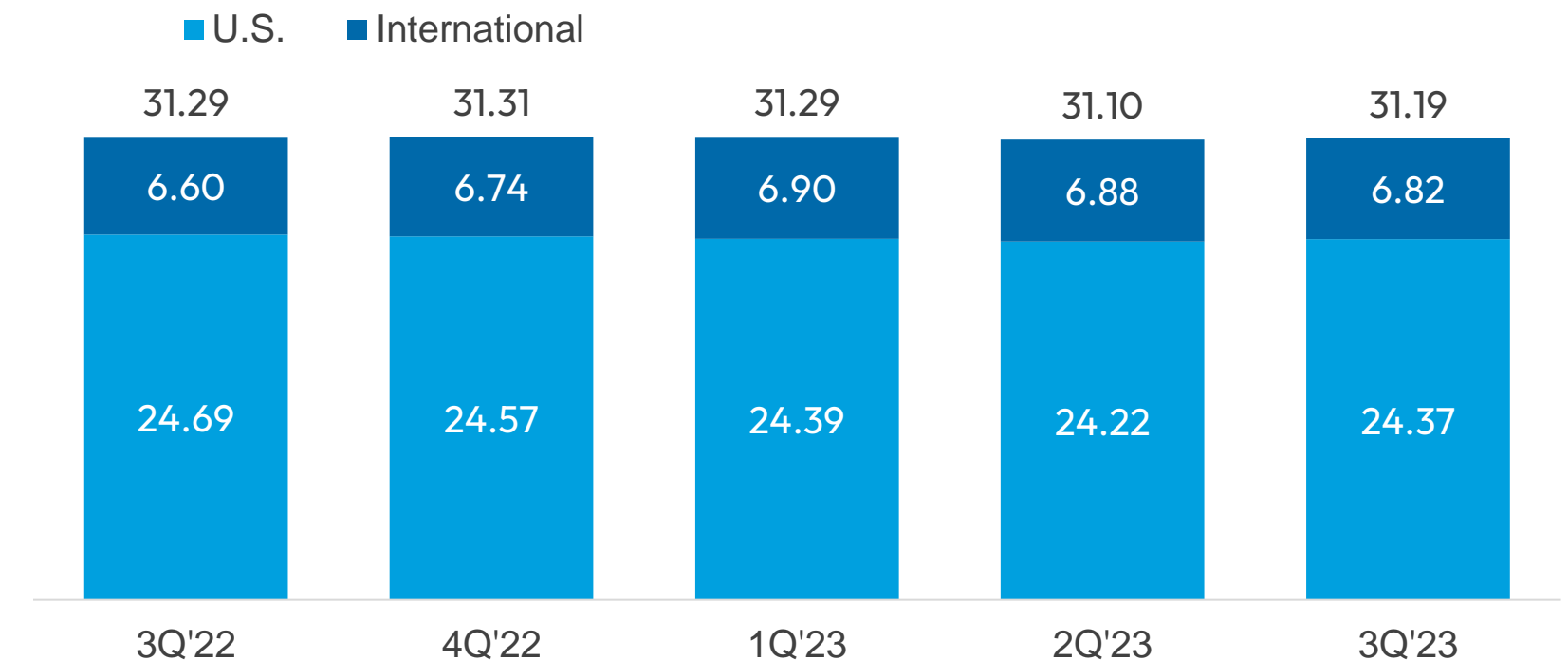


- Largest inventory & selection²
- Largest dealer network²
- Proprietary IMV
- Unique dealer ratings
- Rigorous deal ratings
- Customer-focused sort order

U.S. QARSD¹



Paying Dealers (thousands)¹

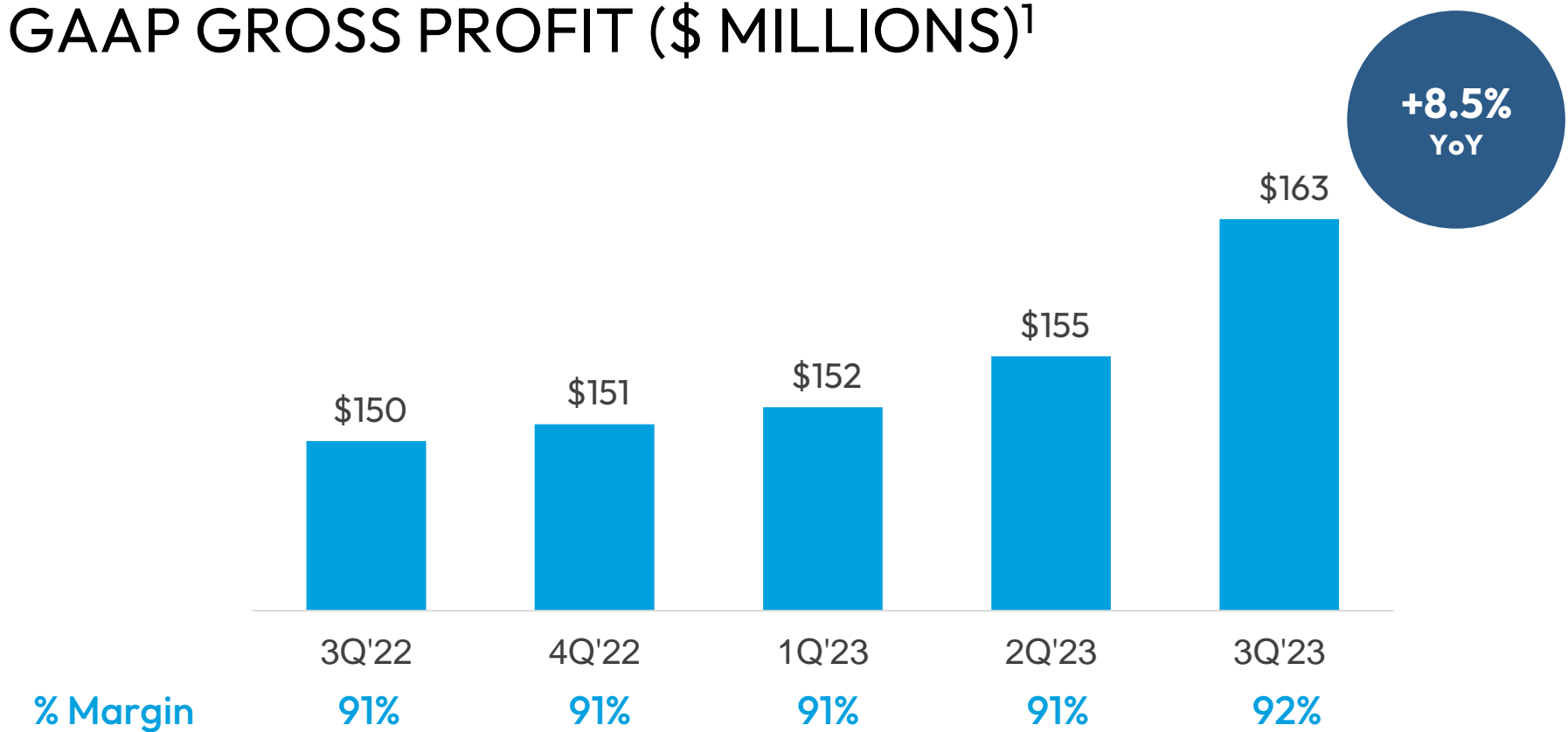


Marketplace (U.S. Segment & Other) Select Financials

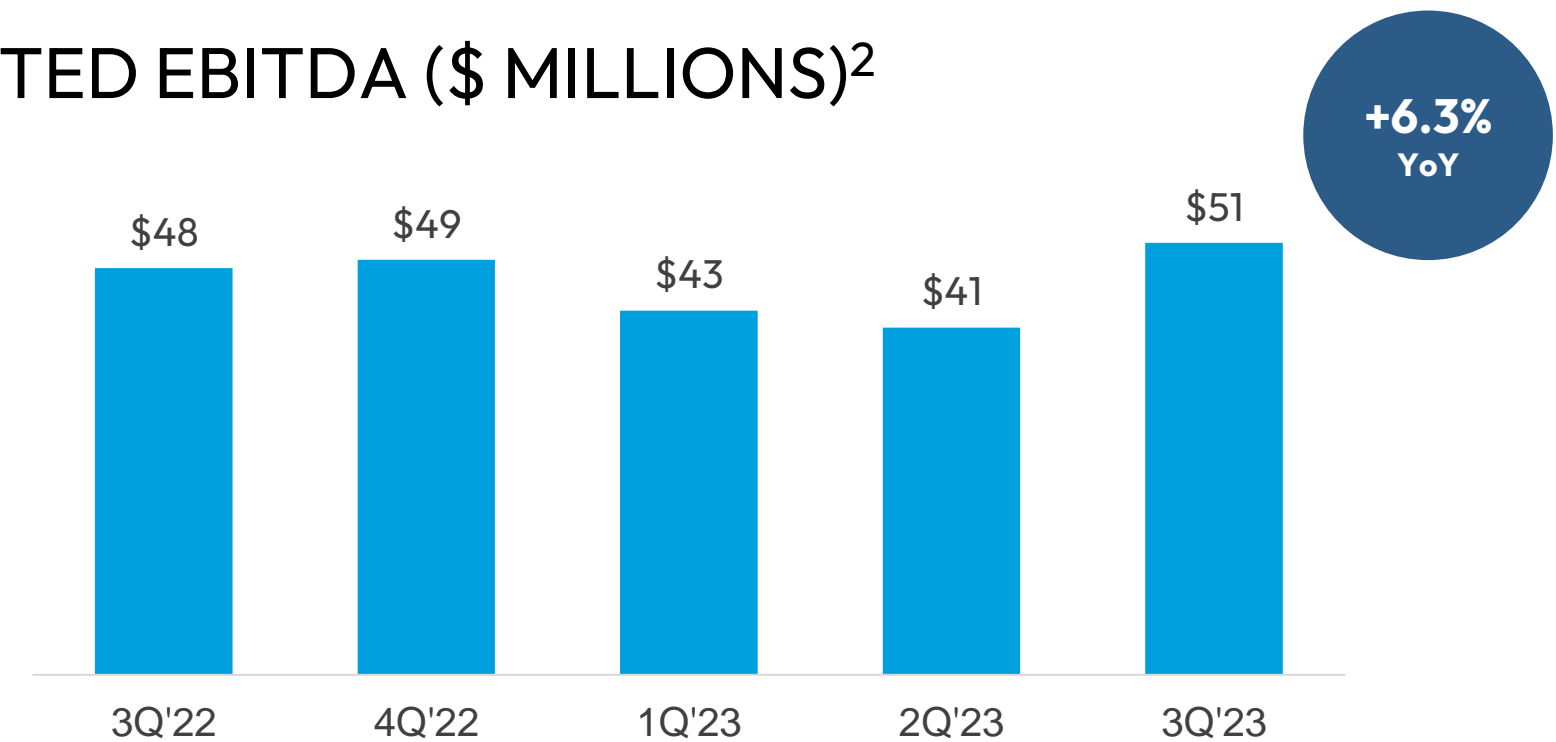
REVENUE (\$ MILLIONS)



GAAP GROSS PROFIT (\$ MILLIONS)¹



ADJUSTED EBITDA (\$ MILLIONS)²



1. For the year ended December 31, 2022, Marketplace (U.S. Segment & Other) Gross Profit reflected certain Dealer-to-Dealer and IMCO related capitalized website development amortization incurred by the U.S. Marketplace segment. During the three months ended March 31, 2023, the Company updated Marketplace (U.S. Segment & Other) Gross Profit to exclude certain Dealer-to-Dealer and IMCO related capitalized website development amortization incurred by the U.S. Marketplace segment and accordingly updated three months ended March 31, 2022, June 30, 2022, September 30, 2022 and December 31, 2022 for comparative purposes.

2. Please see the Appendix to this presentation for a reconciliation of these non-GAAP measures

Digital Wholesale



Sell My Car: Instant Max Cash Offer—offering dealers the only direct to consumer channel at scale

Access to unique inventory is a differentiator for any wholesale platform

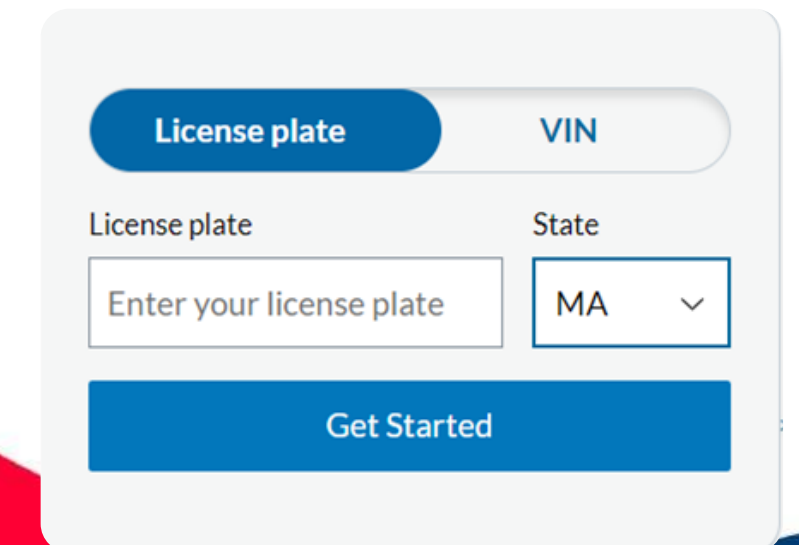
“ Like most dealerships today, we are leaving no stone unturned when it comes to inventory acquisition strategies, and the CarGurus Instant Max Cash Offer feature has opened up a stream of access to consumer-owned vehicles.”

Imed Chahed, GM at McGee Pre-Owned Superstore.

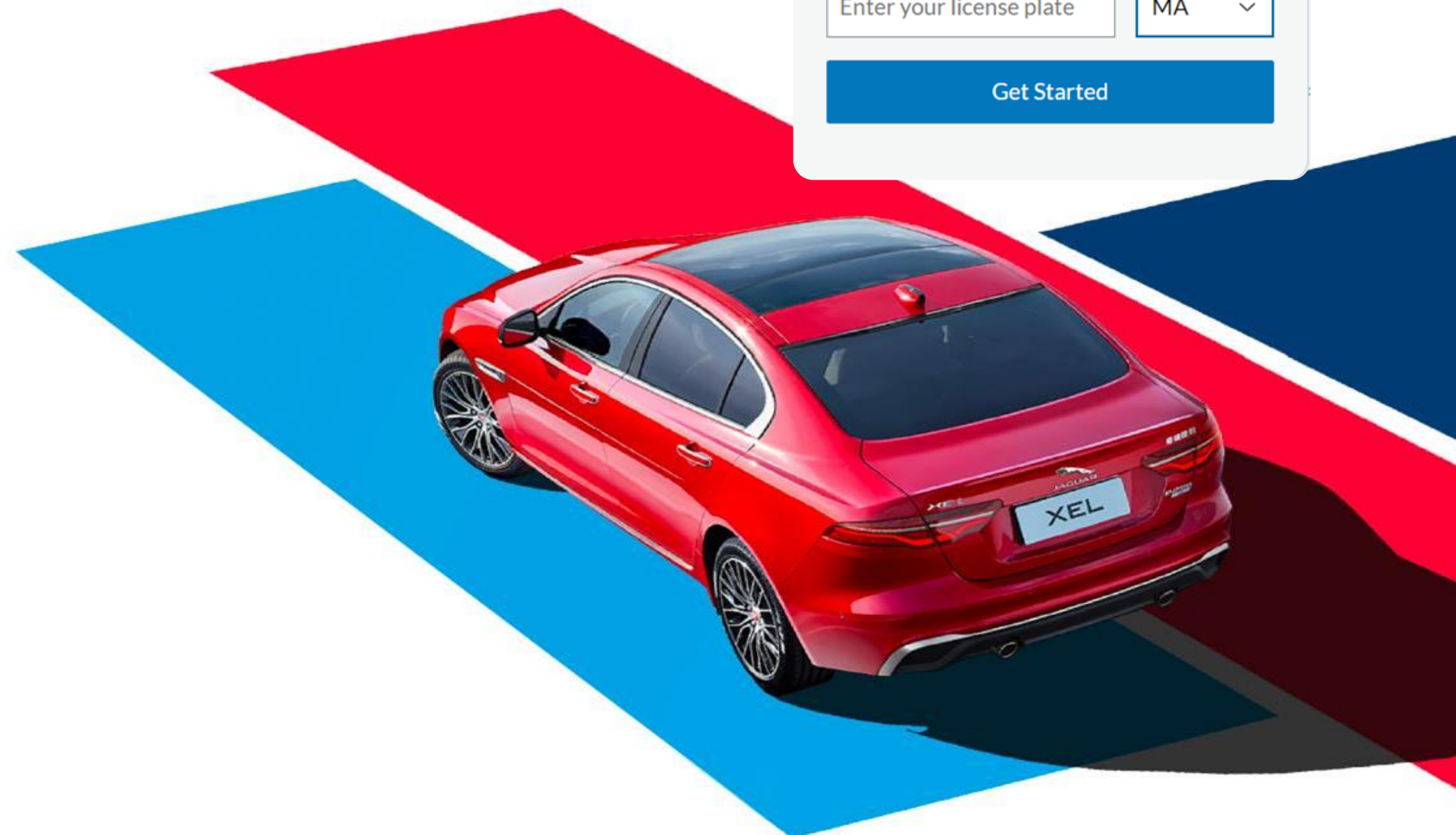
Sell your car 100% online

Get the *best offer instantly*, sourced from thousands of dealers

Get your offer



The screenshot shows a web form for getting a cash offer. At the top, there are two tabs: 'License plate' (which is selected) and 'VIN'. Below the tabs, there are two input fields: 'License plate' with the placeholder text 'Enter your license plate' and 'State' with a dropdown menu currently showing 'MA'. At the bottom of the form is a blue button labeled 'Get Started'.



CarOffer Platform: sustainably differentiated



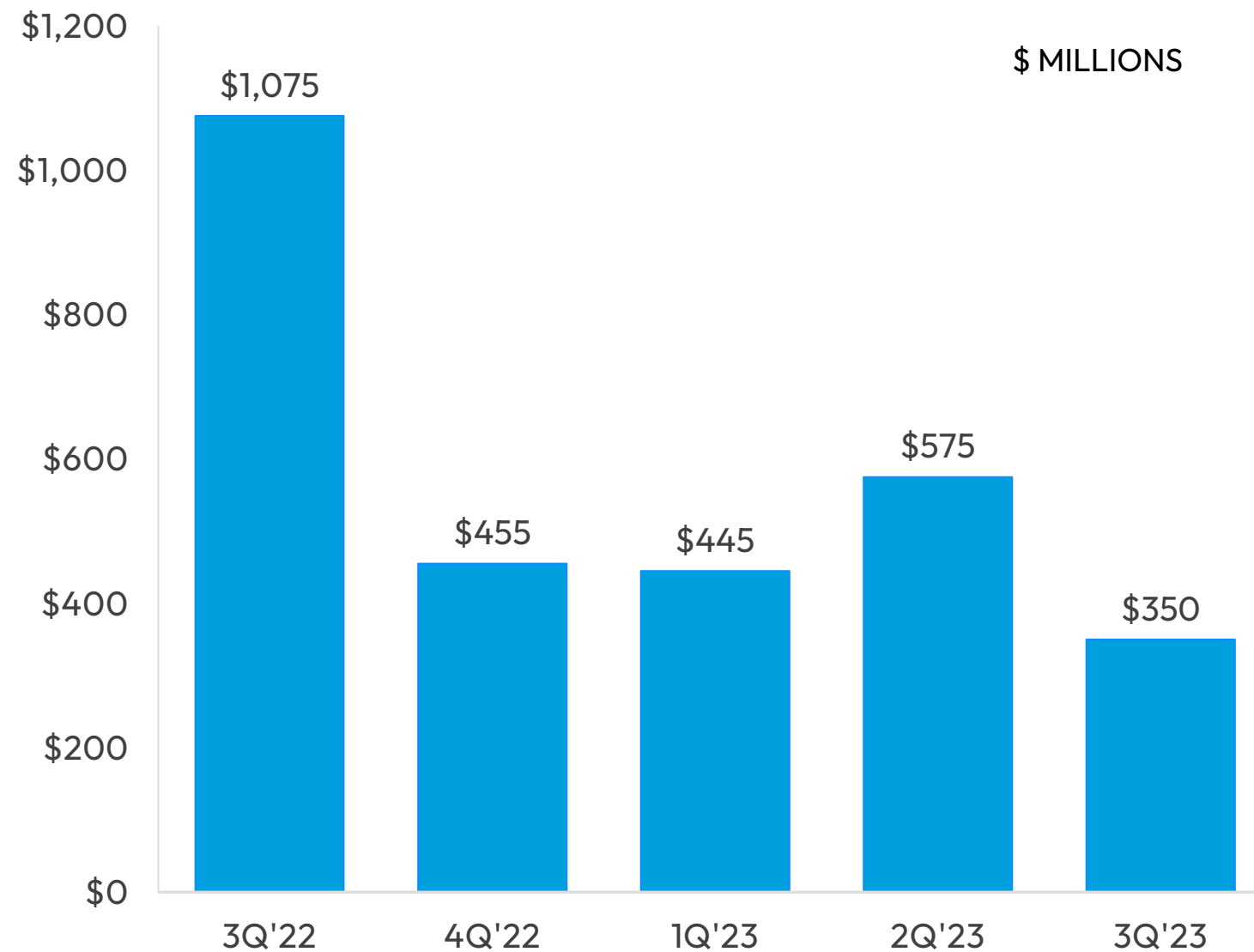
When you're an independent dealer, your time is spent mostly sourcing vehicles...Every piece of inventory we purchase, we have to go find—and the key to that is CarGurus and CarOffer. Combining forces has given CarOffer the secret weapon, and that is they can use the Instant Market Value of CarGurus to help us dealers source vehicles.”

Jerad King, General Manager of King Buick GMC

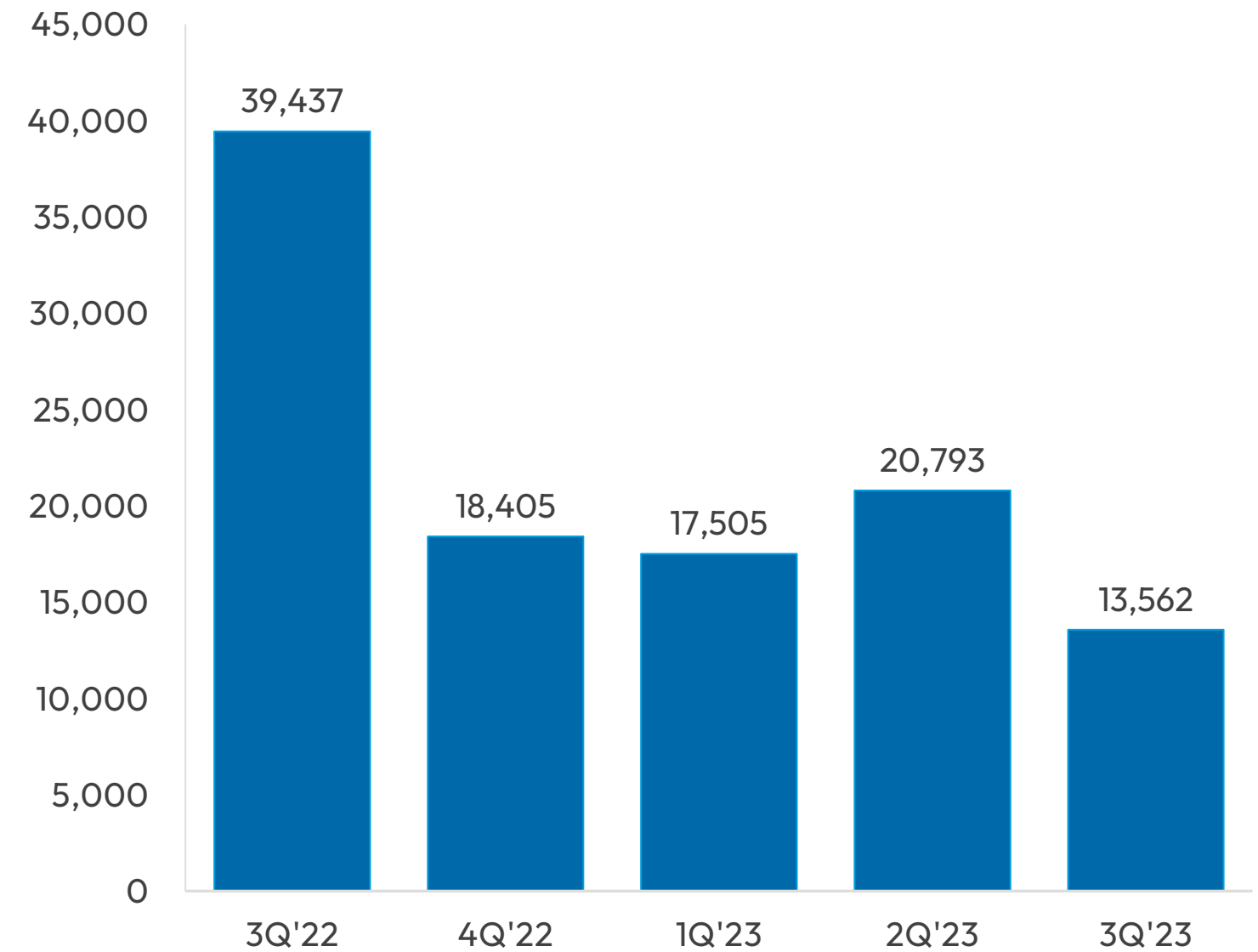
Efficient automatic inventory offers 24/7	Always on 24/7 matrix	No geographic boundaries, nationwide transactions	Capital-efficient inspections, transportation and payment
Enhanced sophistication	150,000+ active-matrix rules, trim/option matching	Matrix intelligence	
Scalable	Integrated wholesale-retail indices	Only consumer-to-dealer sourcing integration	

Digital Wholesale: GMS & Transactions

Gross Merchandise Sales (GMS)^{1 3}



Total Transactions^{2 3}



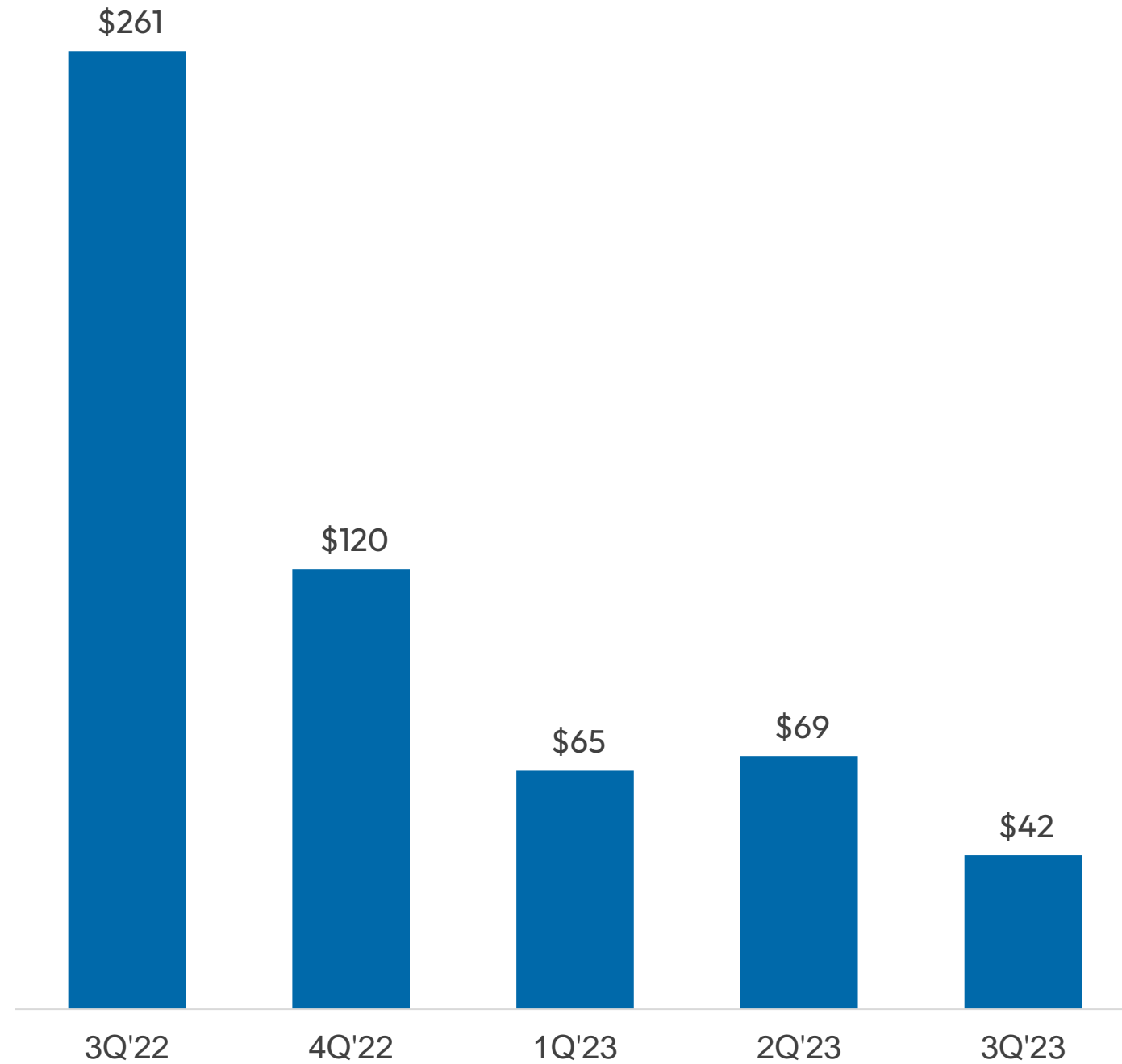
1. We define Gross Merchandise Sales (GMS) as the aggregate recorded vehicle cost remitted to the selling entity, excluding all fees and other charges associated with the Transactions, as separately defined, within the applicable period. We do not believe GMS is a KPI because the selling price of the vehicle is not material to assessing the health of and forecasting volume on our platform. GMS figures are rounded down to the closest \$5 million increment.

2. We define Transactions within the Digital Wholesale segment as the number of vehicles processed from car dealers, consumers, and other marketplaces through the CarOffer website within the applicable period. Transactions consists of each unique vehicle (based on vehicle identification number) that reaches "sold and invoiced" status on the CarOffer website within the applicable period, including vehicles sold to car dealers, vehicles sold at third-party auctions, vehicles ultimately sold to a different buyer, and vehicles that are returned to their owners without completion of a sale transaction. We exclude vehicles processed within CarOffer's intra-group trading solution (Group Trade) from the definition of Transactions, and we only count any unique vehicle once even if it reaches sold status multiple times.

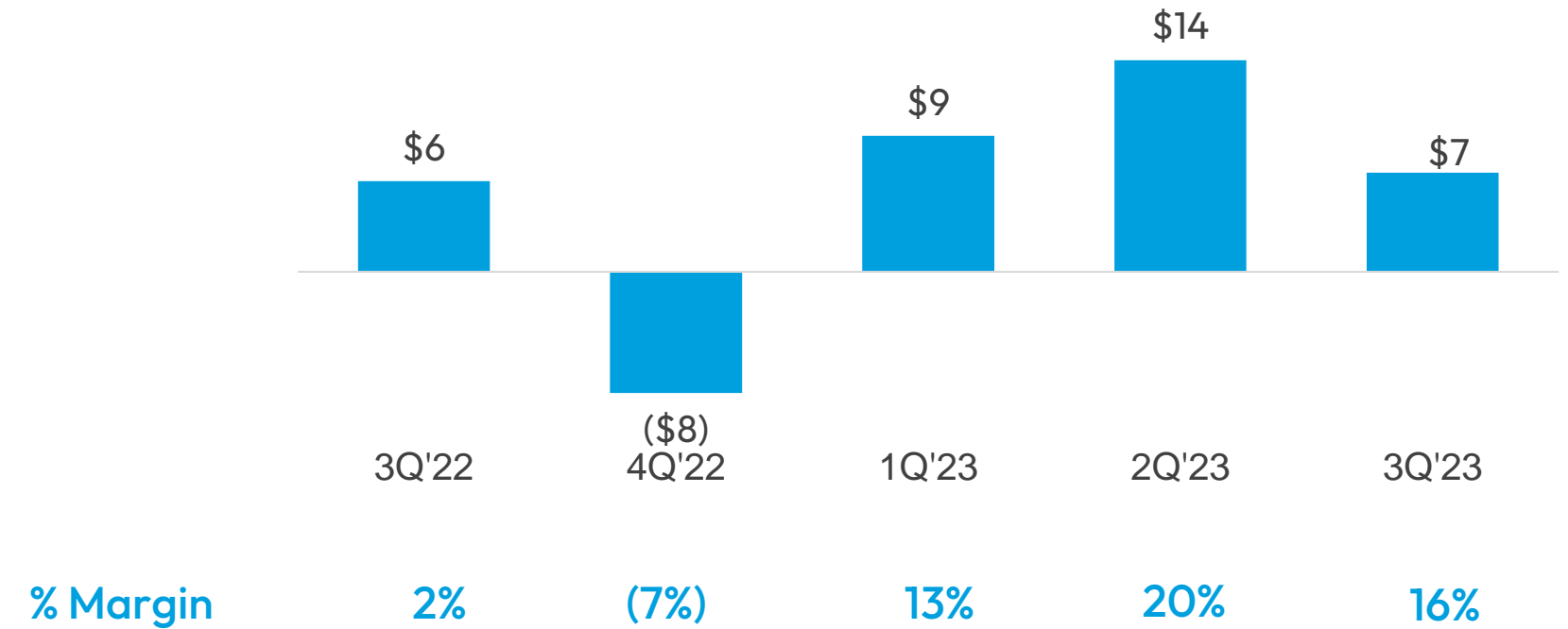
3. In prior periods, we calculated CarOffer Total Transactions as each unique vehicle that reached a particular "final destination" rather than our current methodology for calculating Transactions of counting each unique vehicle that reached "sold and invoiced" status. Under the prior period methodology, the count for a given period could change due to an adjustment in transaction status in a subsequent period. We believe the current methodology for calculating Transactions provides a more consistent and re-creatable measure. Relatedly, our prior period GMS calculations used underlying CarOffer Total Transaction counts based on the "final destination" methodology. We also calculated our prior period GMS as the aggregate recorded vehicle cost "paid to seller". Our current GMS calculation is based on the updated Transactions methodology and is calculated as the aggregate recorded vehicle cost remitted to the selling entity, which we believe results in a more consistent and re-creatable measure.

Digital Wholesale Select Financials

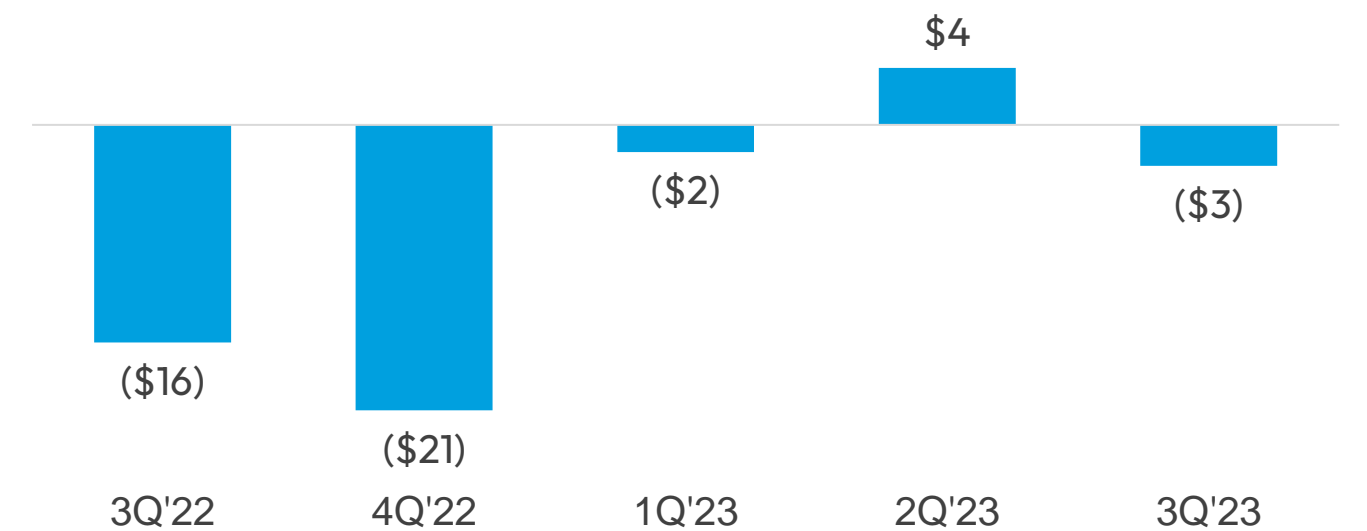
REVENUE (\$ MILLIONS)



NON-GAAP GROSS PROFIT (LOSS) (\$ MILLIONS)^{1,2}



ADJUSTED EBITDA (\$ MILLIONS)^{1,2}



1. Please see the Appendix to this presentation for a reconciliation of these non-GAAP measures
 2. The figures presented for non-GAAP gross profit and Adjusted EBITDA above are not intended to align with how such terms are used in connection with call and put rights under the CarOffer Operating Agreement (as defined in our Annual Report on Form 10-K as of December 31, 2022, filed on March 1 2023), which in each case are calculated in accordance with the defined terms and subject to the adjustments set forth therein.

Consolidated Financial Overview

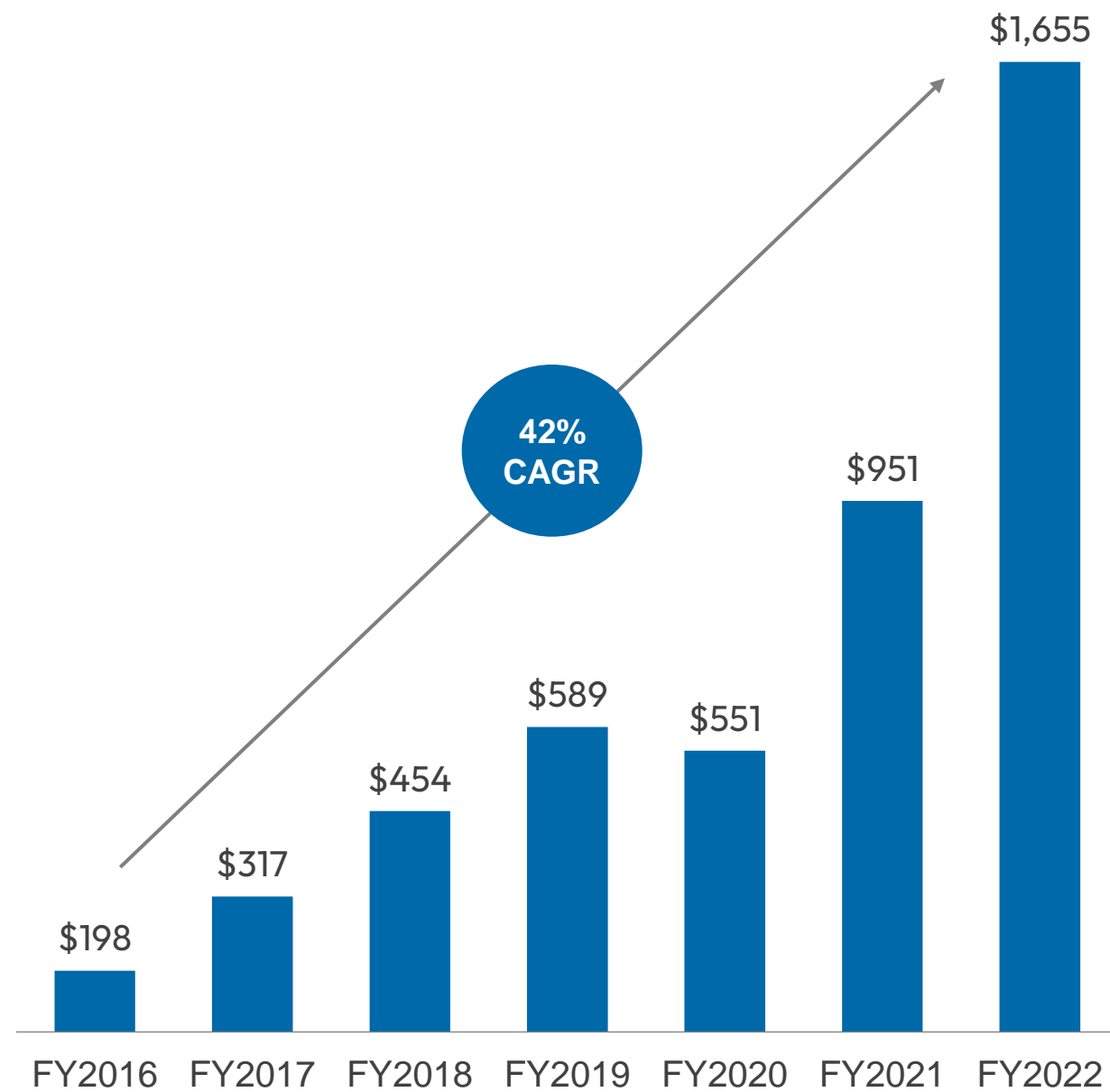


CarGurus financial highlights

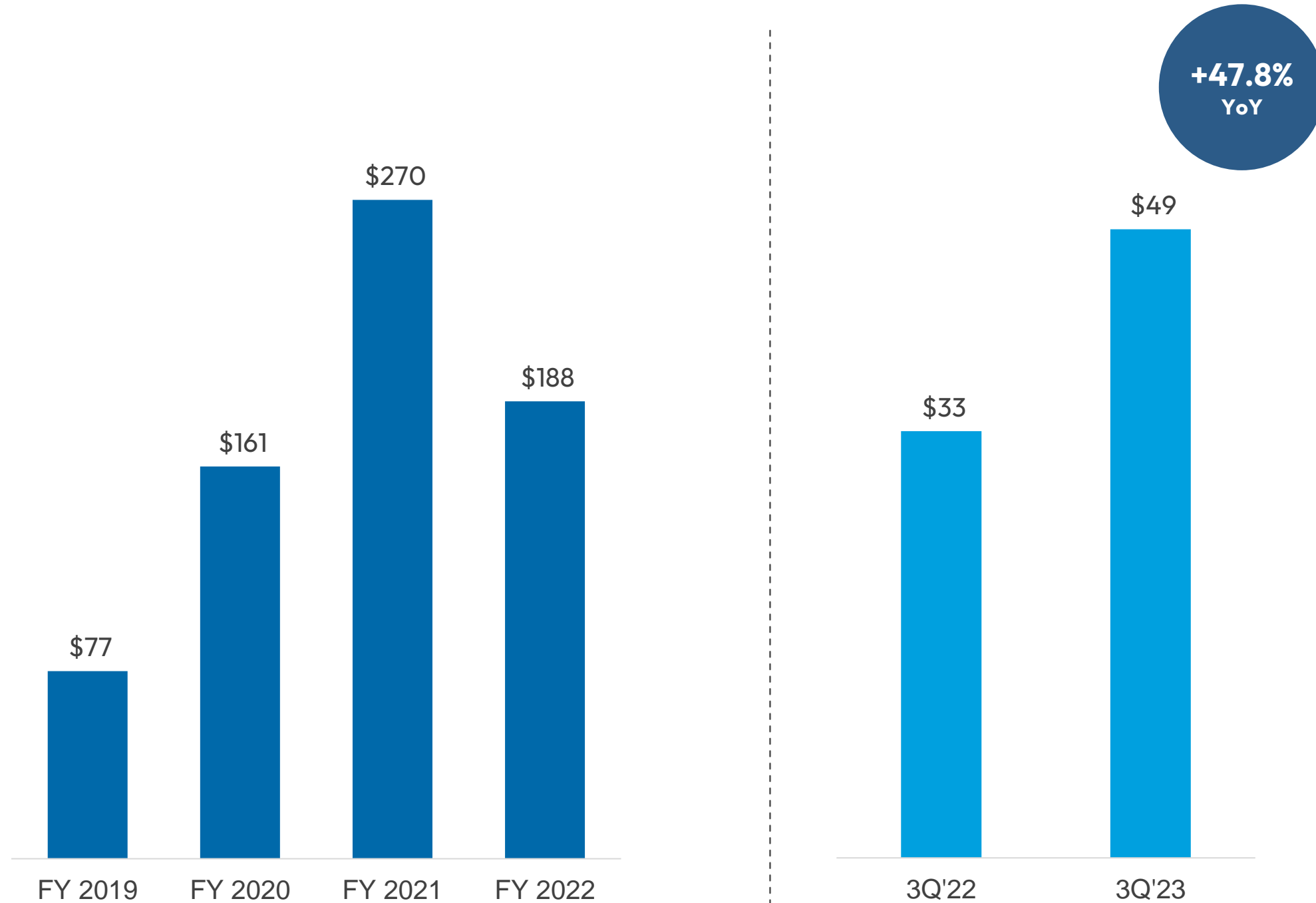
- 1 Strong track record of **revenue growth** in large total addressable markets
- 2 End-to-end transaction-enabled Marketplace allows for **platform diversity**
- 3 Proven operating leverage and **profitability**
- 4 Attractive **free cash flow** generation
- 5 **High quality revenue**: diversified customer base, transactional & subscription revenue

Financial Performance

CONSOLIDATED REVENUE (\$ MILLIONS)



CONSOLIDATED ADJUSTED EBITDA (\$ MILLIONS)¹



1. Please see the Appendix to this presentation for a reconciliation of these non-GAAP measures

Fourth Quarter & Full-Year 2023 Outlook

	4Q'23	FY 2023
Total Revenue	\$208 million - \$228 million	\$899 million - \$919 million
Product Revenue	\$12 million - \$22 million	\$108 million - \$118 million
Non-GAAP Consolidated Adj. EBITDA	\$46 million - \$54 million	\$181 million - \$189 million
Non-GAAP Earnings Per Share	\$0.30 - \$0.33	\$1.19 - \$1.22

The fourth quarter and full-year 2023 non-GAAP EPS calculation assumes 113.5 million diluted weighted-average common shares outstanding.

The assumptions that are built into guidance for the fourth quarter and full-year 2023 regarding our pace of paid dealer acquisition, churn, and expansion activity for the relevant period are based on recent market behaviors and industry conditions. Guidance for the fourth quarter and full-year 2023 excludes macro-level industry issues that result in dealers and consumers materially changing their recent market behaviors or that cause us to enact measures to assist dealers. Guidance also excludes adjustments to the carrying value of redeemable noncontrolling interests resulting from potential changes in the redemption value of such interests, and any potential impact of foreign currency exchange gains or losses.

CarGurus has not reconciled its guidance of non-GAAP consolidated adjusted EBITDA to GAAP consolidated net income or non-GAAP consolidated EPS to GAAP consolidated EPS because the reconciling items between such GAAP and non-GAAP financial measures, which include, as applicable, stock-based compensation, amortization of intangible assets, impairment of long-lived assets, depreciation expenses, non-intangible amortization, other income (net), the provision for income taxes, income tax effects, and adjustments to the carrying value of redeemable noncontrolling interests resulting from changes in the redemption value of such interests, cannot be reasonably predicted due to, as applicable, the timing, amount, valuation and number of future employee equity awards, and the uncertainty relating to the timing, frequency and effect of acquisitions and the significance of the resulting acquisition-related expenses, including adjustments to the carrying value of redeemable noncontrolling interests resulting from potential changes in the redemption value of such interests, and therefore cannot be determined without unreasonable effort.

CarOffer Acquisition

Transaction Summary

Business	Acquisition of remaining interest in CarOffer
Terms & Valuation	\$75M all-cash acquisition
Financing	Fully financed with cash on hand
Closing	Purchase agreement executed on November 6, 2023 Closing expected to occur in December 2023 ¹
Prior Steps	Step 1: \$140.3M (50% stock, 50% cash) 51% Stake Jan 2021 Step 2: Passed on option 2H 2022

Compelling Strategic Rationale

- 1 Provide synergistic platform benefits for consumer and dealer customers
- 2 Accelerate new product opportunities for our end-to-end platform
- 3 Recognize operational synergies of integrated platform sooner
- 4 Serve the full consumer vehicle-buying lifecycle
- 5 Bundling opportunities to drive stickiness with consumers and dealers
- 6 Reduce future uncertainty about deal timing and valuation

Appendix

Understanding our external presentation...

Income Statement Presentation

Marketplace

- Listings Subscription Packages
- RPM Digital Advertising Suite, Highlight
- OEM Advertising
- Digital Retail: Area Boost, Finance Partnerships, Digital Deal, Other Digital Retail Pilots
- NEW: Sell My Car – Top Dealer Offer

Product

Q3'23 REVENUE: \$19.8M

- Sell My Car - Instant Max Cash Offer
 - Cost of the vehicle including transportation to landed dealer
 - Buy fees, including 24 Hour, Match and Buy, and Buy-It-Now
- Sales Allowance - Product
- Arbitration (possess ownership)¹
 - IMCO Extended Arbitration Fees
 - IMCO Concessions/Goodwill

Wholesale

Q3'23 REVENUE: \$21.7M

- D2D Transactions
 - Buy/Sell fees, including 24 Hour, Match and Buy, and Buy-It-Now
- Vehicles Purchased Through Other Marketplaces
- Sales Allowance - Wholesale
- OfferGuard, 45-Day Guarantee
- ConsumerLane, Arbitration (rematched to dealers)¹
 - D2D Extended Arbitration Fees & D2D Concessions/Goodwill
- Transportation (excluding landed dealer) and Inspection for D2D and IMCO

Business Unit Presentation

Marketplace

- Listings Subscription Packages
- RPM Digital Advertising Suite, Highlight
- OEM Advertising
- Digital Retail: Area Boost, Finance Partnerships, Digital Deal, Other Digital Retail Pilots
- NEW: Sell My Car – Top Dealer Offer

Instant Max Cash Offer

Q3'23 REVENUE: \$18.2M

- Sell My Car - Instant Max Cash Offer
 - Cost of the vehicle
 - Buy fees, including 24 Hour, Match and Buy, and Buy-It-Now
- Sales Allowance - IMCO
- IMCO OfferGuard
- All IMCO Arbitration
 - IMCO Extended Arbitration Fees
 - IMCO Concessions/Goodwill
- All IMCO Transportation and Inspection

Dealer-To-Dealer

Q3'23 REVENUE: \$23.3M

- D2D Transactions
 - Buy/Sell fees, including 24 Hour, Match and Buy, and Buy-It-Now
- Vehicles Purchased Through Other Marketplaces
- Sales Allowance - D2D
- D2D OfferGuard, 45-Day Guarantee
- ConsumerLane
- All D2D Arbitration
 - D2D Extended Arbitration Fees & D2D Concessions/Goodwill
- All D2D Transportation and Inspection

Reconciliations of non-GAAP Digital Wholesale Gross Profit (Loss) and non-GAAP Digital Wholesale Gross Profit (Loss) Margin

(\$ thousands)	3Q'22	4Q'22	1Q'23	2Q'23	3Q'23
GAAP Wholesale Revenue	\$ 47,045	\$ 23,659	\$ 25,186	\$ 31,952	\$ 21,735
GAAP Product Revenue	214,100	96,838	39,650	36,835	19,775
GAAP Digital Wholesale Revenue	\$ 261,145	\$ 120,497	\$ 64,836	\$ 68,787	\$ 41,510
GAAP Wholesale Cost of Revenue ¹	41,789	29,957	22,068	24,428	21,284
GAAP Product Cost of Revenue	218,924	104,127	39,382	35,694	19,014
GAAP Digital Wholesale Cost of Revenue	\$ 260,713	\$ 134,084	\$ 61,450	\$ 60,122	\$ 40,298
GAAP Digital Wholesale Gross Profit (Loss)	432	(13,587)	3,386	8,665	1,212
Impact of Amortization of Intangible Assets in Digital Wholesale Cost of Revenue	5,250	5,250	5,250	5,250	5,250
Impact of Stock-Based Compensation Expense in Digital Wholesale Cost of Revenue	109	(3)	68	103	108
Non-GAAP Digital Wholesale Gross Profit ² (Loss)	\$ 5,791	\$ (8,340)	\$ 8,704	\$ 14,018	\$ 6,570
GAAP Digital Wholesale Gross Profit (Loss) Margin	0%	(11%)	5%	13%	3%
Non-GAAP Digital Wholesale Gross Profit (Loss) Margin ³	2%	(7%)	13%	20%	16%

1. For the year ended December 31, 2022, Digital Wholesale Gross Profit did not reflect certain Dealer-to-Dealer and IMCO related capitalized website development amortization incurred by the U.S. Marketplace segment. During the three months ended March 31, 2023, the Company updated Digital Wholesale Gross Profit to reflect certain Dealer-to-Dealer and IMCO related capitalized website development amortization incurred by the U.S. Marketplace segment and accordingly updated three months ended June 30, 2022, September 30, 2022 and December 31, 2022 for comparative purposes.

2. We define Non-GAAP Digital Wholesale Gross Profit as the difference between GAAP Digital Wholesale Revenue and GAAP Digital Wholesale Cost of Revenue adjusted for the impacts of Amortization of Intangible Assets and Stock-Based Compensation Expense in GAAP Digital Wholesale Cost of Revenue. We believe this non-GAAP financial measure presented in this Investor Deck provides useful information that will allow investors to evaluate our operating performance.

3. We define Non-GAAP Digital Wholesale Gross Profit Margin as Non-GAAP Digital Wholesale Gross Profit divided by GAAP Digital Wholesale Revenue. We believe this non-GAAP financial measure presented in this Investor Deck provides useful information that will allow investors to evaluate our operating performance.

Reconciliations of Marketplace (U.S. Marketplace Segment & Other) Adjusted EBITDA

(\$ thousands)	3Q'22	4Q'22	1Q'23	2Q'23	3Q'23
U.S. Marketplace Segment Income from Operations	\$ 34,660	\$ 35,608	\$ 26,539	\$ 24,619	\$ 33,285
Other Loss from Operations	(2,405)	(2,506)	(1,255)	(574)	1,462
GAAP Marketplace (U.S. Marketplace Segment & Other) Income from Operations ¹	\$ 32,255	\$ 33,102	\$ 25,284	\$ 24,045	\$ 34,747
Impact of Depreciation and Amortization ¹	2,763	3,180	2,883	2,966	3,136
Impact of Impairments of Long-Lived Assets	-	-	-	9	-
Impact of Stock-Based Compensation Expense	13,425	12,669	14,396	14,058	13,614
Marketplace (U.S. Marketplace Segment & Other) Adjusted EBITDA ^{2,3}	\$ 48,443	\$ 48,951	\$ 42,563	\$ 41,078	\$ 51,497

1. For the year ended December 31, 2022, Marketplace (U.S. Segment & Other) income from operations reflected certain Dealer-to-Dealer and IMCO related capitalized website development amortization incurred by the U.S. Marketplace segment. During the three months ended March 31, 2023, the Company updated Marketplace (U.S. Segment & Other) income from operations to reflect certain Dealer-to-Dealer and IMCO related capitalized website development amortization incurred by the U.S. Marketplace segment and accordingly updated three months ended June 30, 2022, September 30, 2022 and December 31, 2022 for comparative purposes. Impact of depreciation and amortization was updated accordingly as well.
2. We define Marketplace (U.S. Marketplace Segment & Other) Adjusted EBITDA, a non-GAAP measure, as GAAP Marketplace (U.S. Marketplace Segment & Other) Income from Operations, adjusted to exclude: Depreciation & Amortization; Impairment of Long-Lived Assets; and Stock-Based Compensation Expense. We believe this non-GAAP financial measure presented in this Investor Deck provides useful information that will allow investors to evaluate our operating performance.
3. Marketplace (U.S. Segment & Other) Adjusted EBITDA plus Digital Wholesale Adjusted EBITDA may not equal Consolidated Adjusted EBITDA due to rounding.

Reconciliations of Digital Wholesale Adjusted EBITDA

(\$ thousands)	3Q'22	4Q'22	1Q'23	2Q'23	3Q'23
GAAP Digital Wholesale Loss from Operations ¹	\$ (3,599)	\$ (3,481)	\$ (11,225)	\$ (6,307)	\$ (11,652)
Impact of Depreciation and Amortization ¹	8,420	8,551	8,693	8,702	9,334
Impact of Impairments of Long-Lived Assets	-	165	175	-	-
Impact of Stock-Based Compensation Expense	(20,371)	(26,340)	580	1,770	(577)
Digital Wholesale Adjusted EBITDA ^{2,3}	\$ (15,550)	\$ (21,105)	\$ (1,777)	\$ 4,165	\$ (2,895)

1. For the year ended December 31, 2022, Digital Wholesale segment loss from operations did not reflect certain Dealer-to-Dealer and IMCO related capitalized website development amortization incurred by the U.S. Marketplace segment. During the three months ended March 31, 2023, the Company updated Digital Wholesale segment loss from operations to reflect certain Dealer-to-Dealer and IMCO related capitalized website development amortization incurred by the U.S. Marketplace segment and accordingly updated three months ended June 30, 2022, September 30, 2022 and December 31, 2022 for comparative purposes. Impact of depreciation and amortization was updated accordingly as well.

2. We define Digital Wholesale Adjusted EBITDA, a non-GAAP measure, as GAAP Digital Wholesale Income from Operations, adjusted to exclude: Depreciation & Amortization; Impairment of Long-Lived Assets; and Stock-Based Compensation Expense; We believe this non-GAAP financial measure presented in this Investor Deck provides useful information that will allow investors to evaluate our operating performance.

3. Marketplace (U.S. Segment & Other) Adjusted EBITDA plus Digital Wholesale Adjusted EBITDA may not equal Consolidated Adjusted EBITDA due to rounding.

Reconciliations of Consolidated Adjusted EBITDA

(\$ thousands)	1Q'22	1Q'23	2Q'22	2Q'23	3Q'22	3Q'23
GAAP Consolidated Net Income	\$ 18,838	\$ 11,866	\$ 18,061	\$ 13,817	\$ 18,824	\$ 18,973
Impact of Depreciation and Amortization	11,185	11,576	11,234	11,667	11,183	12,470
Impact of Impairments of Long-Lived Assets	-	175	-	9	-	-
Impact of Stock-Based Compensation Expense	27,842	14,977	26,457	15,827	(6,946)	13,038
Impact of Acquisition-Related Expenses	-	-	-	-	-	-
Impact of Restructuring Expenses	-	-	-	-	-	-
Impact of Other (Income) Expense, Net	119	(4,338)	156	(4,680)	(200)	(4,167)
Impact of (Benefit From) Provision for Income Taxes	7,702	6,531	5,325	8,601	10,032	8,289
Consolidated Adjusted EBITDA ^{1,2}	\$ 65,686	\$ 40,787	\$ 61,233	\$ 45,241	\$ 32,893	\$ 48,603

1. We define Consolidated Adjusted EBITDA, a non-GAAP measure, as GAAP Consolidated Net Income, adjusted to exclude: Depreciation & Amortization; Impairment of Long-Lived Assets; Stock-Based Compensation Expense; Acquisition-related Expenses; Restructuring Expenses; Other Income, Net and (Benefit From) Provision For Income Taxes. We believe this non-GAAP financial measure presented in this Investor Deck provides useful information that will allow investors to evaluate our operating performance.

2. Marketplace (U.S. Segment & Other) Adjusted EBITDA plus Digital Wholesale Adjusted EBITDA may not equal Consolidated Adjusted EBITDA due to rounding.

Reconciliations of Consolidated Adjusted EBITDA

(\$ thousands)	FY2019	FY2020	FY2021	FY2022
GAAP Consolidated Net Income	\$ 42,146	\$ 77,553	\$ 110,373	\$ 78,954
Impact of Depreciation and Amortization	7,817	10,191	40,476	45,334
Impact of Impairments of Long-Lived Assets	-	1,151	3,128	165
Impact of Stock-Based Compensation Expense	34,301	45,321	77,710	33,682
Impact of Acquisition-Related Expenses	549	2,906	709	-
Impact of Restructuring Expenses	-	3,514	-	-
Impact of Other (Income) Expense, Net	(4,383)	(1,354)	(1,092)	(2,884)
Impact of (Benefit From) Provision for Income Taxes	(3,441)	21,557	38,987	32,408
Consolidated Adjusted EBITDA ^{1,2}	\$ 76,989	\$ 160,839	\$ 270,291	\$ 187,659

1. We define Consolidated Adjusted EBITDA, a non-GAAP measure, as GAAP Consolidated Net Income, adjusted to exclude: Depreciation & Amortization; Impairment of Long-Lived Assets; Stock-Based Compensation Expense; Acquisition-related Expenses; Restructuring Expenses; Other Income, Net and (Benefit From) Provision For Income Taxes. We believe this non-GAAP financial measure presented in this Investor Deck provides useful information that will allow investors to evaluate our operating performance.

2. Marketplace (U.S. Segment & Other) Adjusted EBITDA plus Digital Wholesale Adjusted EBITDA may not equal Consolidated Adjusted EBITDA due to rounding.