Forward-Looking Statements Disclaimer

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. These statements include, but are not limited to, statements regarding our future results of operations, financial position, and revenue, competitive factors and industry trends, benefits from our strategic initiatives, business objectives, expectations regarding customer loyalty and other subscriber trends, product acquisition mix, and total addressable market. Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. In some cases, you can identify forward-looking statements because they contain words such as “aim,” “anticipate,” “believe,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “toward,” “will,” or “would,” or the negative of these words or other similar terms or expressions. You should not put undue reliance on any forward-looking statements.

Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved, if at all. Forward-looking statements are based on information available at the time those statements are made and were based on current expectations, estimates, forecasts, and projections as well as the beliefs and assumptions of management as of that time with respect to future events. These statements are subject to risks and uncertainties, many of which involve factors or circumstances that are beyond our control, that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. In light of these risks and uncertainties, the forward-looking events and circumstances discussed in this presentation may not occur and actual results could differ materially from those anticipated or implied in the forward-looking statements. These risks and uncertainties include our ability to manage our growth effectively; the highly competitive and rapidly changing nature of the global fashion industry; our ability to cost-effectively grow our customer base; any failure to retain customers; risks related to the COVID-19 pandemic and other future pandemics or public health crises; risks related to shipping, logistics and our supply chain; our ability to accurately forecast customer demand, manage our offerings effectively and plan for future expenses; risks arising from the restructuring of our operations; our reliance on the effective operation of proprietary technology systems and software as well as those of third-party vendors and service providers; our ability to remediate our material weaknesses in our internal control over financial reporting; laws and regulations applicable to our business; failure by us to adequately obtain, maintain, protect and enforce our intellectual property and proprietary rights; compliance with data privacy, data security, data protection and consumer protection laws and industry standards; risks associated with our brand and manufacturing partners; our reliance on third parties for elements of the payment processing infrastructure underlying our business; our dependence on online sources to attract consumers and promote our business which may be affected by third-party interference or cause our customer acquisition costs to rise; failure by us, our brand partners, or third party manufacturers to comply with our vendor code of conduct or other laws; and risks related to our Class A capital stock and ownership structure. Additional information regarding these and other risks and uncertainties that could cause actual results to differ materially from the Company’s expectations is included in our Annual Report on Form 10-K for the year ended January 31, 2023, as updated by our other filings with the Securities and Exchange Commission. Except as required by law, we do not undertake any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future developments, or otherwise.
Company Overview
Investment Thesis

At the Center of Key Trends

- Shift from ownership to access
- Growth of e-commerce
- Growth of secondhand clothing
- Sustainability
- Increasingly female workforce

Addressing Fastest-Growing Segments in $345B U.S. Apparel Market

- Online: $155B market growing at 8% CAGR
- Secondhand: $43B market growing at 18% CAGR

Compelling Value Proposition for Customers and Brands: Two-Sided Discovery Engine

- Subscribers on average receive ~$3,500 designer clothing per month → 20X GMV value for spend (pre-March 2023 extra-item launch)
- Brands get new customers and critical data

Unique Competitive Advantages

- Proprietary operating system
- Data and technology to power ‘Closet in the Cloud’
- 10+ years of rental logistics and garment preservation know-how
- Hundreds of deep, multi-year brand partner relationships

Attractive Economics and Profitability as We Scale

- Recurring revenue base
- Strong operating leverage with full year of positive Adj. EBITDA in FY22
- Attractive LTV/CAC with historical cohort breakeven of < 12 months
- Mix shift to non-wholesale product acquisition
- Anticipating substantial improvement in cash consumption in FY23

Multiple Drivers of Future Growth

- Three revenue channels, with Reserve and Resale funnel into Subscription
- Investments in customer experience to increase loyalty
- Increased brand awareness
- New brands and use cases

---

3 FY22.
4 Excludes COVID-impacted cohorts.
How Subscription Works: A Personalized and Seamless Utility

1. Discover and Pick items from Personalized Assortment
   - Storefront is unique to her based on preferences and fit

2. Easily Order
   - Customize by adding extra items or swaps

3. Receive shipment
   - Items arrive clean and ready to wear

4. Wear Designer Clothes
   - Options for every Occasion

5. Return Conveniently
   - Give feedback on style, fit and quality

6. Review Items
There are Multiple Ways to Monetize Our Subscribers

80% of our revenue comes from Subscribers

- **SUBSCRIBE**
  + Options for Extra Spots/Shipments

- **BUY**

- **RESERVE**

Dreaming of your next shipment?
Browse a bit and heart the items that look good to you. It’ll help us make better recommendations!

Your next 4 shipments unlock December 24th.

Extra Spot
Want more? Rent more! $29/month

Buy Now

Add a Shipment
How to Swap

Opening Ceremony
Squiggie Short Sleeve...
Size M

$295 Retail × 10% off
$266.50 To Buy

$70 to rent
$295 original retail

Ulta Johnson
Through Our Two-Sided Discovery Engine, Customers Find New Brands They Love and Brands Find New Customers They Need
We Are at the Center of Key Trends Driving Consumer Behavior in Our Favor

**Shift from Ownership to Access**

<table>
<thead>
<tr>
<th>% of Market Represented by Access Models</th>
<th>Home Entertainment</th>
<th>Recorded Music</th>
<th>Hospitality</th>
</tr>
</thead>
<tbody>
<tr>
<td>86%</td>
<td>69%</td>
<td>23%</td>
<td></td>
</tr>
</tbody>
</table>

**Desire for Variety and Newness**

 Avg. Items Purchased per Consumer

![Graph showing trend from 1990 to 2015](image)

**Growth of Online Shopping**

<table>
<thead>
<tr>
<th>2015-2022 U.S. CAGR</th>
<th>Mobile eCommerce</th>
<th>Online Apparel</th>
</tr>
</thead>
<tbody>
<tr>
<td>27%</td>
<td>17%</td>
<td></td>
</tr>
</tbody>
</table>

**Social Media Driving Fashion**

- **51%** of RTR subscribers agree that social media ups the pressure to have variety in their wardrobe. According to March 2023 RTR Subscriber Survey.

**Increasingly Female Workforce**

- **74%** have shopped or are open to shopping secondhand apparel. According to GlobalData Consumer Resale Survey, 2022.

**Normalization of Secondhand**

- **77%** more on clothing annually than their male counterparts. According to March 2023 RTR Subscriber Survey.

**Importance of Sustainability**

- **66%** of RTR subscribers consider sustainability important when purchasing clothing. According to March 2023 RTR Subscriber Survey.

---

1. Access models within the global OTT home entertainment market (% subscription) according to PWC, 2022; Access models within the global recorded music market (% digital) according to GS Research, 2022. Access models within the U.S. hospitality market (% Online Short Term Rentals) according to Euromonitor, 2022.
Addressing the Fastest Growing Segments in Apparel

<table>
<thead>
<tr>
<th>Year</th>
<th>US Apparel</th>
<th>US Online Apparel</th>
<th>US Secondhand</th>
</tr>
</thead>
<tbody>
<tr>
<td>2022</td>
<td>$345</td>
<td>$155</td>
<td>$43</td>
</tr>
<tr>
<td>2026E</td>
<td>$412</td>
<td>$212</td>
<td>$82</td>
</tr>
</tbody>
</table>


1 Reflects the US Offline Apparel market excluding online sales. The Offline Apparel market was $189B in 2022 and is expected to be $200B in 2026.
Our Customers are the Current and Future Luxury Customers

### They Lead Busy Lives And Have Common Core Values

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
<th>Percentage</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family</td>
<td>~1/3 Have Kids or Pregnant</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>20s–40s Average Age Range</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Career</td>
<td>90%+ Working Women</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>90%+ Have At Least a Bachelor’s Degree</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social</td>
<td>85% Socialize 2x+ Per Week</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Region</td>
<td>76% Of U.S. Zip Codes Represented&lt;sup&gt;1&lt;/sup&gt;</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: RTR Customer and Subscriber Surveys as of November 2022 and March 2023.

<sup>1</sup> Inhabited US mainland zip codes or similar.
Who is Our Customer?

Mom of Two, 34
Atlanta, GA

“I feel like RTR has evolved with me through pre-pregnancy, post-pregnancy and body changes. RTR has helped me evolve my style.”

Consultant, 24
Brooklyn, NY

“Before RTR, I would spend anywhere from $50-$200 weekly at stores like Zara. RTR introduced me to brands and quality I could never afford.”

Tech Executive, 32
San Francisco, CA

“RTR has allowed me to keep my closet fresh without having to worry about being wasteful if I only want to wear the look once. RTR is the highest value money I spend on fashion.”

Professor, 41
Minneapolis, MN

“I wanted to be more environmentally-responsible in the way that I was choosing clothing. I can wear clothing that is higher quality and has a longer life-span.”
We Deliver Differentiated Exponential Economic Value Versus Purchasing

ILLUSTRATIVE MONTH OF RTR SUBSCRIPTION

RENT THE RUNWAY

- 3.1 Phillip Lim $425
- Jason Wu $795
- MSGM $1,005
- Diane von Furstenberg $339
- Mansur Gavriel $545
- Derek Lam 10 Crosby $395
- NOIZE $310
- Tanya Taylor $425
- Proenza Schouler $990

$5,000 in value for $144

10 Items, 2 Shipments
More Outfits
No Cleaning Costs

MICHAEL KORS

- $144 ⅓ of an Item
- No Outfits

BANANA REPUBLIC

- $144 1 Item
- Fewer Options

ZARA

- $144 3 Items
- Fewer Options

Jason Wu $795
Diane von Furstenberg $339
Mansur Gavriel $545
Derek Lam 10 Crosby $395
NOIZE $310
Tanya Taylor $425
Proenza Schouler $990

1 Item
Cleaning Costs
Cleaning Costs

3 Items
Cleaning Costs
Cleaning Costs

Rachel Comey $225
MSGM $1,005
Derek Lam 10 Crosby $395
NOIZE $310
Tanya Taylor $425
Proenza Schouler $990
Our Subscription is a Daily Utility Delivering Significant Financial Value

The average subscriber receives clothing worth >20x GMV what she pays

Our subscribers wear Rent the Runway ~80 times per year⁵

Customer Problem → RTR Solution “Unlimited Closet”

~$3,800 Annual Spend

Dry Cleaning ($500)

Clothing Spend ($3,300)¹

~$3,300 Value Received Annually

~$40,000³ Value Received

~$1,700 Annual Spend²

Shopping

Food Delivery

Ride-Sharing

Renting the Runway

Streaming Entertainment

Social Media

# of Times per Year⁴

2-10 Times

50

60

~80+⁵

150+

300+

Shopping for Clothes

¹Sources: ING Direct, Capital One Survey.
²Annualized 10-item monthly subscription price of $144 per month.
³Annualized average GMV of items received during FY 2022.
⁴Sources: SEC filings for public companies, Statista, Wall Street Research, Business Insider.
⁵Represents FY 2022 average number of wears of RTR items by each active subscriber per month, on an annualized basis.
We Inspire Discovery of New Styles, Looks and Brands

She Owns This

- Consists of basic garments

She Rents This

99% of subscribers try brands they’ve never owned, 45 brands in year

- ~25% are the color black
- Over 30% have embellishment
- Over 45% printed styles

Discover outside her traditional style

1Source: RTR Subscriber Survey as of March 2023.
2FY 2022
Viral Brand and Deeply Engaged Consumer Base Have Powered Organic Adoption

- Less than 10% of total revenue spent on marketing since founding\(^1\)
- 83% of subscribers say RTR makes them the most confident version of themselves\(^2\)
- 80%+ of customers acquired via word of mouth\(^1\)
- 22% Unaided brand awareness\(^3\)

\(^1\) As of 1/31/23.
\(^2\) RTR Subscriber Survey as of March 2023.
\(^3\) Among U.S. women ages 18-45 with a household income of $50,000 or more; as of Q4 2022.
Renting Results In Net Environmental Savings vs. Purchasing New

**Rental Displaces Purchase**

- **82%** buy fewer clothes after joining RTR

**Rental Benefits Even When Factoring in Cleaning and Two-Way Transportation**

- **~1.4M** estimated new garments displaced since 2010, saving a total of:
  - 67M gallons of water
  - 99M kWh of energy
  - 44M pounds of CO2 emissions

- **~100%** of all unusable product diverted from landfill

**Waste Reduction**

- Estimated net environmental savings of renting versus purchasing:
  - 24% less water
  - 6% less energy
  - 3% less CO2 emissions

---

1. November 2022 Subscriber Survey.
2. Displacement was calculated by (Rental Wears - Linear Wears) / Linear Wears. Displacement was multiplied by estimated number of units in all categories studied.
3. Environmental savings are based on results of an LCA Study, specifically the net upstream production impact across all categories studied.
4. Percentage of savings are based on (a) the calculation of individual environmental impact of each category as presented in the LCA, weighted by (b) the percentage of estimated total wears for each of the 12 categories, as measured from 2010 through 2021.
RTR is a Powerful Discovery Platform for Designer Fashion

91% of our brand partners say Rent the Runway introduces their brand to new and different customers compared to their other accounts that are essential to their business success.¹

We have strong relationships with our brand partners and have experienced extremely limited voluntary attrition.

¹ June 2021 RTR Brand Survey.
RTR Provides Access to Current Products at a Fraction of the Price of Luxury Players

Luxury Sites

Rent the Runway

$875 to buy on Luxury Site

$98 Reserve Rental (2nd SIZE FREE) / Also available via monthly subscription programs
We Have Improved the Fashion Assortment on Our Platform While Significantly Reducing the Cash Needed to Acquire It

<table>
<thead>
<tr>
<th>% Items Acquired</th>
<th>% Items Acquired</th>
</tr>
</thead>
<tbody>
<tr>
<td>in FY19</td>
<td>in FY22</td>
</tr>
<tr>
<td>Wholesale</td>
<td>Wholesale</td>
</tr>
<tr>
<td>74%</td>
<td>58%</td>
</tr>
<tr>
<td>Share by RTR</td>
<td>Share by RTR</td>
</tr>
<tr>
<td>26%</td>
<td>31%</td>
</tr>
<tr>
<td>Exclusive Designs</td>
<td>Exclusive Designs</td>
</tr>
<tr>
<td>11%</td>
<td>42%</td>
</tr>
</tbody>
</table>

Wholesale

Share by RTR

Exclusive Designs

Rental Product (Capex)

$118M

46%

Total Product Spend (Capex + Rev Share)

$62M

50%

32%

We are targeting at least 2/3 of our product acquisition through non-wholesale channels in the mid-term
We’ve Innovated Product Acquisition to be More Capital Efficient

Our Consignment Channel, **Share by RTR**
Reduces Upfront Product Spend

- **300+**
  Brand partners

Select and acquire at zero or low upfront cost

Revenue share payments up to maximum cap

Broadens and de-risks assortment via new categories, styles and designers

---

We Leverage Our Data to Create **Exclusive Designs** in Partnership with Top Brands

- **~50%** Lower Product Cost
- **+380 bps** Higher Wear Rate\(^1\)
- **~30%** Better Damage Rate\(^2\)

---

\(^1\)Wear rate for Exclusive Design apparel rentals vs. wear rate for non-Exclusive Design apparel rentals (FY 2022).

\(^2\)Damage rate for Exclusive Design apparel rental product acquired in 2H 2022 vs. damage rate for Wholesale apparel rental product acquired in 2H 2022.
Unique Customer Inputs Fuel Our Personalized Experience

Subscribers typically visit RTR multiple times per week
Our Customer and Inventory Data Is Highly Differentiated

We have a set of data that is entirely unique to our business model because nearly 100% of items are returned to us.

**Unique to RTR Illustrative Data**

**Fit Data**
- Body dimensions
- Photo reviews

**Inventory Quality & Durability**
- Garment usage and longevity
- Lifetime turns
- Unit level quality
- Garment science
- Fabric data

**Customer Usage Data**
- Calendar / Occasions
- Preferences
- Life stage / profession
We Have Evolved Our Data Advantage Over Time

2014: Introduction of photo reviews
2016: Flexible product tagging
2018: Launch of subscription + post-wear survey
2020: Expansion of inbound automation
2021: RFID rollout
2022: Digital Issue Tagging

Widening Competitive Moat
Differentiated Algorithms and Features

Note: Data points over time are illustrative.
We’ve Custom Built Software that Powers Just-in-Time Reverse Logistics at Scale

Select Proprietary Technology Uniquely Developed In-House

- Reservation Calendar
- Customer-Facing Applications
- Inventory & Merchandising Systems
- Order Prioritization & Fulfillment
- Warehouse Management System (WMS)
- Hardware Plug-Ins
- Transportation Management

Financial Systems

Customer Service Software
Our Unique Operational Processes Enable Us To Turn Products Quickly and Monetize Over Multiple Years
We’ve Developed a Competitive Advantage Around Our Complex Operations Process, Driving Efficiencies Over Time

We are able to achieve these fulfillment margins, **despite the fact that fulfillment expenses include** all costs to receive, process and fulfill customer orders, two-way shipping expenses, fulfillment labor costs, garment repair, restoration and cleaning, packaging materials, and other fulfillment costs.

Fulfillment Costs as % of Revenue are **down 15 percentage points since 2019**

<table>
<thead>
<tr>
<th></th>
<th>FY19</th>
<th>FY20</th>
<th>FY21</th>
<th>FY22</th>
</tr>
</thead>
<tbody>
<tr>
<td>46 %</td>
<td>34 %</td>
<td>30 %</td>
<td>31 %</td>
<td></td>
</tr>
</tbody>
</table>
Multiple Levers for Future Growth

More of What We Do Today

Grow Subscribers
Invest in Customer Experience
Expand Assortment and Use Cases

Future Levers

Launch New Categories and Offerings
Become a Marketing Platform for Brands
Data as a Product
Expand Internationally
Leadership Team with Deep Expertise Across Best-in-Class Consumer and Technology Companies

Jennifer Hyman  
CEO, Co-Founder and Chair  

Sid Thacker  
Chief Financial Officer  

Anushka Salinas  
President and COO  

Brian Donato  
Chief Revenue Officer  

Drew Rau  
Chief Supply Chain Officer  

Cara Schembri  
General Counsel  

Becky Case  
SVP, Engineering  

Sarah Tam  
Chief Merchant Officer

---

Board Members

**JENNIFER HYMAN**  
CEO, Co-Founder and Chair, Rent the Runway

**JENNY FLEISS**  
Co-Founder, Rent the Runway

**TIM BIXBY**  
CFO, Lemonade

**SCOTT FRIEND**  
Partner, Bain Capital Ventures

**MELANIE HARRIS**  
GM, Jordan Brand, Nike

**BETH KAPLAN**  
Growth stage investor and advisor

**EMIL MICHAEL**  
Chairman and CEO, M8 Enterprises

**DAN NOVA**  
GP, Highland Capital Partners

**GWYNETH PALTROW**  
Founder, Goop

**CARLEY RONEY**  
Co-Founder & Former CCO, XO Group

**MIKE ROTH**  
Former VP Global Supply Chain & Transportation at Amazon
Appendix
Growing Geographic and Use Case Diversity of Our Subscription

**FY 2022 Ending Active Subscribers by Region**

- New England: 15%
- Mid-Atlantic: 6%
- Midwest: 17%
- South Atlantic: 25%
- South: 10%
- Mountain: 5%
- Pacific: 17%

**FY 2022 Shipped Items by Use Case**

- 53% Casual / Weekend: Examples include trousers, sweaters, athleisure, coats, vacation attire, clothes for family time, brunches, friendly meals and leisure activities
- 24% Evening: Examples include weddings, black tie, nights out, cocktail parties, galas, date nights
- 23% Work: Examples include blazers, work dresses, skirts, suits

---

RENT THE RUNWAY
Brands Have Faced a Structural Shift in the Retail Landscape

Decline Of Traditional Wholesale Channels

19% of department stores expected to close in next three years.¹

Heightened Competition From Mass & Fast Fashion

Mass market and fast fashion grew from 31% → 42% as a % of the U.S. Apparel Market.²

DTC As An Essential Channel For Every Brand

Brands are seeking DTC channels, but lack the financial or human capital to build them.

Larger, Fractured Discovery Landscape

Shift to online, direct search and endless aisle of new brands leaves brands with customer discovery challenge.

Aging Consumer Base

The average age of a luxury department store customer is 51 years old.³

Growing Importance Of Data

Data is critical to product strategy and customer acquisition.

¹ Statista, 2023.
² Compares 2021 vs. 2011 per GlobalData, 2022. Mass market is defined as Amazon, off-price, and value retail.
³ Racked, More than 40% of Neiman Marcus Shoppers are Millionaires.
We Present Our Brand Partners in an Aspirational Way, Which Gives Us Control of Our Supply
We Have the Ability to Monetize Products Over Many Years and Create Megahits

Jan. 2011
Launch on Site

70,381
Total Shipped Units

30
Units Purchased at Launch

602
Current Active Units

$162
Cost per Unit in 2011

$147
Current Cost per Unit

$162
Total Revenue

Cumulative data over 10 years since original launch through July 2021.

Fifth Avenue Showstopper

15+ Styles Inspired by the Showstopper Dress

Data creates annuity stream for RTR and brand partners

$4.6M+ Total Revenue
From the Fifth Avenue Showstopper and Styles It Inspired
Our Data Helped Ulla Johnson with Production Improvements

**ANALYSIS**

22.4% Deactivation Rate

Reason: wear/tear - faded or worn out, color & dye bleed, color loss

34% Wear Rate

Reason: 90% said style ran small

**COLOR LOSS**

**WEAR & TEAR**

**REVIEW**

Case Study as of July 2021.

1.1% Deactivation Rate

74% Wear Rate

**SIZING**

**IMPROVEMENT**

**Ulla Johnson**
## We Acquire Product in Three Strategic Ways

<table>
<thead>
<tr>
<th>OVERVIEW</th>
<th>1. WHOLESALE</th>
<th>2. SHARE BY RTR</th>
<th>3. EXCLUSIVE DESIGNS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Products we acquire directly from brand partners, typically at a discount to wholesale prices</td>
<td>Products we select and acquire directly from brand partners on consignment at zero or low upfront cost</td>
<td>Leverage our data to collaborate with brands to create exclusive designs under their brand name. Manufactured by third party partners</td>
<td></td>
</tr>
<tr>
<td>Original retail prices set by brands are often at a 2.5x mark-up</td>
<td>Performance based revenue share payments to our brand partners</td>
<td>Pay brand partners an upfront fee and minina, revenue share payments</td>
<td></td>
</tr>
</tbody>
</table>

### BENEFITS FOR BRANDS

- Ability to access an important wholesale channel for their business
- Access new customer demographic vs. traditional wholesale channels
- Ability to widen product selection
- Ability to partake in upside through pay-for-performance model
- Ability to innovate at minimal cost
- Allows expensive brands to scale on RTR
- Leverage archival designs and RTR data to improve fit

### BENEFITS FOR RTR

- Allows us to establish and grow brand relationships
- Reduces upfront spend and alleviates product risk
- Aligns incentives between brands and RTR
- Ability to improve durability and lower cost, driving ROI
- Exclusive product for RTR from highly coveted designers
# How We Acquire Products and Financial Impact

<table>
<thead>
<tr>
<th>Description</th>
<th>Consolidated Statement of Operations</th>
<th>Consolidated Balance Sheets</th>
<th>Consolidated Statements of Cash Flows</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Wholesale</strong></td>
<td>Purchased from brand partners Typically at a discount to wholesale</td>
<td>Straight-line depreciation with three-year useful life and 20% salvage value⁽¹⁾</td>
<td>Capitalized as long-term assets</td>
</tr>
<tr>
<td><strong>Share by RTR⁽²⁾</strong></td>
<td>Acquired from brand partners on consignment</td>
<td>Upfront and performance-based revenue share payments expensed as incurred</td>
<td>Not capitalized as we do not own the items</td>
</tr>
<tr>
<td></td>
<td>Zero to low upfront cost</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Performance-based revenue share payments over time</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Exclusive Designs⁽²⁾⁽³⁾</strong></td>
<td>Designed using our data in collaboration with brand partners</td>
<td>Upfront and performance-based revenue share payments expensed as incurred</td>
<td>Manufacturing cost capitalized as long-term assets</td>
</tr>
<tr>
<td></td>
<td>Manufactured through third-party partners</td>
<td>Manufacturing cost recognized through straight-line depreciation with three-year useful life and 20% salvage value⁽¹⁾</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Upfront payment and minimal revenue share payments to brand partner</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

⁽¹⁾ The cost of accessory items, which made up less than 10% of the gross book value of rental product as of January 31, 2023, is recognized through straight-line depreciation with a two-year useful life and 30% salvage value.

⁽²⁾ For both Share by RTR and Exclusive Designs, the Company shares a percentage of revenue less a logistics fee with the brand. This revenue includes (i) revenue attributable to each item in connection with one-time reserve rentals; (ii) revenue attributable to each item from Subscription (this is based on the number of days at home during a subscription period); and (iii) revenue attributable to each item in connection with Resale of such items, less any liquidation costs. Both the percentage of revenue, and the logistics fees, can vary depending on the brand partner. Most Share by RTR items earn revenue until a cap has been reached, at which point, title generally passes from the brand to the Company.

⁽³⁾ Includes a small number of products bearing our trademarks, which are non-exclusive designs produced by third-party partners, or our owned brands. These products are purchased at a significantly lower average cost than Wholesale.