Q2 2022 Earnings Presentation

September 12, 2022

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This presentation is a high-level summary of our fiscal second quarter 2022 financial results. For more information please refer to our press release dated September 12, 2022 and filings with the SEC.

Q2'22 Key Metrics and Financial Highlights

Total Revenue **$76.5M** *up 64% YoY*	Active Subscribers **124.1K** *up 27% YoY*	Total Subscribers **173.3K** *up 37% YoY*
Gross Profit / Margin **$32.4M / 42%** *Margin up 3 pts YoY*	Net Loss / Margin **$(33.9)M / (44)%** *Margin up 47 pts YoY*	Adj. EBITDA / Margin **$1.8M / 2.4%** *Margin up 6 pts YoY*

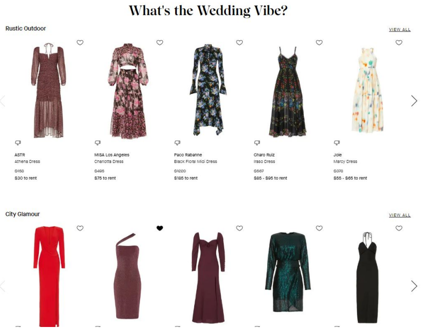
Note: Active Subscribers represent the number of subscribers with an active membership as of the last day of any given period and excludes paused subscribers. Total subscribers includes both active and paused subscribers.

2022 Strategies to Drive Top Line

1. EVENTS RESURGENCE

- **Strong demand of high formality styles:** cocktail dress utilization hit a new high and gowns continue to track near all-time highs
- Launched relevant **partnerships** (Black Tux, Brides.com, Zola)
- Debuted **'Wedding Hub'** highlighting events-focused content and product curation
- Launched **brand marketing campaign** highlighting value proposition of renting vs. buying

Events-Based Merchandising

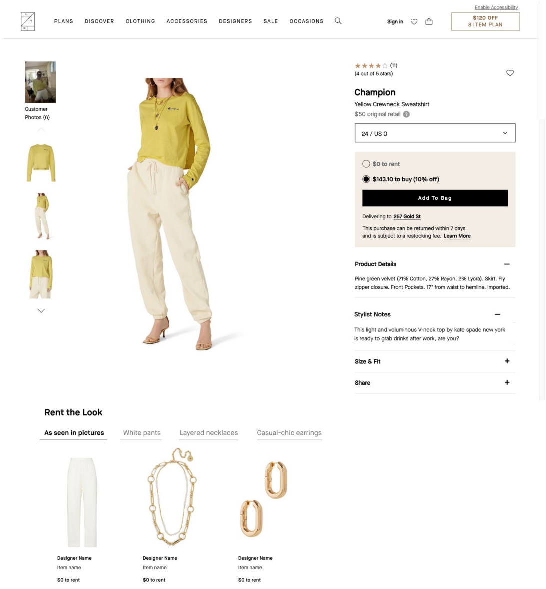


Brand Marketing

Q2'22 Top Line Business Highlights

2. SEARCH & DISCOVERY

- Back-end infrastructure investments to support an enhanced search experience for the consumer, which should begin to rollout in H2'22



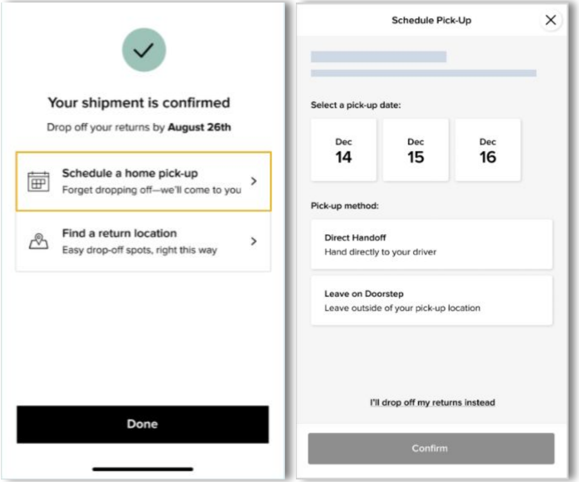
3. FIT

- Rolled out 'fit tags', personalized fit recommendations within product pages, after testing showed meaningful improvements to fit issues, wear rate, and churn
- Plan to rollout fit tags on product grids to expand impact

Q2'22 Bottom Line Business Highlights

1. EXPAND AT-HOME PICKUP

- Expanded to over 25 markets covering over 50% of subscriber base, ahead of plan
- Launched at-home pickup scheduler in-app, which has driven meaningful increases in adoption and awareness
- At-home pickup reduces transportation costs, while simplifying returns experience



2. BUILD UPON WAREHOUSE TECHNOLOGY TO REDUCE FULFILLMENT EXPENSES

- Leveraged RFID technology and digital issue tagging to automate our decisions around processes like cleaning or restoration, which is expected to reduce labor cost and improve product ROI
- Completed rollout of new, less expensive, more sustainable packaging

3. GROW EXCLUSIVE DESIGNS TO ~30% OF UNITS ACQUIRED

- In Q2'22, launched four new collections: Saunders Collective, Esteban Cortazar, Pamela Love, and Busayo.
- On track for over 20 Exclusive Design partners in 2022, around half of which are new
- ~50% lower cost to RTR than Wholesale, with higher ROI than any styles on our site


Busayo


Esteban Cortazar


Pam Love


Saunders Collective

Framework for Revenue Growth and Path to Profitability

Grow Revenue

Active Subscribers

Ongoing: Grow Subs
Approach: Organic virality + efficient marketing

ARPU[1]

Ongoing: Grow ARPU
Approach: Increase add-on activity + moderate price increases

Reserve + Other Revenue

Ongoing: Grow Reserve and Resale
Approach: Events/Reserve and Resale as funnels + subscribers buying items

Leverage 3 Main Expense Categories

Fulfillment Costs

Ongoing: Optimize Fulfillment
Approach: Diversify transportation + increase Ops productivity

Operating Expenses[2]

Phase 1: Cover Opex - **Done**
Phase 1A: Cover Opex + Product Depreciation
Approach: Lower costs + scale leverage

Rental Product Spend

Phase 2: Cover all Capex
Approach: > 2/3 of acquisition via capital-efficient channels
Target: **FCF+ in mid-term**

[1] *On a quarterly basis, we define ARPU as subscription rental net revenue (which does not include Reserve and Other revenue generated by subscribers), divided by the average of the active subscriber count at the end of the current and prior fiscal quarters, divided by three months. On an annual basis, we define ARPU as the weighted average of the quarterly ARPUs in the year.*
[2] *Includes Technology, Marketing and General and Administrative Expense.*

Restructuring plan

- On September 12, 2022, the Company announced a restructuring plan to **reduce costs, streamline its organizational structure and drive operational efficiencies**

DETAILS

- Total **workforce reductions of approximately 24%** (primarily a reduction in force, with some open role closures/reduced backfills), reorganizing certain functions and reallocating resources
- Estimated total cash charges for employee severance and related costs of approximately $2.5 million, recognized primarily in Q3’22
- Restructuring plan expected to be substantially completed by the end of the Q4’22

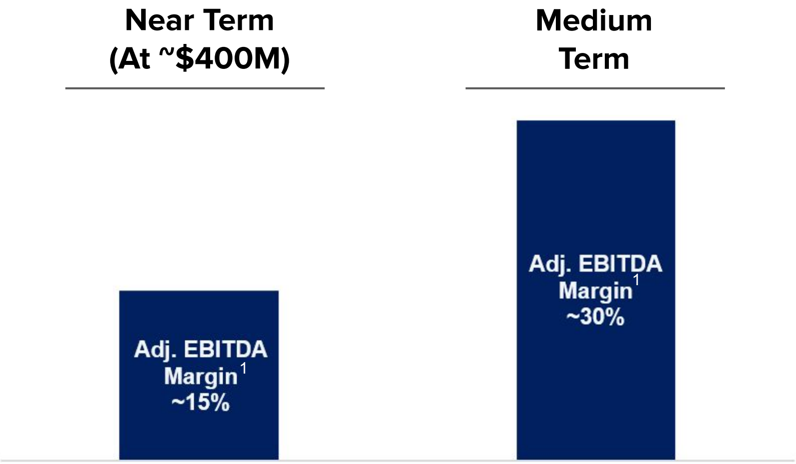
IMPACT

- Annual **operating expense savings of $25-27 million** expected in fiscal 2023 relative to Q2’22 run rate
  - ~$20M related to headcount reductions, and $5-7M related to tech & G&A expense
- Headcount reduction is expected to be largely complete by Q3’22
- **Expected to positively impact Adjusted EBITDA in Q4’22 by approximately $4-5 million** relative to Q2’22 run rate

Target Margin Profile

ILLUSTRATIVE

Revenue Scenarios:



	Near Term (At ~$400M)	Medium Term
Rental Product Depreciation	Covers rental product depreciation	~15% margin after covering rental product depreciation
Cash Consumption[2]	~$30M before interest expense	FCF positive

Restructuring Impact

- $25-$27M reduction in costs in FY23 (relative to Q2’22 run rate) from restructuring plan
- Significantly improves Adjusted EBITDA and cash burn

At ~$400M in Revenue

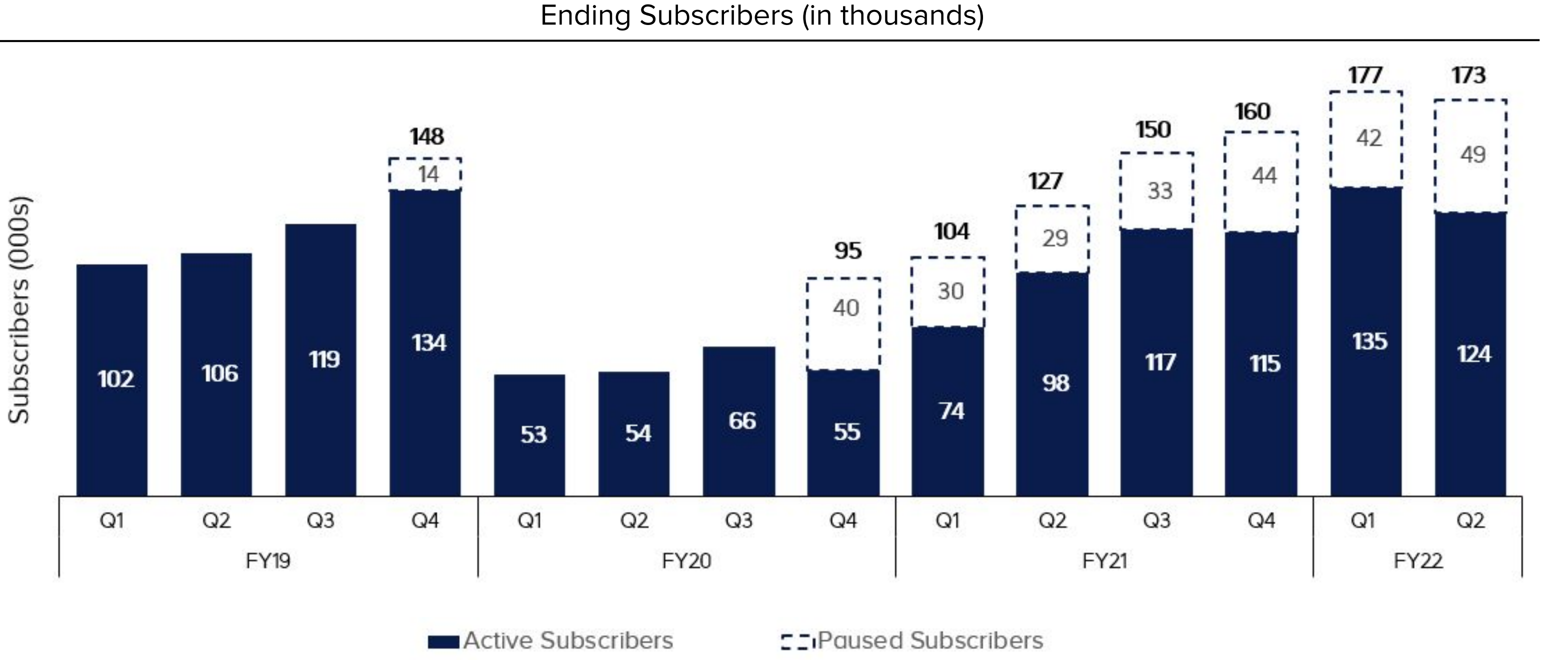
- Can fund existing subscriber capital needs
- Only remaining funding is for growth and interest expense

Medium Term

- Attractive margin profile
- FCF positive while funding strong growth[2]

[1] Reconciliation of Adjusted EBITDA and Adjusted EBITDA margin guidance and our Adjusted EBITDA after product depreciation margin and free cash flow targets to the closest corresponding GAAP measure is not available without unreasonable efforts on a forward-looking basis due to the high variability, complexity, and low visibility with respect to the charges excluded from these non-GAAP measures, in particular, share-based compensation expense and non-recurring expenses which can have unpredictable fluctuations based on unforeseen activity that is out of our control and/or cannot reasonably be predicted.
[2] Illustrative and assumes 20% growth in subscribers to calculate growth capital.

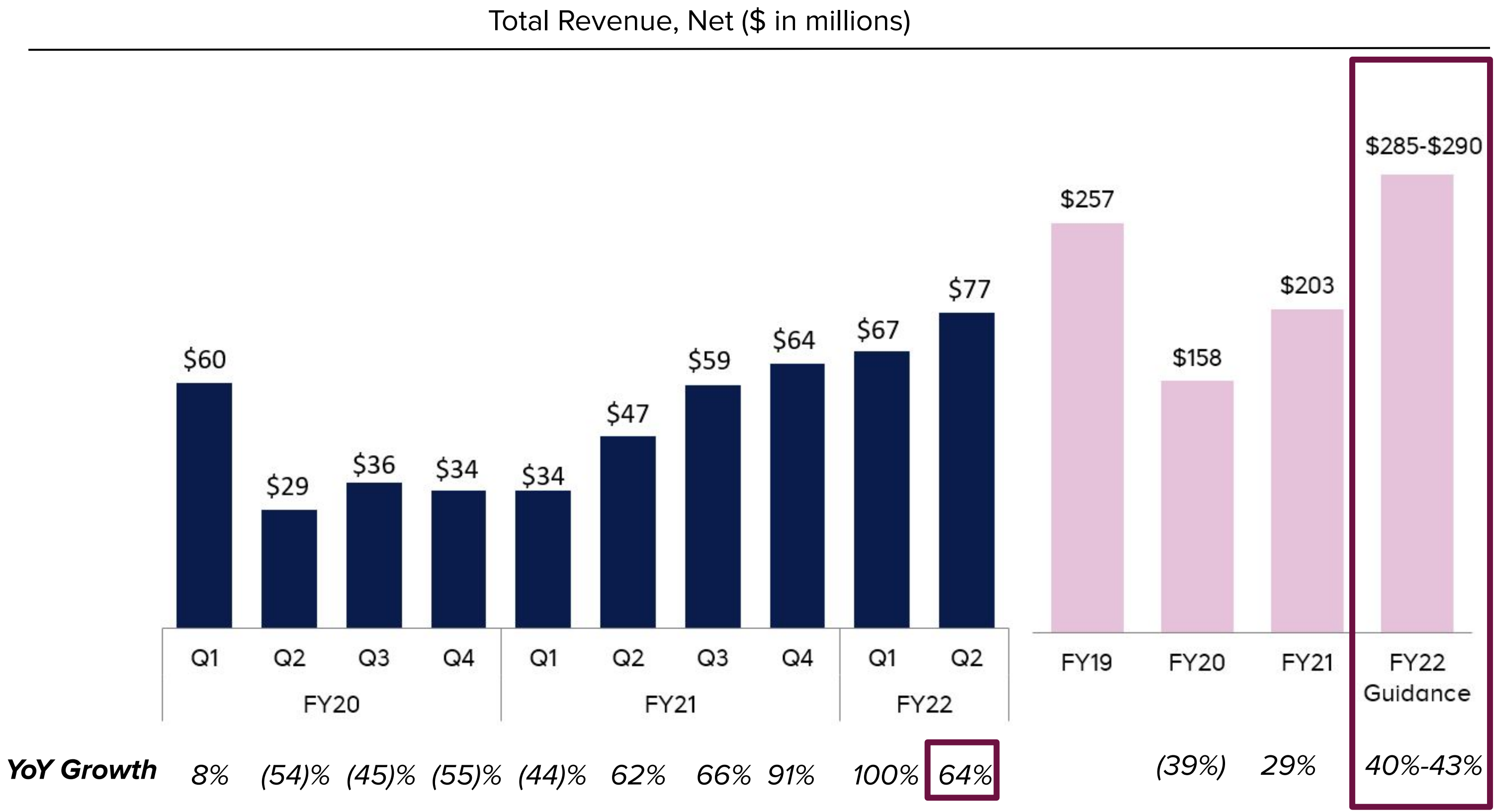
Q2'22 Ending Active Subscribers +27% YoY



YoY Active Sub Growth	*(48)%*	*(49)%*	*(45)%*	*(59)%*	*40%*	*80%*	*78%*	*110%*	*82%*	*27%*
Pause % of Total Subs				*42%*	*29%*	*23%*	*22%*	*28%*	*24%*	*28%*

Note: FY19 ended January 31, 2020, FY20 ended January 31, 2021, FY21 ended January 31, 2022. Active Subscribers represent the number of subscribers with an active membership as of the last day of any given period and excludes paused subscribers. Total subscribers includes both active and paused subscribers. Paused subscribers in prior periods not disclosed.

Strong Q2'22 Revenue Growth, Up 64% YoY

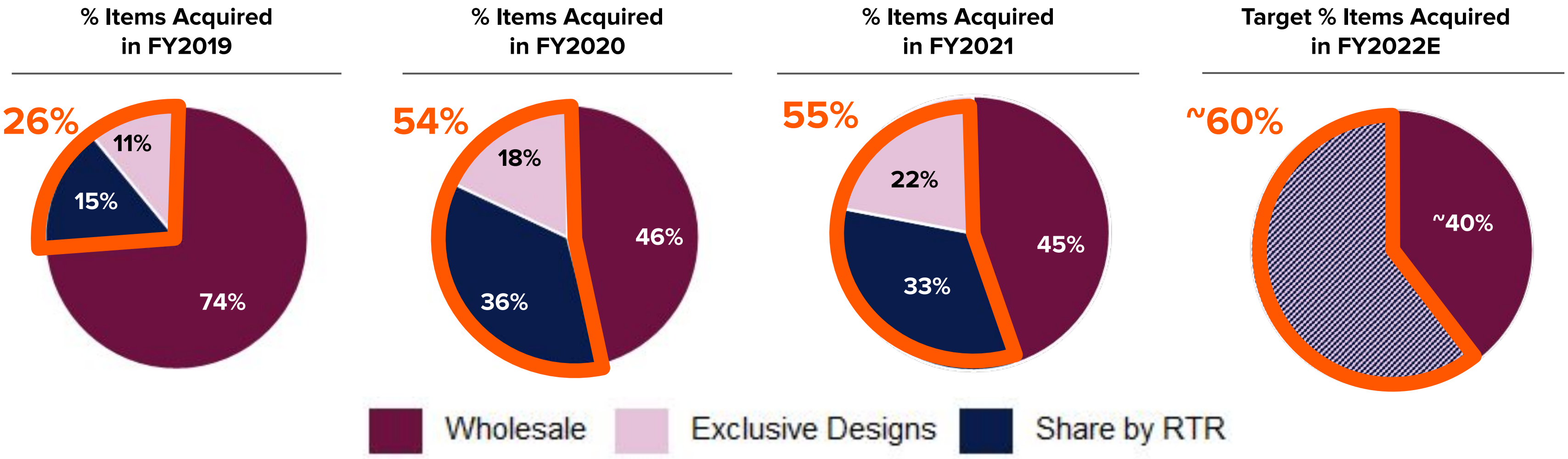


87% of revenue from subscribers in Q2'22

30% of subscribers added one or more paid slots into their subscriptions in Q2'22

Note: FY19 ended January 31, 2020, FY20 ended January 31, 2021, FY21 ended January 31, 2022, and FY22 ends January 31, 2023. Calculations based on unrounded figures.

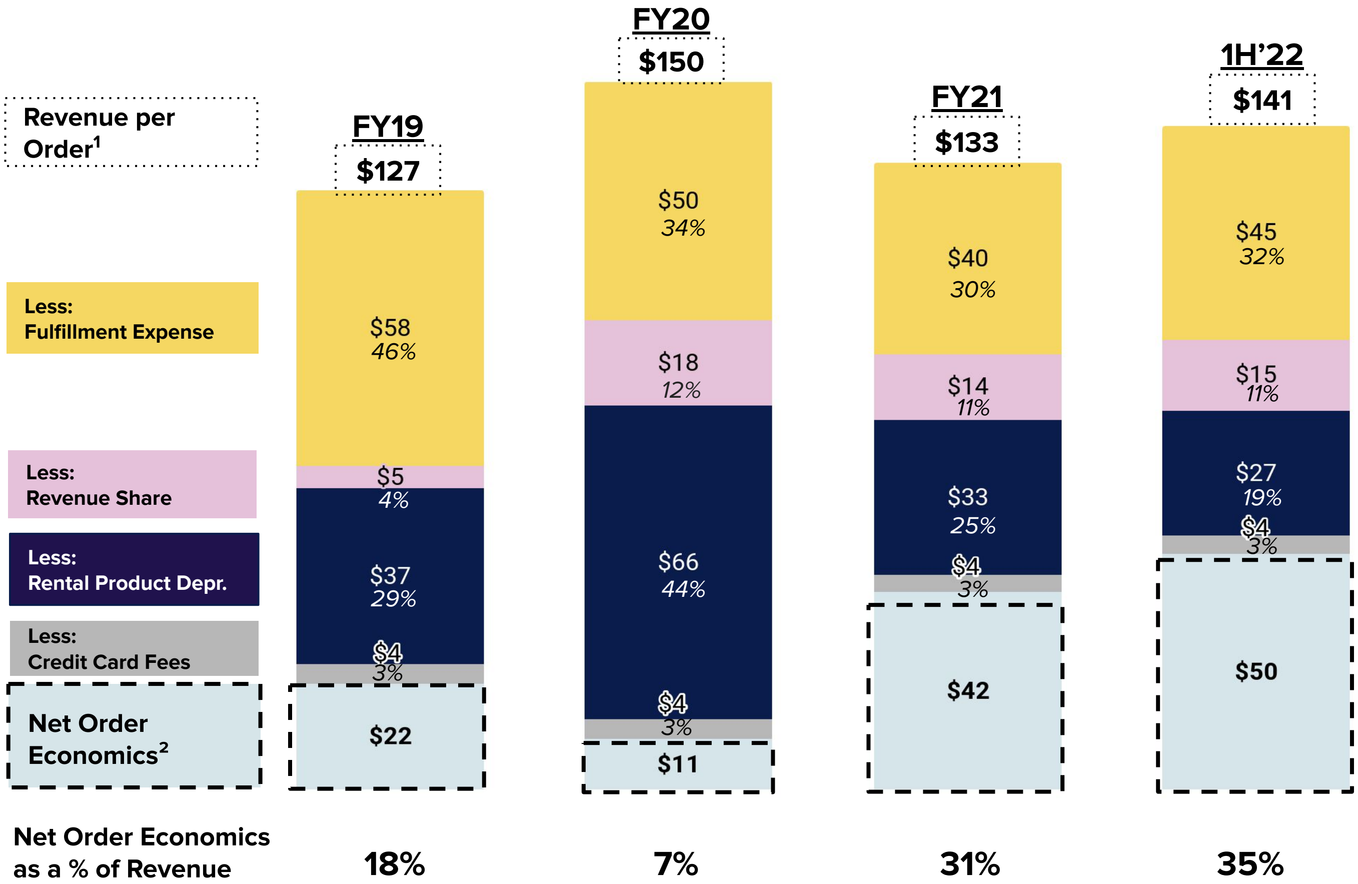
Targeting ~60% of FY22 Product Acquired via Non-Wholesale Channels



Mix shift towards non-Wholesale channels contributed to a **14% reduction** in the upfront cost per unit between 2019 and 2021 ($95 in 2021 vs. $111 in 2019)

We plan for **~60% of product to be acquired through non-Wholesale channels in FY22**, and expect at least 2/3 of our product acquisition through these channels in the mid-term

Continuing to Improve Order Economics



Net Order Economics were 4 points higher in 1H'22 than FY21, benefiting from:

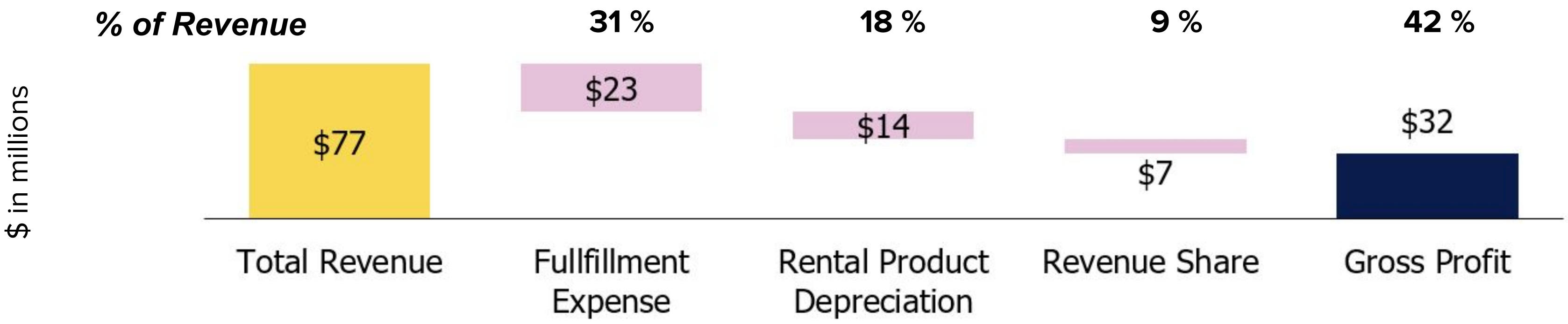
(1) Higher revenue per shipment due to the price increase and high add-on activity
(2) Lower rental product depreciation as it was absorbed over a higher revenue base
(3) Partially offset by higher fulfillment costs driven by transportation and wage rate increases

Note: FY20 benefited from prior program pricing

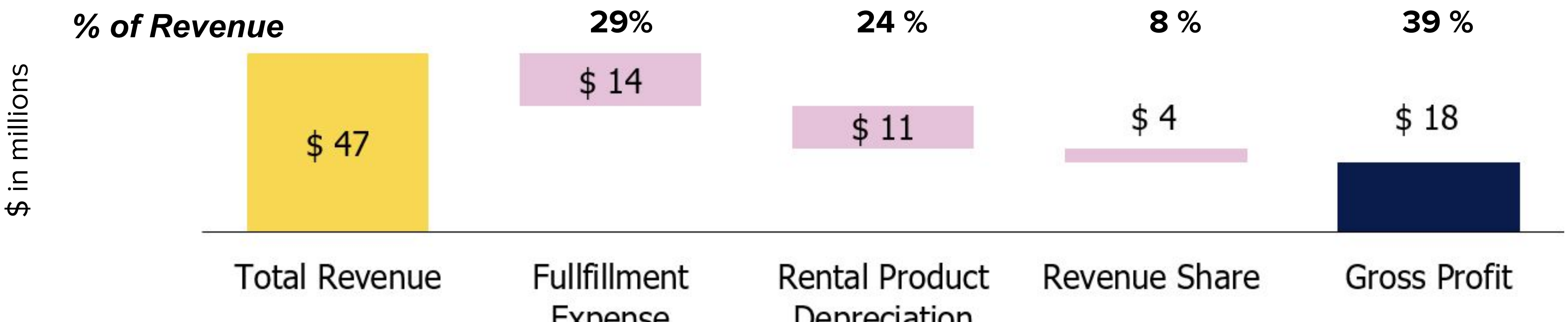
Calculations based on unrounded figures.
[1] Orders defined as the sum of active subscription months and Reserve orders in the period.
[2] Net Order Economics calculated as revenue per order less fulfillment cost per order, revenue share cost per order, rental product depreciation per order, and credit card fees per order.

Our Business Model - Revenue to Gross Profit

Fiscal Quarter Ended July 31, 2022



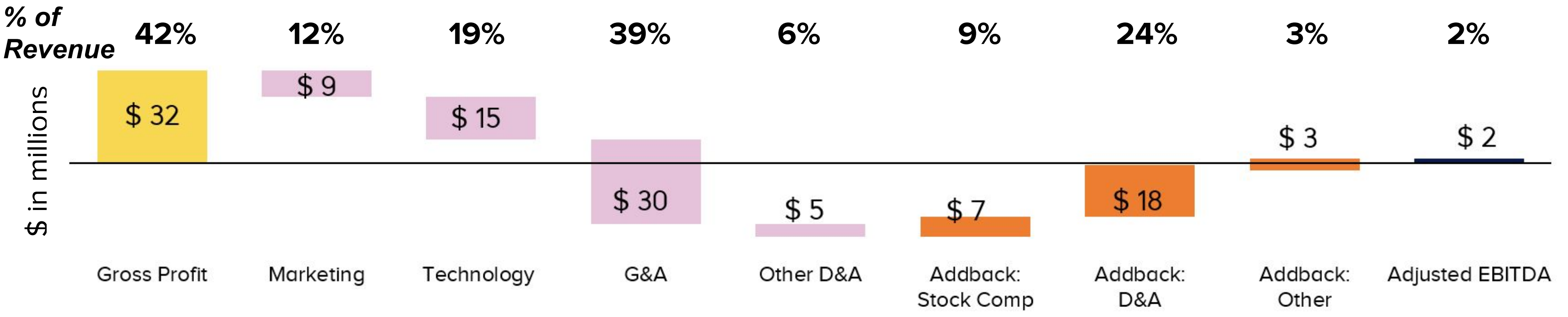
Fiscal Quarter Ended July 31, 2021



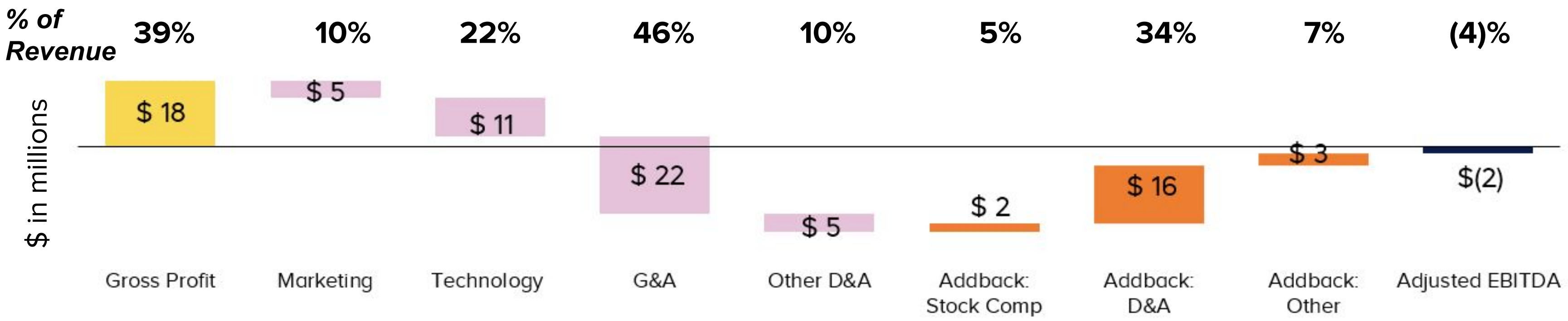
Note: Calculations based on unrounded figures.

Our Business Model - Gross Profit to Adjusted EBITDA

Fiscal Quarter Ended July 31, 2022

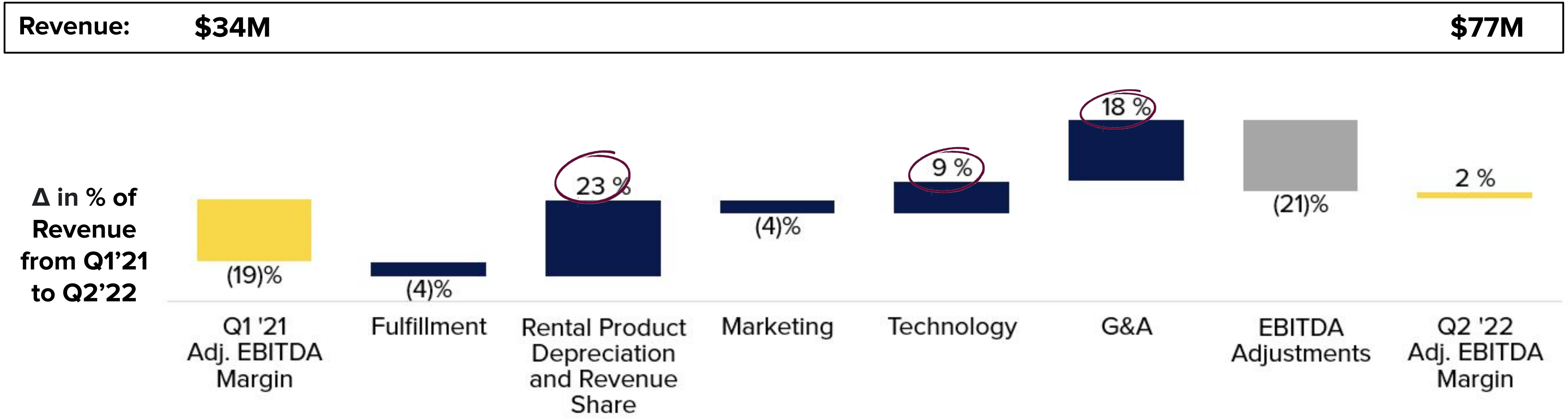


Fiscal Quarter Ended July 31, 2021



Note: See GAAP to Non-GAAP Reconciliation in appendix. Calculations based on unrounded figures.

Demonstrating Our Operating Leverage with Scale



<u>**Q1 2021 → Q2 2022**</u>

- **23% of Product depreciation and revenue share absorbed** over higher revenue due to better matching of product supply to active subscribers and revenue
- **Technology and G&A combined improved 27%** with acceleration of revenue and fixed cost leverage
- **Fulfillment increased 4%**, due to increases in transportation costs, partially offset by productivity gains
- **Marketing deleveraged 4%**, due to re-ramping marketing spend back to ~10% of revenue annually

Note: Adj. EBITDA adjustments include depreciation, stock compensation and other adjustments included in the preceding buckets. Please see appendix for Adjusted EBITDA reconciliation.

Q3 2022 and Fiscal Year 2022 Guidance

Q3 2022 Guidance

Total Revenue:	$72.0M - $74.0M
Adjusted EBITDA[1]:	1.0% - 3.0% of Revenue

Fiscal Year 2022 Guidance

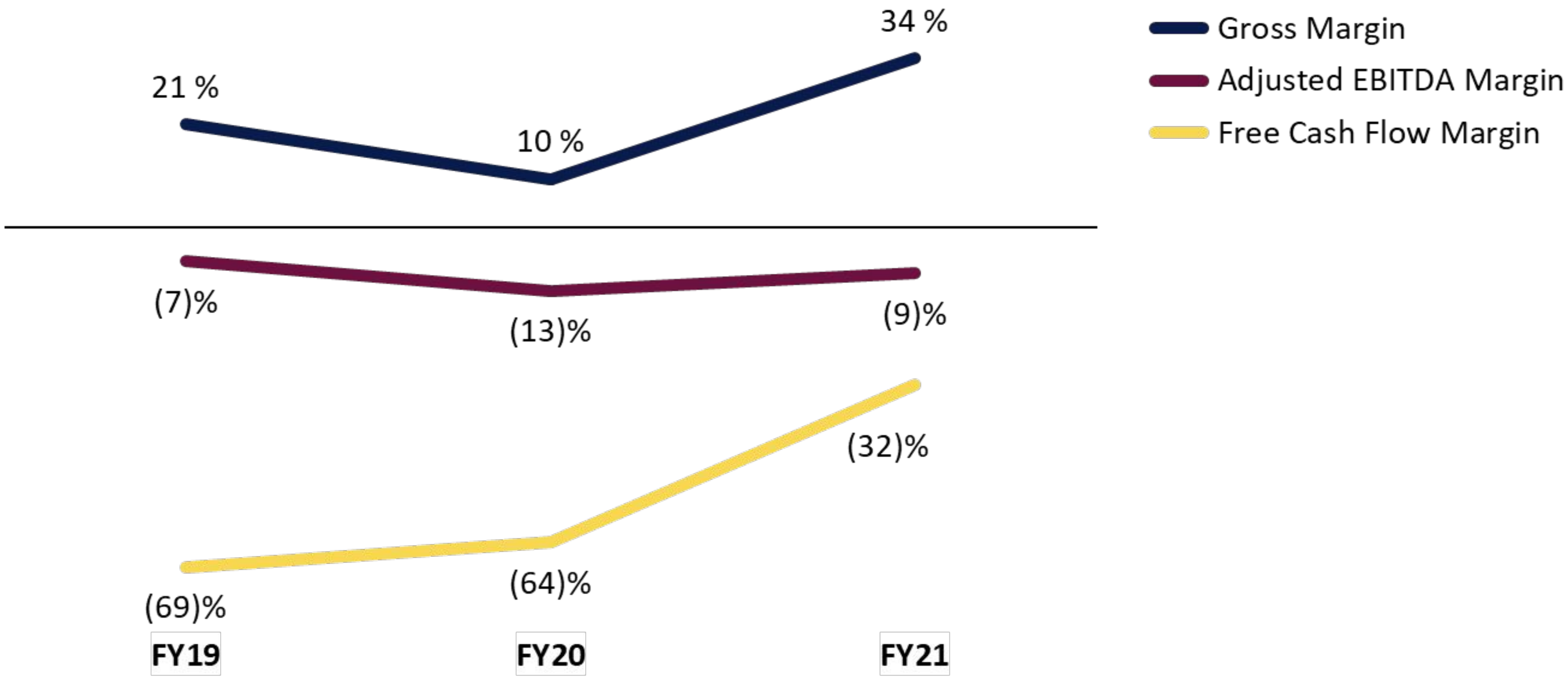
Total Revenue:	$285M - $290M
Adjusted EBITDA[1]:	(2)% - 0% of Revenue
Rental Product Acquired[2]:	~$60M
Share-based Compensation:	$26M - $27M

[1] A reconciliation of Adjusted EBITDA and Adjusted EBITDA margin guidance to the closest corresponding GAAP measure is not available without unreasonable efforts on a forward-looking basis due to the high variability, complexity, and low visibility with respect to the charges excluded from these non-GAAP measures, in particular, depreciation and amortization, write-off of liquidated assets, other (income)/expense, and non-recurring expenses which can have unpredictable fluctuations based on unforeseen activity that is out of our control and/or cannot reasonably be predicted.

[2] Purchases of Rental Product as presented on the Consolidated Statement of Cash Flows may vary from Rental Product Acquired (presented above) due to timing of payments for rental product. Rental Product Acquired reflects the cost of owned rental product received in the period. See appendix for reconciliation of Purchases of Rental Product to Rental Product Acquired.

Appendix

Continuing to Improve Annual Margins



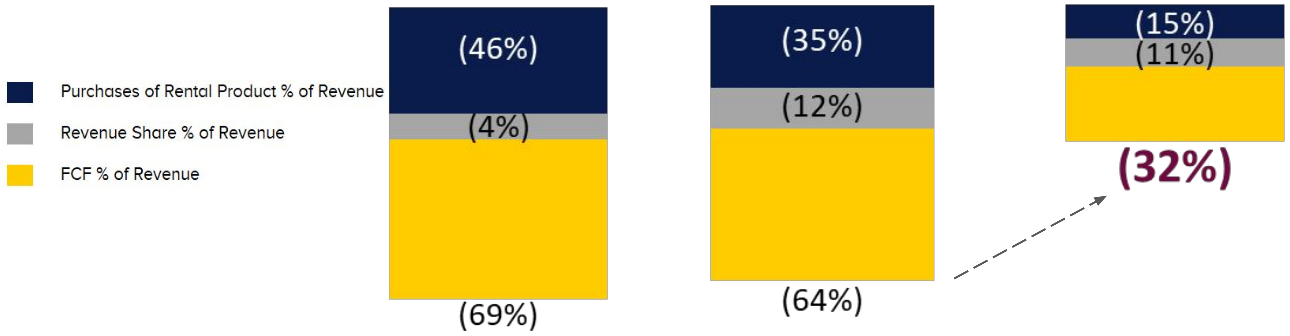
Note: See GAAP to Non-GAAP Reconciliation in appendix. Free cash flow margin defined as net cash used in operating activities plus net cash used in investing activities, as a percentage of total revenue.

Product Acquisition Strategy Meaningfully Improved Free Cash Flow[1]

($ in millions)

Total Product Costs

	FY19	FY20	FY21
Purchases of Rental Product	$118	$55	$31
Revenue Share	$10	$19	$21
Total [2]	**$127**	**$74**	**$52**
Total as a % of Revenue	**50%**	**47%**	**26%**



Product costs are **the most significant component** of our cash consumption

We have **significantly reduced the cash outlay to invest in products**

FY21 product costs at ~50% of FY19 as a % of revenue, **improving Free Cash Flow**

[1] Free cash flow defined as net cash used in operating activities plus net cash used in investing activities.
[2] Calculations based on unrounded figures.

Condensed Consolidated Statements of Operations

(in millions)	Three Months Ended 7/31/22	Three Months Ended 7/31/21	Six Months Ended 7/31/22	Six Months Ended 7/31/21	Year Ended 1/31/22	Year Ended 1/31/21
Total revenue, net	$76.5	$46.7	$143.6	$80.2	$203.3	$157.5
Fulfillment	23.4	13.5	46.3	22.3	61.9	53.0
Technology	14.9	10.5	28.5	20.2	45.3	37.7
Marketing	9.0	4.8	17.7	7.4	26.5	8.1
General and administrative	29.6	21.6	58.8	40.6	104.4	77.2
Rental product depreciation and revenue share	20.7	15.0	42.4	31.6	71.7	89.0
Other depreciation and amortization	4.5	4.8	8.7	9.9	19.4	23.0
Total costs and expenses	102.1	70.2	202.4	132.0	329.2	288.0
Operating loss	(25.6)	(23.5)	(58.8)	(51.8)	(125.9)	(130.5)
Interest income / (expense), net	(9.6)	(14.9)	(18.9)	(29.4)	(53.0)	(46.6)
Gain / (loss) on warrant liability revaluation, net	-	(8.0)	-	(7.5)	(24.9)	0.4
Other income / (expense) and gains / (losses) [1]	1.3	3.9	1.3	3.9	(8.3)	5.6
Income tax benefit / (expense)	-	0.1	-	0.1	0.3	-
Net loss	$(33.9)	$(42.4)	$(76.4)	$(84.7)	$(211.8)	$(171.1)
Net loss per share attributable to common stockholders, basic and diluted	$(0.53)	$(3.75)	$(1.20)	$(7.44)	$(8.51)	$(15.36)
Weighted average basic and diluted shares outstanding	64.1	11.3	63.8	11.4	24.9	11.1

(1) The year ended 1/31/22 primarily includes a $(12.2) million loss on debt extinguishment related to the Ares debt paydown upon the IPO, partially offset by $4.0 million of insurance claim proceeds. The year ended 1/31/21 includes $5.0 million of insurance claim proceeds, $1.3 million of proceeds from monetization of tax credits, partially offset by a $(0.6) million loss on debt extinguishment. The three months ended 7/31/22 includes $1.3M of monetized tax credits. The three months ended 7/31/21 primarily includes $4.0 million of insurance claim proceeds.

Condensed Consolidated Balance Sheets

(in millions)	As Of 7/31/22	As Of 1/31/22
Cash and cash equivalents	$192.3	$247.6
Restricted cash, current	4.6	5.4
Prepaid expenses and other current assets	10.8	11.7
Rental product, net	76.9	76.3
Fixed assets, net	52.3	57.2
Operating lease and other assets	45.0	49.3
Total assets	$381.9	$447.5
Total current liabilities	64.3	68.8
Long-term debt, net	269.8	260.8
Operating lease and other liabilities	40.7	46.8
Total liabilities	$374.8	$376.4
Total stockholders' equity (deficit)	$7.1	$71.1
Total liabilities, redeemable preferred stock and stockholders' equity (deficit)	$381.9	$447.5

Condensed Consolidated Statements of Cash Flows

(in millions)	Six Months Ended 7/31/22	Six Months Ended 7/31/21	Year Ended 1/31/22	Year Ended 1/31/21
Net loss	$(76.4)	$(84.7)	$(211.8)	$(171.1)
Net cash (used in) provided by operating activities	(33.0)	(12.7)	(42.3)	(42.8)
Net cash (used in) provided by investing activities	(20.8)	(3.4)	(22.5)	(58.4)
Net cash (used in) provided by financing activities	(3.1)	22.4	215.2	168.5
Net increase in cash and cash equivalents and restricted cash	(56.9)	6.3	150.4	67.3
Cash and cash equivalents and restricted cash at beginning of period	259.6	109.2	109.2	41.9
Cash and cash equivalents and restricted cash at end of period	**$202.7**	**$115.5**	**$259.6**	**$109.2**

Selected Cash Flows Detail and Supplemental Cash Flow Information

(in millions)	Six Months Ended 7/31/22	Six Months Ended 7/31/21	Year Ended 1/31/22	Year Ended 1/31/21
INVESTING ACTIVITIES				
Purchases of rental product	$(27.6)	$(8.5)	$(30.8)	$(54.9)
Proceeds from liquidation of rental product	2.6	3.4	5.7	2.4
Proceeds from sale of rental product	8.8	5.6	12.9	17.9
Purchases of fixed and intangible assets	(4.6)	(3.9)	(10.3)	(23.8)
Net cash (used in) provided by investing activities	$(20.8)	$(3.4)	$(22.5)	$(58.4)
SUPPLEMENTAL CASH FLOW INFORMATION				
Rental product received in the prior period	$6.5	$3.6	$3.6	$3.7
Purchases of rental product not yet settled	$8.9	$1.7	$(6.5)	$(3.6)

Reconciliation of Purchases of Rental Product to Rental Product Acquired

(in millions)	Six Months Ended 7/31/22	Six Months Ended 7/31/21	Year Ended 1/31/22	Year Ended 1/31/21	
Purchases of rental product	$(27.6)	$(8.5)	$(30.8)	$(54.9)	Cost of owned rental product paid for in the period, as presented on the Condensed Consolidated Statements of Cash Flows.
Plus: Purchases of rental product not yet settled	(8.9)	(1.7)	(6.5)	(3.6)	Cost of owned rental product received in the period, but not yet paid for, as presented on the Supplemental Cash Flow Information table.
Plus: Rental product received in the prior period	6.5	3.6	3.6	3.7	Cost of owned rental product paid for in the period, but received in the period immediately preceding, as presented on the Supplemental Cash Flow Information table.
Rental Product Acquired	$(30.0)	$(6.6)	$(33.7)	$(54.8)	Cost of owned rental product received in the period.

Reconciliation of Net Loss to Adjusted EBITDA

(in millions)	Three Months Ended 7/31/22	Three Months Ended 7/31/21	Six Months Ended 7/31/22	Six Months Ended 7/31/21	Year Ended 1/31/22	Year Ended 1/31/21	Year Ended 1/31/20
Net loss	$(33.9)	$(42.4)	$(76.4)	$(84.7)	$(211.8)	$(171.1)	$(153.9)
Interest (income) / expense, net	9.6	14.9	18.9	29.4	53.0	46.6	24.0
Rental product depreciation	13.5	11.2	27.1	23.9	50.3	69.9	75.7
Other depreciation and amortization	4.5	4.8	8.7	9.9	19.4	23.0	21.6
Share-based compensation	6.9	2.4	12.4	4.3	26.6	8.2	6.8
Write-off of liquidated assets	1.8	1.4	2.4	2.8	4.8	3.3	4.1
Non-recurring adjustments	0.7	1.8	1.0	2.8	5.3	4.2	3.8
Income tax (benefit) / expense	-	(0.1)	-	(0.1)	(0.3)	-	(0.2)
(Gain) / loss on warrant liability revaluation, net	-	8.0	-	7.5	24.9	(0.4)	-
(Gain) / loss on debt extinguishment, net	-	-	-	-	12.2	0.6	-
Other (income) / expense, net	(1.3)	(3.9)	(1.3)	(3.9)	(3.9)	(6.2)	0.1
Other (gains) / losses	-	-	0.2	-	0.3	1.6	-
Adjusted EBITDA	$1.8	$(1.9)	$(7.0)	$(8.1)	$(19.2)	$(20.3)	$(18.0)
Adjusted EBITDA Margin	2.4%	(4.1)%	(4.9)%	(10.1)%	(9.4)%	(12.9)%	(7.0)%

Note: For additional information on each line item see the footnotes to the Adjusted EBITDA reconciliation in our Q2 2022 earnings press release, which is included as ex. 99.1 to our Form 8-K filed with the SEC on September 12, 2022

Reconciliation of Cash Used by Operating Activities to Free Cash Flow

(in millions)	Six Months Ended 7/31/22	Six Months Ended 7/31/21	Year Ended 1/31/22	Year Ended 1/31/21	Year Ended 1/31/20
Net cash (used in) provided by operating activities	$(33.0)	$(12.7)	$(42.3)	$(42.8)	$(37.6)
Purchases of rental product	(27.6)	(8.5)	(30.8)	(54.9)	(117.7)
Proceeds from liquidation of rental product	2.6	3.4	5.7	2.4	3.6
Proceeds from sale of rental product	8.8	5.6	12.9	17.9	19.3
Purchases of fixed and intangible assets	(4.6)	(3.9)	(10.3)	(23.8)	(43.8)
Free Cash Flow	$(53.8)	$(16.1)	$(64.8)	$(101.2)	$(176.2)
Free Cash Flow Margin [1]	(37.5)%	(20.1)%	(31.9)%	(64.3)%	(68.6)%

(1) Free Cash Flow Margin calculated as Free Cash Flow as a percentage of revenue.

Operating Expense Detail

(in millions)	Three Months Ended 7/31/22	Three Months Ended 7/31/21	Six Months Ended 7/31/22	Six Months Ended 7/31/21
Technology	$14.9	$10.5	$28.5	$20.2
Marketing	9.0	4.8	17.7	7.4
General and administrative	29.6	21.6	58.8	40.6
Total operating expenses	$53.5	$36.9	$105.0	$68.2
Less: Share-based compensation	6.9	2.4	12.4	4.3
Total operating expenses excluding share-based compensation	$46.6	$34.5	$92.6	$63.9
Operating expenses including share-based compensation as a % of revenue	69.9%	79.0%	73.1%	85.0%
Operating expenses excluding share-based compensation as a % of revenue	60.9%	73.9%	64.5%	79.7%

Share-based compensation Details

(in millions)	Three Months Ended 7/31/22	Three Months Ended 7/31/21	Six Months Ended 7/31/22	Six Months Ended 7/31/21
Share-based compensation				
Technology	$1.6	$0.5	$2.8	$0.9
Marketing	0.1	0.1	0.3	0.2
General and administrative	5.2	1.8	9.3	3.2
Total	$6.9	$2.4	$12.4	$4.3
Share-based compensation as a % of revenue	9.0%	5.1%	8.6%	5.4%