Q3 2021 Earnings Presentation

December 8, 2021

Forward-Looking Statements Disclaimer

This presentation contains forward-looking statements within the meaning of the 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, business objectives, subscriber trends and impacts from the COVID-19 pandemic, plans to expand into new products and offerings, 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 “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; risks related to the COVID-19 pandemic; 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; our ability to accurately forecast customer demand, manage our offerings effectively and plan for future expenses; risks related to shipping, logistics and our supply chain; 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 to adequately maintain and protect 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 partners; reliance on third parties for elements of the payment processing infrastructure underlying our business; 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 final prospectus dated October 26, 2021. 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.

This presentation is a high-level summary of our Q3 2021 financial results. For more information please refer to our press release dated December 8, 2021 and filings with the SEC.

Investment Thesis

At the Center of Key Trends

- Shift in consumer spend from ownership to access / experiences
- Growth of e-commerce
- Growth of secondhand clothing
- Sustainability
- Increasingly female workforce

Addressing Fastest-Growing Segments in $300B U.S. Apparel Market[1]

- Online: $107B market growing at 12% CAGR[1]
- Secondhand: $27B market growing at 23% CAGR[2]

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

- Subscribers receive ~$4,000 designer clothing per month - 20X GMV value for spend
- Brands get new customers and critical data

Deep Competitive Advantages

- Proprietary Operating System
- Data and Technology to power Closet in the Cloud
- Brand partner relationships

Attractive Economics and Profitability as We Scale

- Recurring revenue base
- Strong unit economics
- Operating leverage
- Shifting product acquisition to drive capital efficiency and cash flow

Multiple Drivers of Future Growth

- Strong recovery post-Covid
- Large funnel of Reserve and Resale customers into subscription
- Efficiently increase brand awareness
- Improve customer experience to increase loyalty
- New brands and categories to increase TAM
- International expansion

(1) Euromonitor Market Sizing and Growth Estimates.
(2) GlobalData Market Sizing and Growth Estimates.

Third Quarter Key Metrics and Financial Highlights

- 116.8K **active subscribers** as of October 31, 2021, up 78% YoY and up 20% from Q2 2021
    - Representing 87% of active subscriber count at the end of fiscal 2019
- 150.1K **total subscribers**, representing 101% of total subscribers at the end of fiscal 2019
- **Revenue** of $59.0M, up 66% YoY and up 26% from Q2 2021
- **Gross Profit** of $19.9M (33.7% gross margin) compared to $2.4M (6.8% gross margin) in Q3 2020
- **Net Loss** of $(87.8)M compared to $(44.3)M in Q3 2020; Net Loss includes $44M of charges related to the IPO (primarily non-cash, non-recurring) [(1)]
- **Adjusted EBITDA** of $(5.6)M (-9.5% margin) compared to $(5.4)M (-15.2% margin) in Q3 2020
- Estimating 56% of FY 2021 **rental product acquired via capital light acquisition models** (i.e., Share by RTR and Exclusive Designs), ahead of last year[(2)]
- **Cash and cash equivalents** of $279M at end of Q3, including October 2021 IPO net proceeds and after repayment of $141M, or approximately one third, of prior total debt

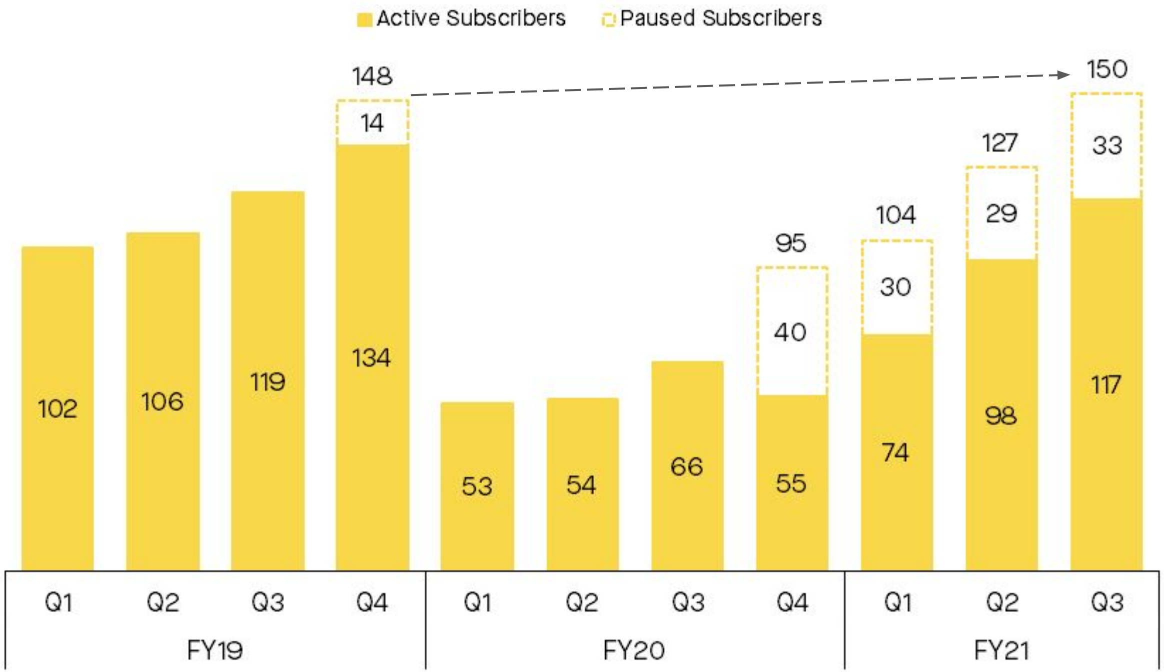
(1) Q3 2021 Net Loss included a one-time $(17.4)M non-cash loss on the revaluation of warrants that were exercised or reclassified at IPO, as well as a $(12.2) million primarily non-cash loss on extinguishment of debt associated with the debt paydown that occurred concurrently with the IPO closing. It also included a one-time $(14.4)M non-cash stock compensation expense charge related to the one-time satisfaction of the liquidity based vesting conditions for certain RSUs previously outstanding and certain RSUs which were granted upon the effectiveness of our IPO.
(2) FY 2021 estimate for the fiscal year as of December 2021.

Third Quarter Business Highlights

- **Strong subscriber engagement:** 24% of subscribers added one or more paid additional items into their subscription program
- All major U.S. metros back to approximately **90% of pre-COVID subscriber count** except NY, DC, and SF; Markets in South Atlantic, South and Mountain regions significantly higher than pre-COVID
- Continued **diversification of subscriber base**
  - **Geographic diversity:** subscribers outside Top 20 markets now 29% of base, up from 23% in FY2019
  - **Use case diversity:** 50% casual occasions up from 32% casual in FY2019
- Onboarded **30 new brands** including Altuzarra, LaQuan Smith, Rachel Antonoff and Rotate
- Launched **fit algorithm enhancement**, driving meaningful improvement in fit rate, which increases customer loyalty
- Conducted a **brand awareness campaign** that drove a more than 10% lift in traffic during the campaign
- **Launched at-home pickup** in five major metros resulting in lower shipping costs and an easier way for customers to return orders; over one-third of customers in initial markets have adopted the offering

Strong Active Subscriber Growth, Up 113% YTD

Ending Subscribers (in thousands)



Q3'21
Total Subscribers Above FY2019 Level

YoY Active Subscriber Growth	*(48)%*	*(49)%*	*(45)%*	*(59)%*	*40%*	*80%*	*78%*

Note: FY19 ended January 31, 2020, FY20 ended January 31, 2021. 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 Revenue Growth, Up 66% YoY

Total Revenue, Net ($ in millions)

YoY Growth	*(39)%*	*8%*	*(54)%*	*(45)%*	*(55)%*	*(44)%*	*62%*	*66%*

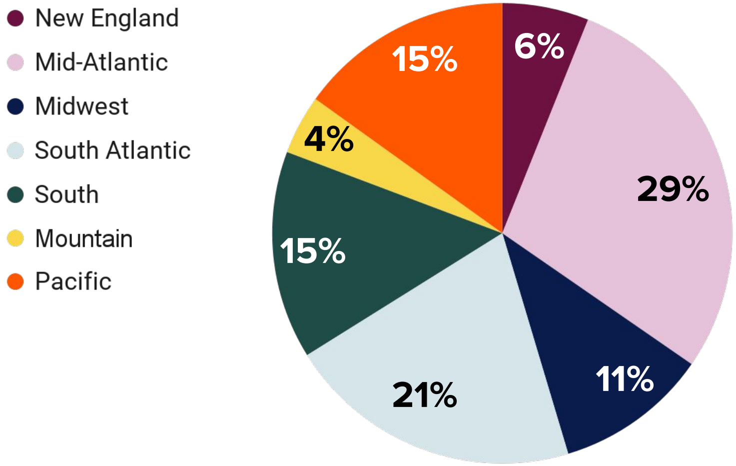
In Q3 YTD, ~82% of our revenue came from subscribers

Seeing higher engagement from our subscribers with average revenue per subscriber higher in Q3 vs. Q2

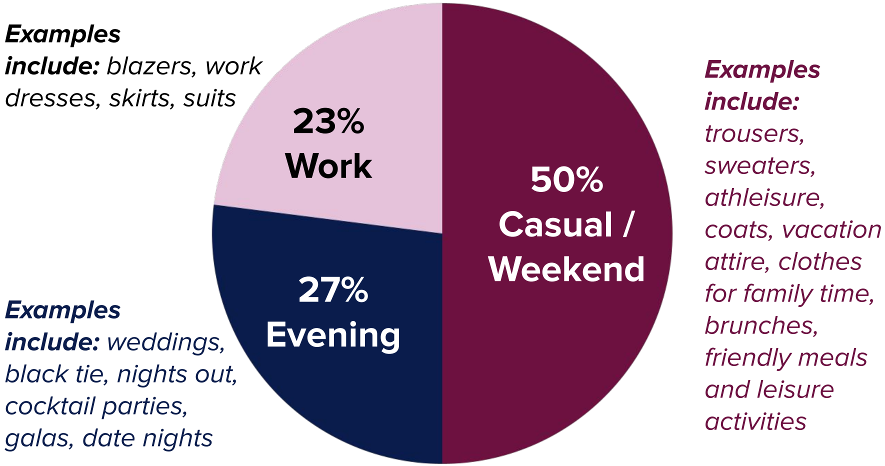
Note: FY19 ends January 31, 2020, FY20 ends January 31, 2021.

Growing Geographic and Use Case Diversity of Our Subscribers Increases our TAM

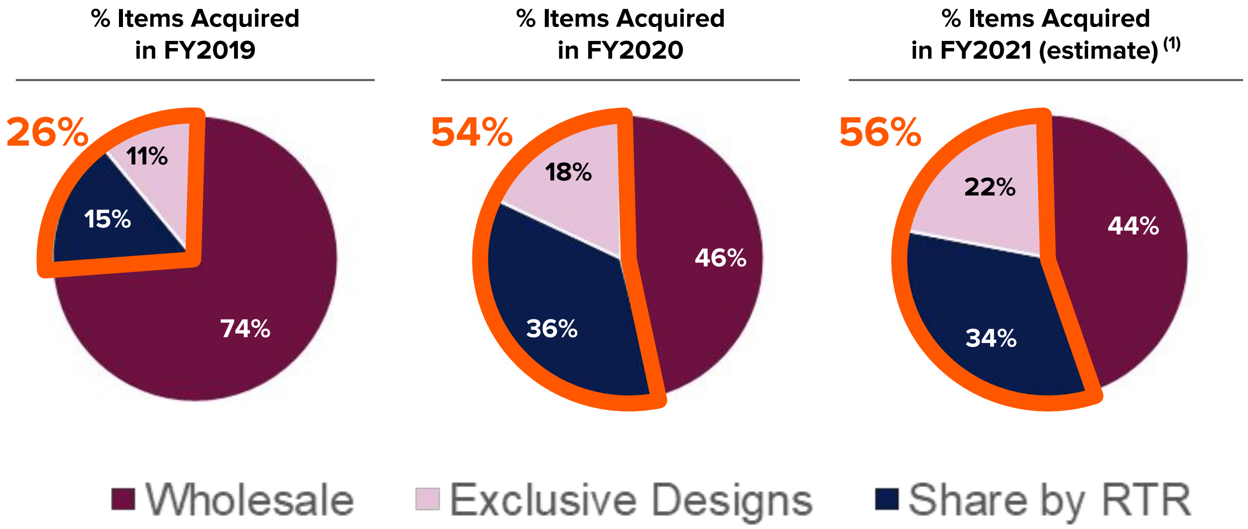
Q3 2021 Ending Active Subscribers by Region



Q3 2021 Shipped Items by Use Case



Growth in Capital Efficient Product Acquisition Channels to 56% of Total



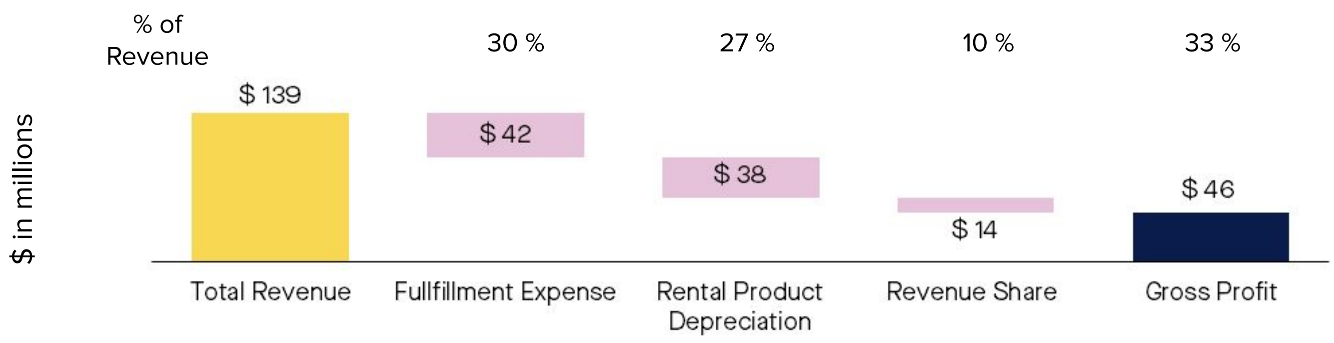
Share by RTR and Exclusive Designs drive **stronger cash flow today** and continue to improve cash flow over time as they become a larger proportion of total product acquisition

For FY2021, we estimate 56% of our product acquisition to be via our capital-efficient channels, Exclusive Designs and Share by RTR, ahead of prior year

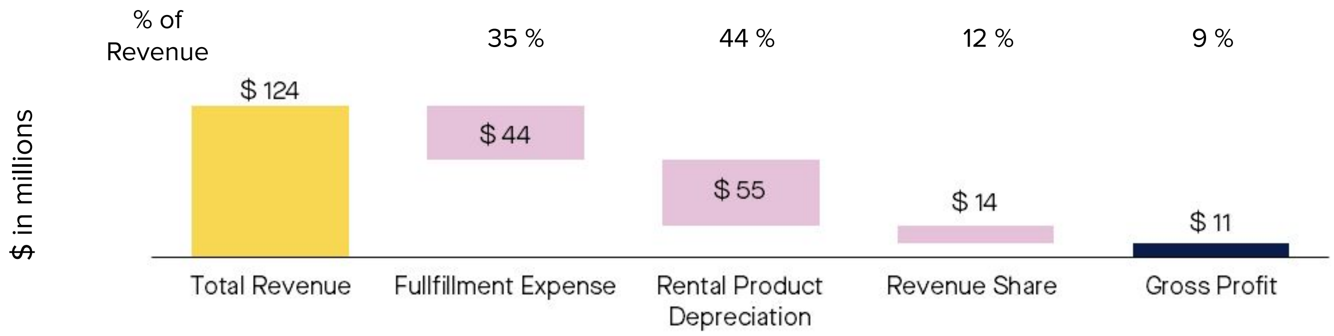
(1) FY2021 estimate for the fiscal year as of December 2021.

Our Business Model

Nine Months Ended October 31, 2021



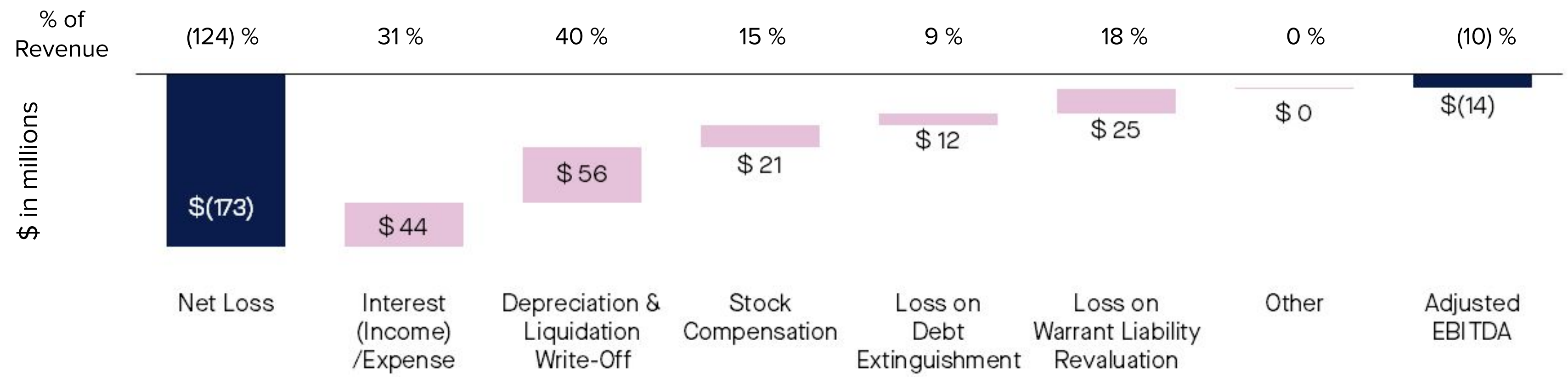
Nine Months Ended October 31, 2020



Note: See GAAP to Non-GAAP Reconciliation in appendix.

Our Business Model

Nine Months Ended October 31, 2021



Interest (Income) / Expense: includes $35.4M of PIK interest, $3.4M of cash interest and $4.9M of debt discount amortization

Depreciation & Liquidation Write-Off: includes rental product depreciation and write-offs, the write-off of the remaining book value of liquidation products that had previously been held for sale, property and equipment depreciation and capitalized software amortization

Stock Compensation: reflects the non-cash expense for stock-based compensation including a one-time non-cash stock-based compensation expense of $14.4 million related to the satisfaction of the liquidity based vesting condition for certain RSUs previously outstanding and certain RSUs which were granted upon the effectiveness of our IPO in October 2021

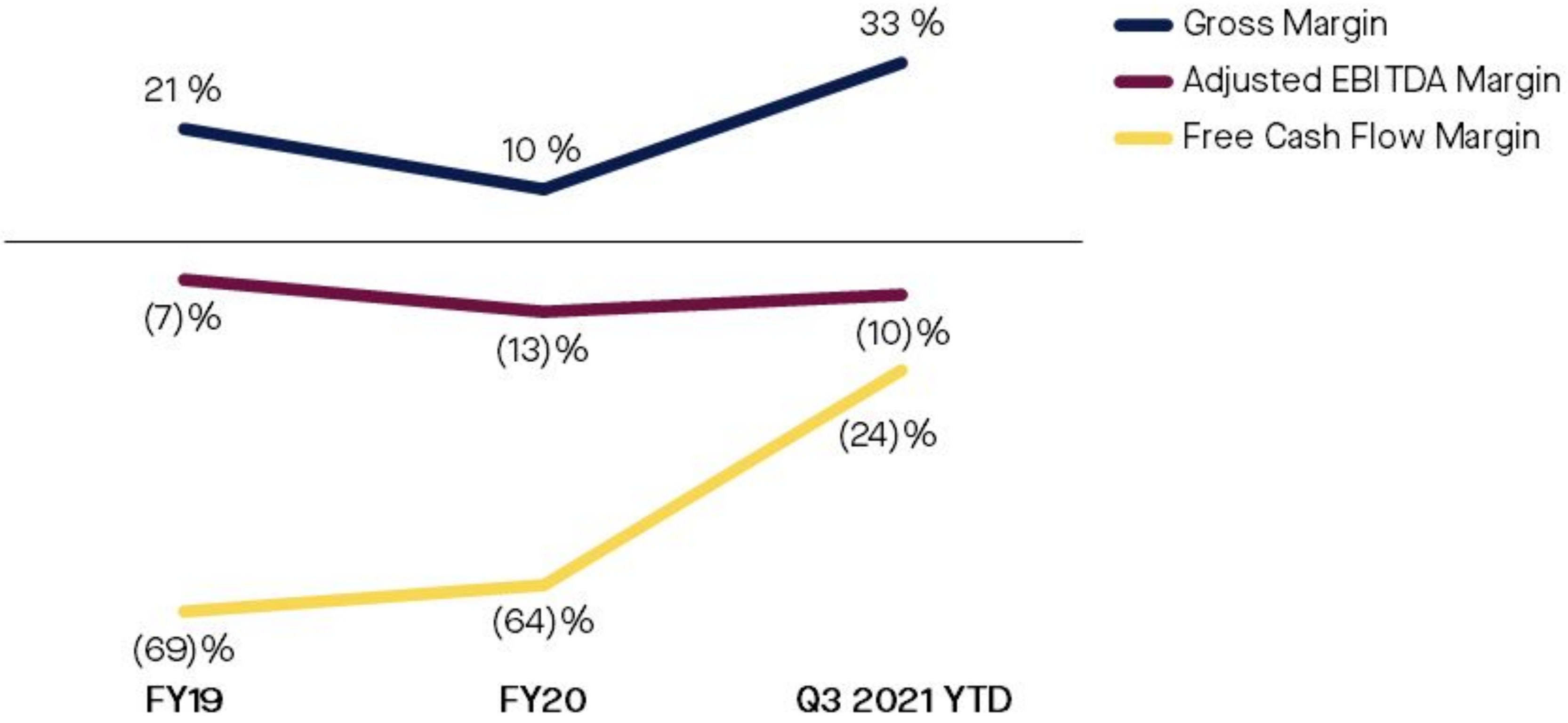
Loss on Debt Extinguishment (non-recurring): reflects the fees and non-recurring primarily non-cash write off of debt amortization associated with the debt extinguishment upon the IPO in October 2021

Loss on Warrant Liability Revaluation (non-recurring): reflects the non-recurring non-cash expense related to the revaluation of prior lenders' liability classified warrants, all of which were exercised or reclassified upon the IPO. Subsequent revaluation of warrants is non-recurring given the equity classification of remaining warrants

Other: includes $4.5M of non-recurring costs related to public readiness preparation, partially offset with $4M of insurance proceeds; also includes write-off of property and equipment disposals, operating lease terminations and foreign exchange

Note: See GAAP to Non-GAAP Reconciliation in appendix. Net Loss as a percentage of revenue was (107)% in the nine months ended October 31, 2020.

Continuing to Improve Margins

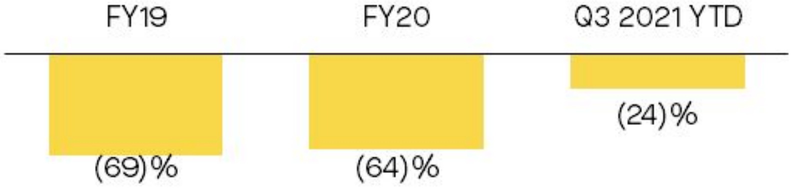


Note: See GAAP to Non-GAAP Reconciliation in appendix. Free cash flow margin defined as net cash used in operating activities plus net cash used in investing activities, as a percentage of total revenue.

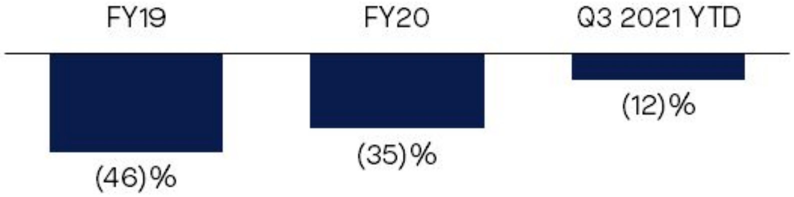
Product Acquisition Strategy Has Meaningfully Improved Capital Efficiency and Free Cash Flow

($ in millions)

Free Cash Flow [(1)]
as % of Revenue



Purchases of Rental Product
as % of Revenue



	FY19	FY20	Q3 2021 YTD
Purchases of Rental Product	$(118)	$(55)	$(17)
Purchases of Fixed and Intangible Assets	$(44)	$(24)	$(6)
Product Depreciation as % of Revenue [(2)]	29%	44%	27%
Revenue Share as % of Revenue	4%	12%	10%
Total Product Costs as % of Revenue (P&L Impact) [(3)]	33%	57%	37%
Purchases of Rental Product + Revenue Share as % of Revenue (Cash Impact)	50%	47%	22%

(1) Free cash flow defined as net cash used in operating activities plus net cash used in investing activities.
(2) Includes Rental Product Depreciation and Write-off
(3) Includes Rental Product Depreciation and Write-off and Revenue Share

Improvement in product depreciation with right-sizing of product relative to active subscribers and revenue

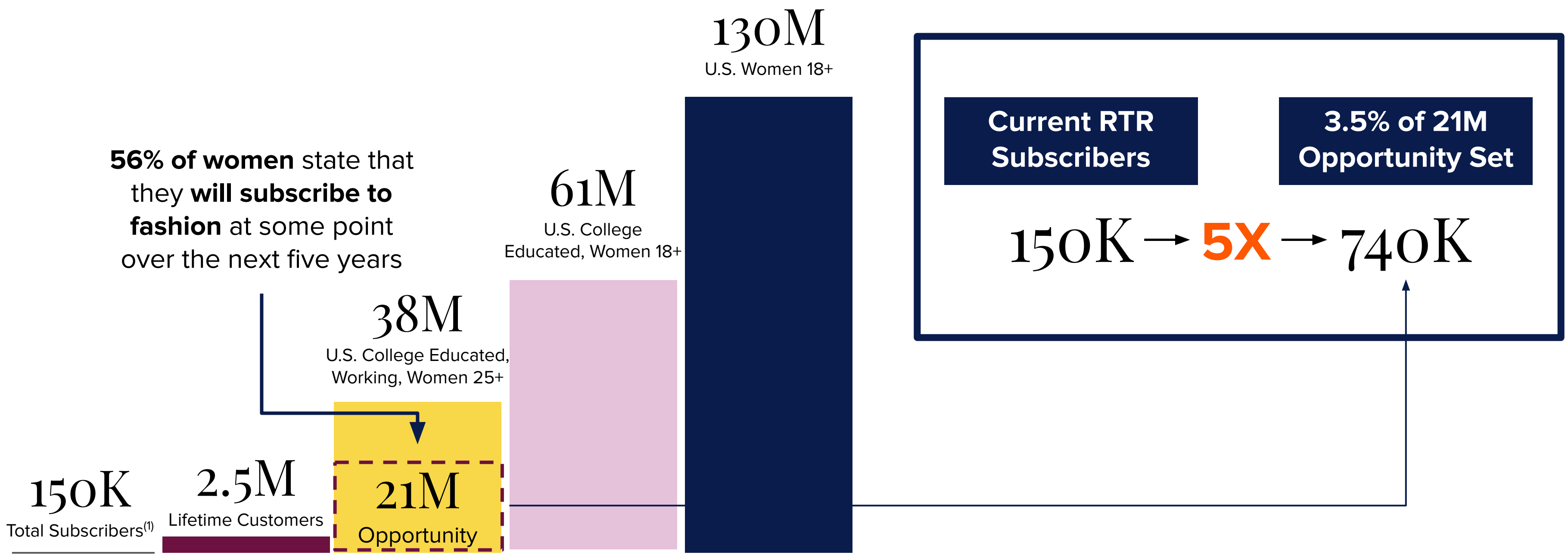
Higher proportion of product acquired through Share by RTR increases revenue share expense but reduces upfront cash outlay

See appendix for reconciliation of Purchases of Rental Product to Rental Product Acquired in Period

The Subscriber Opportunity

Converting Only 3.5% of Opportunity Set Would Drive 5X Increase in Subscribers

Subscriber Opportunity



Source: July 2021 Lab42 Survey, U.S. Census Bureau, 2020.
(1) Total Subscribers, including Paused, as of 10/31/2021.

Due to Our High ARPU, We Only Need a Fraction of Peers' Subscriber Bases to Reach the Same Revenue Level

	NETFLIX	Spotify	PELOTON	RENT THE RUNWAY
Most-Popular Subscription Price	$13.99	$9.99	2.49M @ $39.00 887K @ $12.99 Blended: $32.17[1]	$135.00
Illustrative # Subscribers per $1,000 revenue	71	100	31	7
Multiple of RTR Subscribers for $1,000 Revenue	***10x***	***14x***	***4.4x***	

Source; Company Filings.
(1) As of September 30, 2021.

Q4 and Fiscal Year 2021 Guidance

		Q4 2021	Fiscal Year 2021
Guidance	Ending Active Subscribers	121K - 122K	121K - 122K
	Total Revenue	$62.8M - $63.3M	$202.0M - $202.5M
	Adjusted EBITDA Margin[(1)]	(8)%	(9)%

(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, stock-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.

Appendix

Condensed Consolidated Statements of Operations

(in millions)	Three Months Ended 10/31/21	Three Months Ended 10/31/20	Nine Months Ended 10/31/21	Nine Months Ended 10/31/20	Year Ended 1/31/21	Year Ended 1/31/20
Total revenue, net	$59.0	$35.5	$139.2	$124.0	$157.5	$256.9
Fulfillment	19.2	11.0	41.5	43.8	53.0	118.1
Technology	12.8	9.4	33.0	28.0	37.7	40.2
Marketing	10.8	1.4	18.2	6.5	8.1	22.9
General and administrative	35.8	17.9	76.4	59.9	77.2	98.9
Rental product depreciation and revenue share	19.9	22.1	51.5	69.1	89.0	85.2
Other depreciation and amortization	4.7	5.7	14.6	17.4	23.0	21.6
Total costs and expenses	103.2	67.5	235.2	224.7	288.0	386.9
Operating loss	(44.2)	(32.0)	(96.0)	(100.7)	(130.5)	(130.0)
Interest income / (expense), net	(14.3)	(11.8)	(43.7)	(32.2)	(46.6)	(24.0)
Other income / (expense) and gains / (losses) (1)	(29.6)	(0.5)	(33.2)	0.6	6.0	(0.1)
Benefit from income taxes	0.3	-	0.4	-	-	0.2
Net loss	$(87.8)	$(44.3)	$(172.5)	$(132.3)	$(171.1)	$(153.9)

(1) The three months ended 10/31/21 includes a $(17.4) million non-recurring and non-cash loss on warrant liability revaluation and a $(12.2) million loss on debt extinguishment related to the Ares debt paydown upon the IPO. The three months ended 10/31/20 includes a $(0.6) million loss on debt extinguishment. The nine months ended 10/31/21, includes a $(24.9) million loss on warrant liability revaluation and a $(12.2) million loss on debt extinguishment, partially offset by $4.0 million of insurance claim proceeds. The nine months ended 10/31/20 includes $(0.6) million loss on debt extinguishment, partially offset by $1.3 million of proceeds from monetization of tax credits.

Condensed Consolidated Balance Sheets

	As Of 10/31/21	As Of 1/31/21	As Of 1/31/20
(in millions)			
Cash and cash equivalents	$278.7	$95.3	$31.4
Restricted cash, current	5.6	3.4	10.5
Prepaid expenses and other current assets	5.4	4.7	5.0
Rental product, net	79.9	97.6	116.0
Fixed assets, net	57.5	64.7	65.4
Operating lease and other assets	51.3	55.0	47.6
Total assets	$478.4	$320.7	$275.9
Total current liabilities	69.4	40.6	51.7
Line of credit	-	-	44.0
Long-term debt, net	256.4	355.1	171.1
Warrant liability	-	11.8	0.6
Operating lease and other liabilities	47.7	51.8	42.3
Total liabilities	$373.5	$459.3	$309.7
Total stockholders' equity (deficit)	104.9	(138.6)	(33.8)
Total liabilities, redeemable preferred stock and stockholders' equity (deficit)	$478.4	$320.7	$275.9

Condensed Consolidated Statements of Cash Flows

(in millions)	Nine Months Ended 10/31/21	Nine Months Ended 10/31/20	Year Ended 1/31/21	Year Ended 1/31/20
Net loss	$(172.5)	$(132.3)	$(171.1)	$(153.9)
Net cash (used in) provided by operating activities	(23.5)	(33.9)	(42.8)	(37.6)
Net cash (used in) provided by investing activities	(9.4)	(53.3)	(58.4)	(138.6)
Net cash (used in) provided by financing activities	215.7	168.3	168.5	177.9
Net increase in cash and cash equivalents and restricted cash	182.8	81.1	67.3	1.7
Cash and cash equivalents and restricted cash at beginning of period	109.2	41.9	41.9	40.2
Cash and cash equivalents and restricted cash at end of period	**$292.0**	**$123.0**	**$109.2**	**$41.9**

Selected Cash Flows Detail and Supplemental Cash Flow Information

(in millions)	Nine Months Ended 10/31/21	Nine Months Ended 10/31/20
INVESTING ACTIVITIES		
Purchases of rental product	$(17.0)	$(48.7)
Proceeds from liquidation of rental product	4.8	0.9
Proceeds from sale of rental product	9.0	14.4
Purchases of fixed and intangible assets	(6.2)	(19.9)
Net cash (used in) provided by investing activities	$(9.4)	$(53.3)
SUPPLEMENTAL CASH FLOW INFORMATION		
Rental product received in the prior period	$3.6	$3.7
Purchases of rental product not yet settled	10.4	6.8

Reconciliation of Purchases of Rental Product to Rental Product Acquired

(in millions)	Nine Months Ended 10/31/21	Nine Months Ended 10/31/20	
Purchases of rental product	$(17.0)	$(48.7)	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	(10.4)	(6.8)	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	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	$(23.8)	$(51.8)	Cost of owned rental product received in the period.

Reconciliation of Net Loss to Adjusted EBITDA

(in millions)	Three Months Ended 10/31/21	Three Months Ended 10/31/20	Nine Months Ended 10/31/21	Nine Months Ended 10/31/20	Year Ended 1/31/21	Year Ended 1/31/20
Net loss	$(87.8)	$(44.3)	$(172.5)	$(132.3)	$(171.1)	$(153.9)
Interest (income) / expense, net	14.3	11.8	43.7	32.2	46.6	24.0
Rental product depreciation	13.7	16.8	37.6	54.8	69.9	75.7
Other depreciation and amortization	4.7	5.7	14.6	17.4	23.0	21.6
Stock compensation	17.1	2.5	21.4	6.3	8.2	6.8
Write-off of liquidated assets	1.2	0.7	4.0	1.6	3.3	4.1
Non-recurring adjustments	1.8	0.7	4.6	3.9	4.2	3.8
Benefit from income taxes	(0.3)	-	(0.4)	-	-	(0.2)
(Gain) / loss on warrant liability revaluation, net	17.4	-	24.9	-	(0.4)	-
(Gain) / loss on debt extinguishment, net	12.2	0.6	12.2	0.6	0.6	-
Other (income) / expense, net	-	(0.1)	(3.9)	(1.2)	(6.2)	0.1
Other (gains) / losses	0.1	0.2	0.1	0.7	1.6	-
Adjusted EBITDA	$(5.6)	$(5.4)	$(13.7)	$(16.0)	$(20.3)	$(18.0)
Adjusted EBITDA Margin	(9.5)%	(15.2)%	(9.8)%	(12.9)%	(12.9)%	(7.0)%

Note: For additional information on each line item see the footnotes to the Adjusted EBITDA reconciliation in our Q3 2021 earnings press release, which is included as ex. 99.1 to our Form 8-K filed with the SEC on December 8, 2021.

Reconciliation of Cash Used by Operating Activities to Free Cash Flow

(in millions)	Nine Months Ended 10/31/21	Nine Months Ended 10/31/20	Year Ended 1/31/21	Year Ended 1/31/20
Net cash (used in) provided by operating activities	$(23.5)	$(33.9)	$(42.8)	$(37.6)
Purchases of rental product	(17.0)	(48.7)	(54.9)	(117.7)
Proceeds from liquidation of rental product	4.8	0.9	2.4	3.6
Proceeds from sale of rental product	9.0	14.4	17.9	19.3
Purchases of fixed and intangible assets	(6.2)	(19.9)	(23.8)	(43.8)
Free Cash Flow	$(32.9)	$(87.2)	$(101.2)	$(176.2)
Free Cash Flow Margin [1]	(23.6)%	(70.3)%	(64.3)%	(68.6)%

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

Reconciliation of Operating Expenses to Operating Expenses Excluding One-time Stock-based Compensation

(in millions)	Three Months Ended 10/31/21	Three Months Ended 10/31/20	Nine Months Ended 10/31/21	Nine Months Ended 10/31/20
Technology	$12.8	$9.4	$33.0	$28.0
Marketing	10.8	1.4	18.2	6.5
General and administrative	35.8	17.9	76.4	59.9
Total operating expenses	$59.4	$28.7	$127.6	$94.4
Less: One-time stock-based compensation (1)	14.4	-	14.4	-
Total operating expenses excluding one-time stock-based compensation	$45.0	$28.7	$113.2	$94.4
Operating expenses excluding one-time stock-based compensation as a % of revenue	76.3%	80.8%	81.3%	76.1%

One-time Stock-based Compensation Details

(in millions)	Three Months Ended 10/31/21	Three Months Ended 10/31/20	Nine Months Ended 10/31/21	Nine Months Ended 10/31/20
One-time stock-based compensation (1)				
Technology	$1.9	$0.0	$1.9	$0.0
Marketing	0.3	-	0.3	-
General and administrative	12.2	-	12.2	-
Total	$14.4	$0.0	$14.4	$0.0

(1) One-time stock-based compensation expense represents the stock compensation expense related to the one-time satisfaction of the liquidity based vesting conditions for certain RSUs previously outstanding and certain RSUs which were granted upon the effectiveness of our IPO in October 2021. Total stock compensation expense in the the three months ended October 31, 2020 and October 31, 2021 was $2.5 million and $17.1 million, respectively. Total stock compensation expense in the the nine months ended October 31, 2020 and October 31, 2021 was $6.3 million and $21.4 million, respectively.