



RENT THE RUNWAY

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# Q2 2023 Earnings Presentation

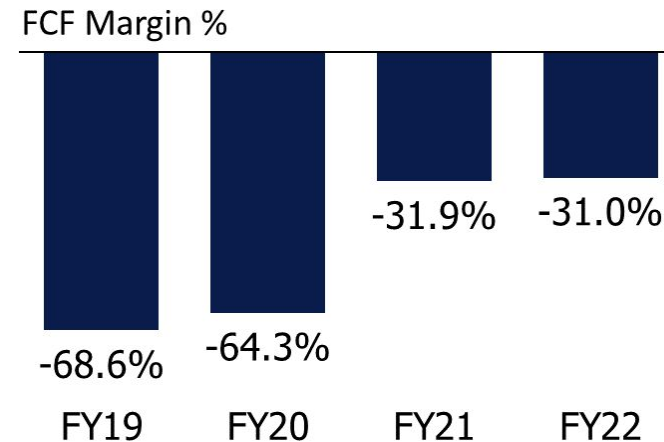
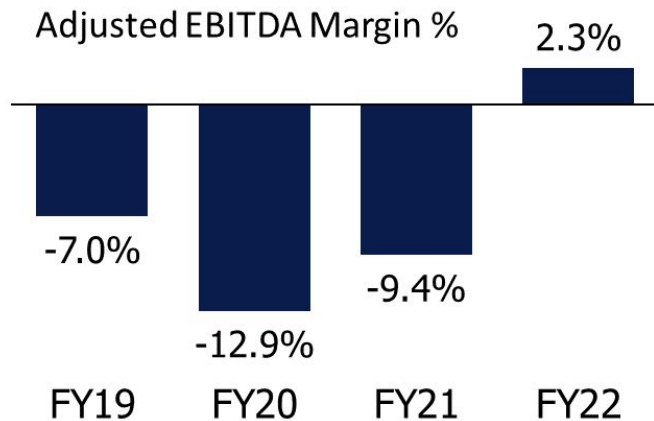
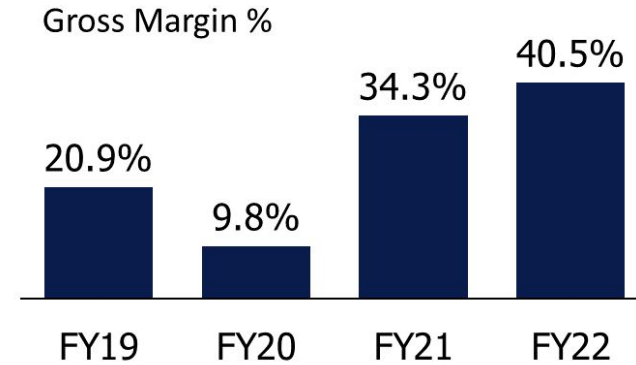
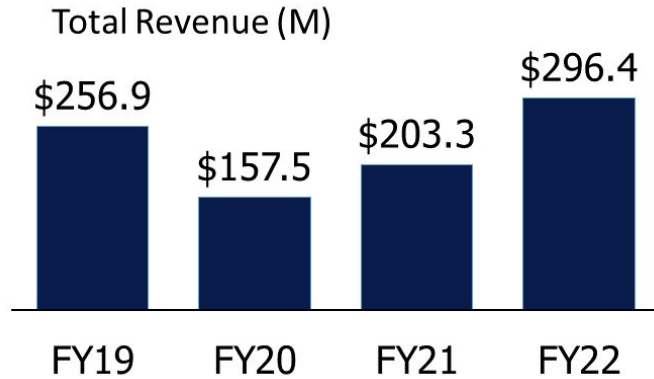
September 8, 2023

# 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, future product launches, business objectives, anticipated macroeconomic environment, benefits of our inventory-focused strategy and other strategic initiatives, including building inventory depth, promotional activities, and onboarding initiatives, anticipated cost savings including from the new transportation deal with a major national carrier, and expectations regarding subscriber trends. 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 Quarterly Report on Form 10-Q for the quarter ended April 30, 2023 as will be updated by our Quarterly Report on Form 10-Q for the quarter ended July 31, 2023. 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 fiscal second quarter 2023 financial results. For more information please refer to our press release dated September 8, 2023 and filings with the SEC.***

# Improved the Financial Profile of RTR Significantly Since FY19



Note: See GAAP to Non-GAAP Reconciliation in appendix. Free cash flow defined as net cash (used in) provided by operating activities plus net cash (used in) provided by investing activities. Margins calculated as percentage of revenue in respective fiscal years based on unrounded figures.

- Q2 2023 Summary
- Q3 and FY 2023 Strategy
- Q3 and FY 2023 Guidance



# Q2 2023 Summary



# Q2'23 Key Metrics and Financial Highlights

Total Revenue

**\$75.7M**

*down 1% YoY*

Active Subscribers

**137.6K**, *up 11% YoY*

Average Active Subs

**141.4K**, *up 9% YoY*

Total Subscribers

**184.4K**

*up 6% YoY*

Gross Profit / Margin

**\$33.2M / 44%**

*Margin up 2 pts YoY*

Net Loss / Margin<sup>1</sup>

**\$(26.8)M / (35)%**

*Margin up 9 pts YoY*

Adj. EBITDA / Margin

**\$7.7M / 10%**

*Margin up 8 pts YoY*

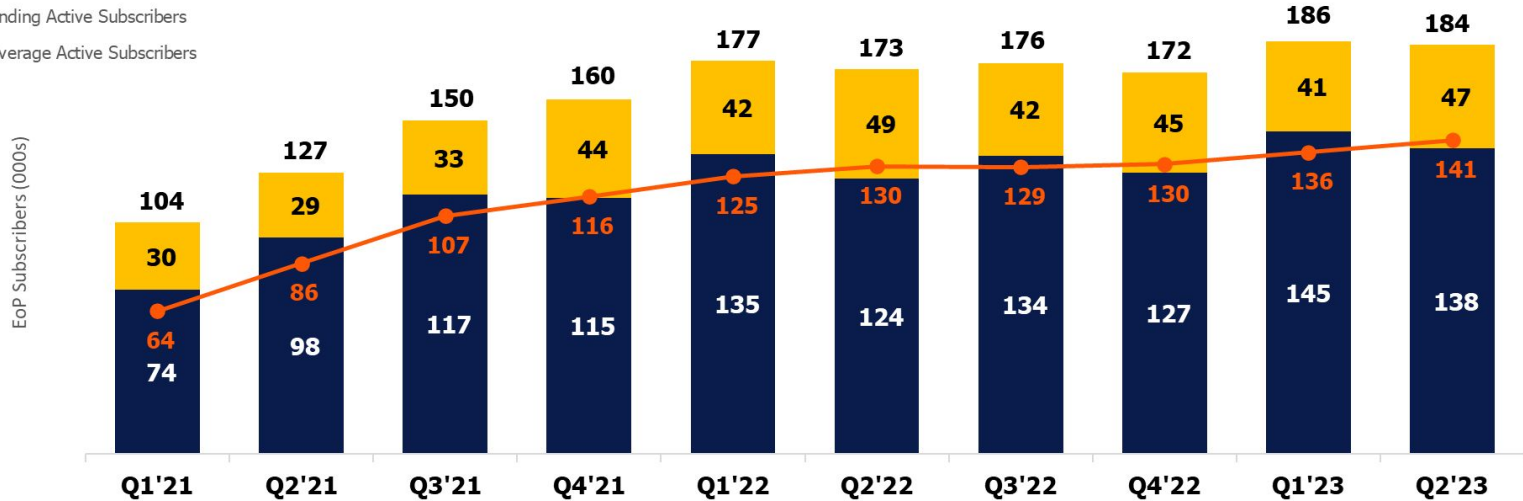
Note: Active Subscribers represent the number of subscribers with an active membership as of the last day of any given period and excludes paused subscribers. Average Active Subscribers represents the mean of the beginning of quarter and end of quarter Active Subscribers for a quarterly period; and for other periods, represents the mean of the Average Active Subscribers of every quarter within that period. Total Subscribers includes both active and paused subscribers.

<sup>1</sup> Q2 2023 ended July 31, 2023. Q2 2023 Net Loss includes \$0.5 million of share compensation expense associated with CFO transition, equivalent to \$0.01 on a per share basis (weighted-average shares used in computing net loss per share attributable to common stockholders, basic and diluted).

# Active Subscribers as of July 31, 2023 +11% YoY

Subscribers (in thousands)

- Paused Subscribers
- Ending Active Subscribers
- Average Active Subscribers

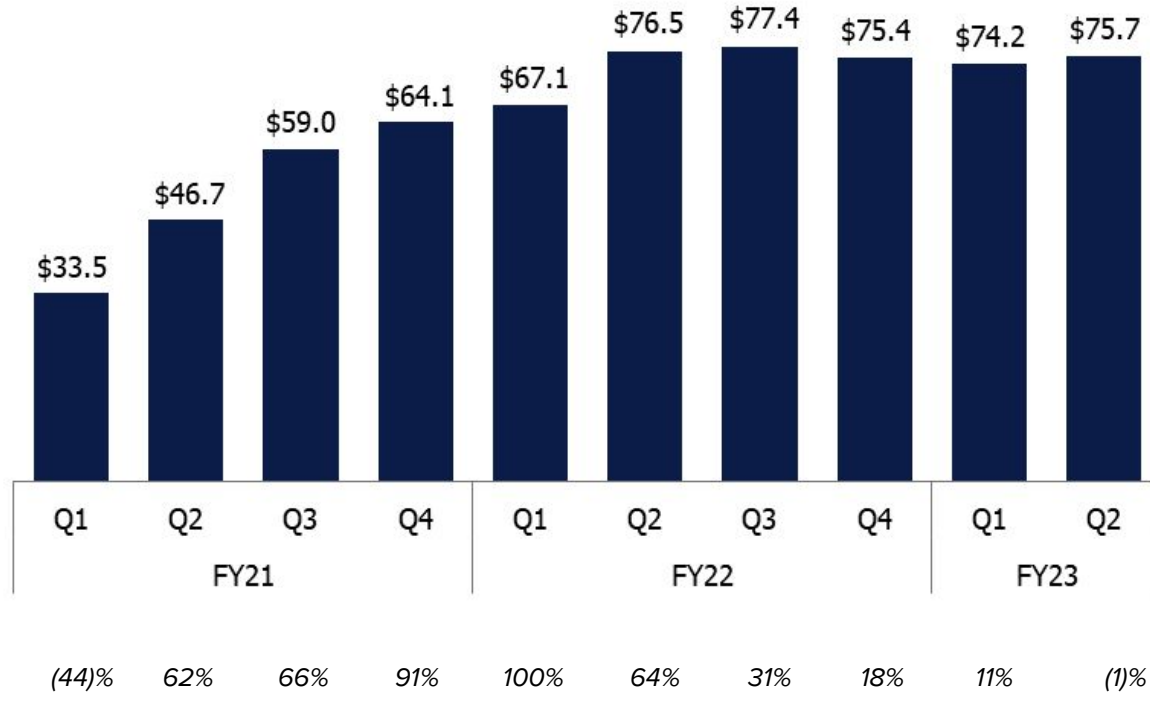


|                                  |       |     |     |      |     |     |     |     |     |     |
|----------------------------------|-------|-----|-----|------|-----|-----|-----|-----|-----|-----|
| <b>YoY Active Sub Growth</b>     | 40%   | 80% | 78% | 110% | 82% | 27% | 15% | 10% | 8%  | 11% |
| <b>YoY Avg Active Sub Growth</b> | (31)% | 60% | 79% | 93%  | 94% | 51% | 20% | 12% | 9%  | 9%  |
| <b>Pause % of Total Subs</b>     | 29%   | 23% | 22% | 28%  | 24% | 28% | 24% | 26% | 22% | 25% |

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. Average Active Subscribers represents the mean of the beginning of quarter and end of quarter Active Subscribers for a quarterly period; and for other periods, represents the mean of the Average Active Subscribers of every quarter within that period.

# Total Revenue Down (1)% YoY in Q2'23

Total Revenue, Net (\$ in millions)



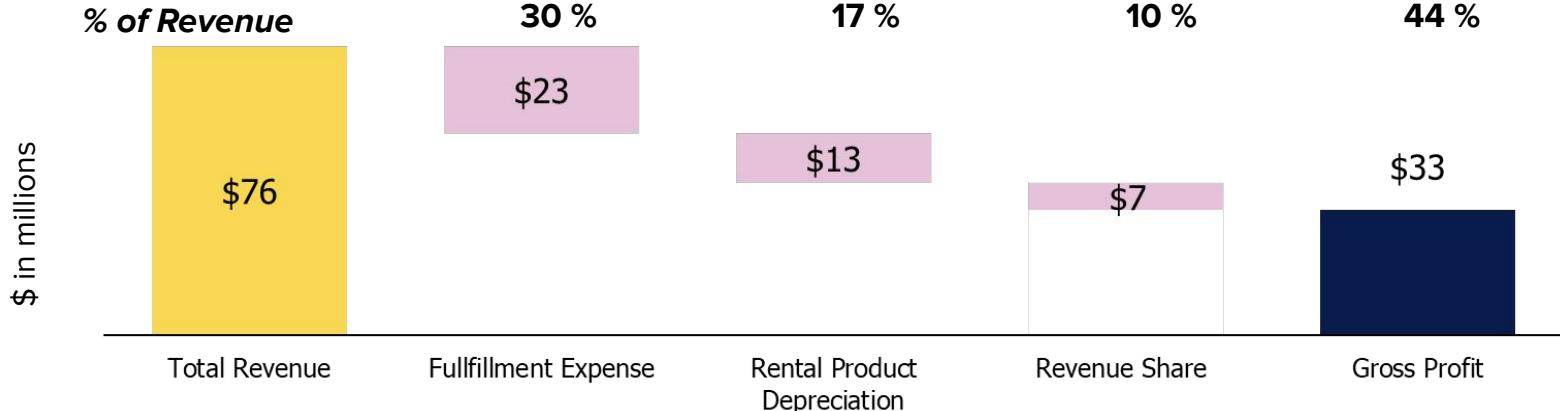
- **89% of revenue from subscribers in Q2'23**
- **23% of subscribers added one or more paid items into their subscriptions in Q2'23**

Note: FY21 ended January 31, 2022, FY22 ended January 31, 2023 and FY23 ends January 31, 2024.

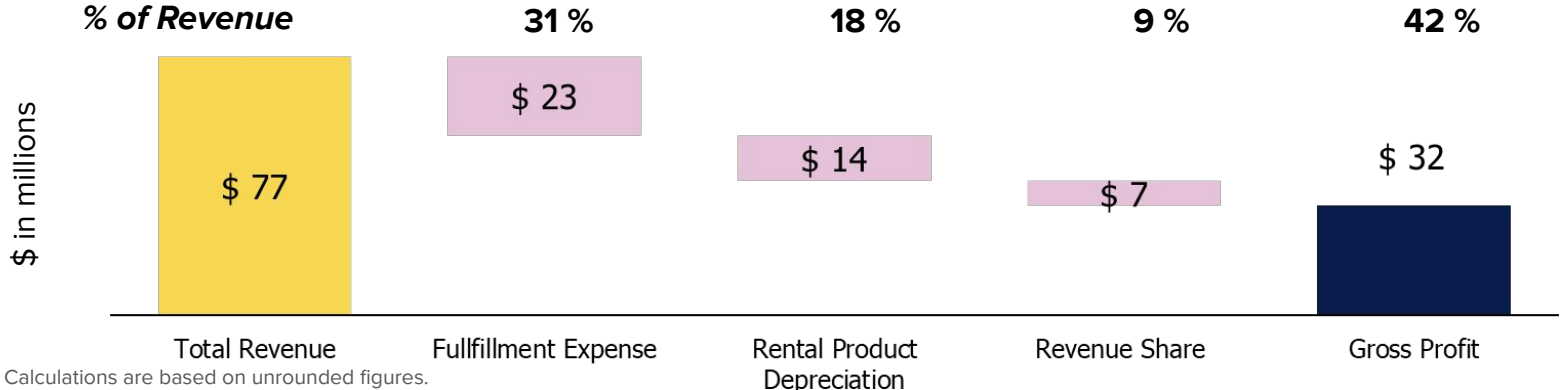


# Revenue to Gross Profit - Q2'23 and Q2'22

## Fiscal Quarter Ended July 31, 2023



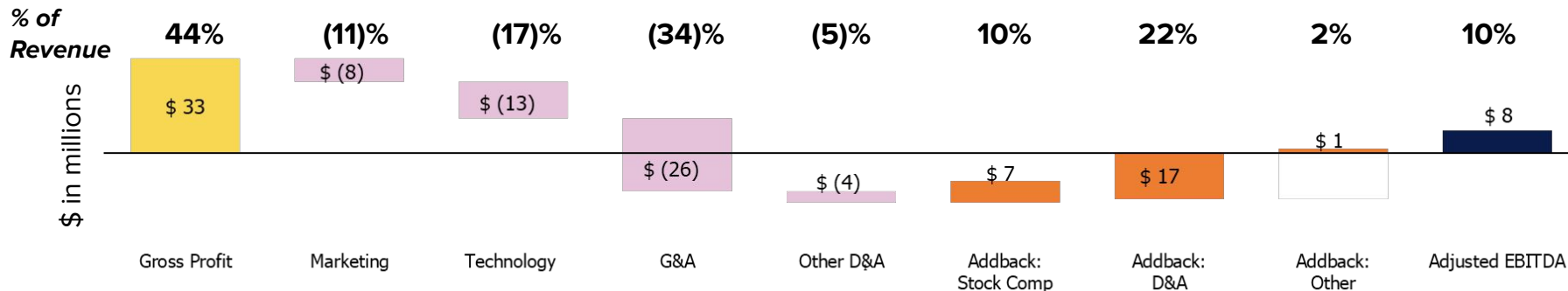
## Fiscal Quarter Ended July 31, 2022



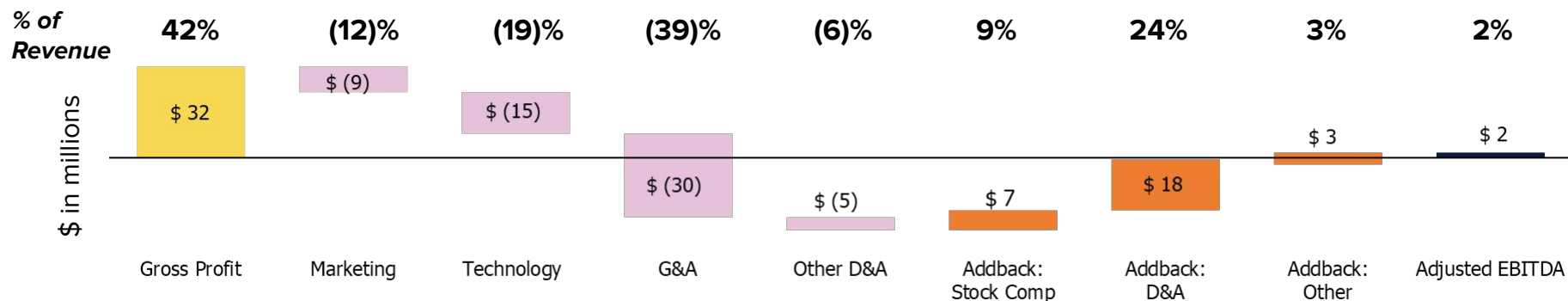
Note: Calculations are based on unrounded figures.

# Gross Profit to Adjusted EBITDA - Q2'23 and Q2'22

## Fiscal Quarter Ended July 31, 2023

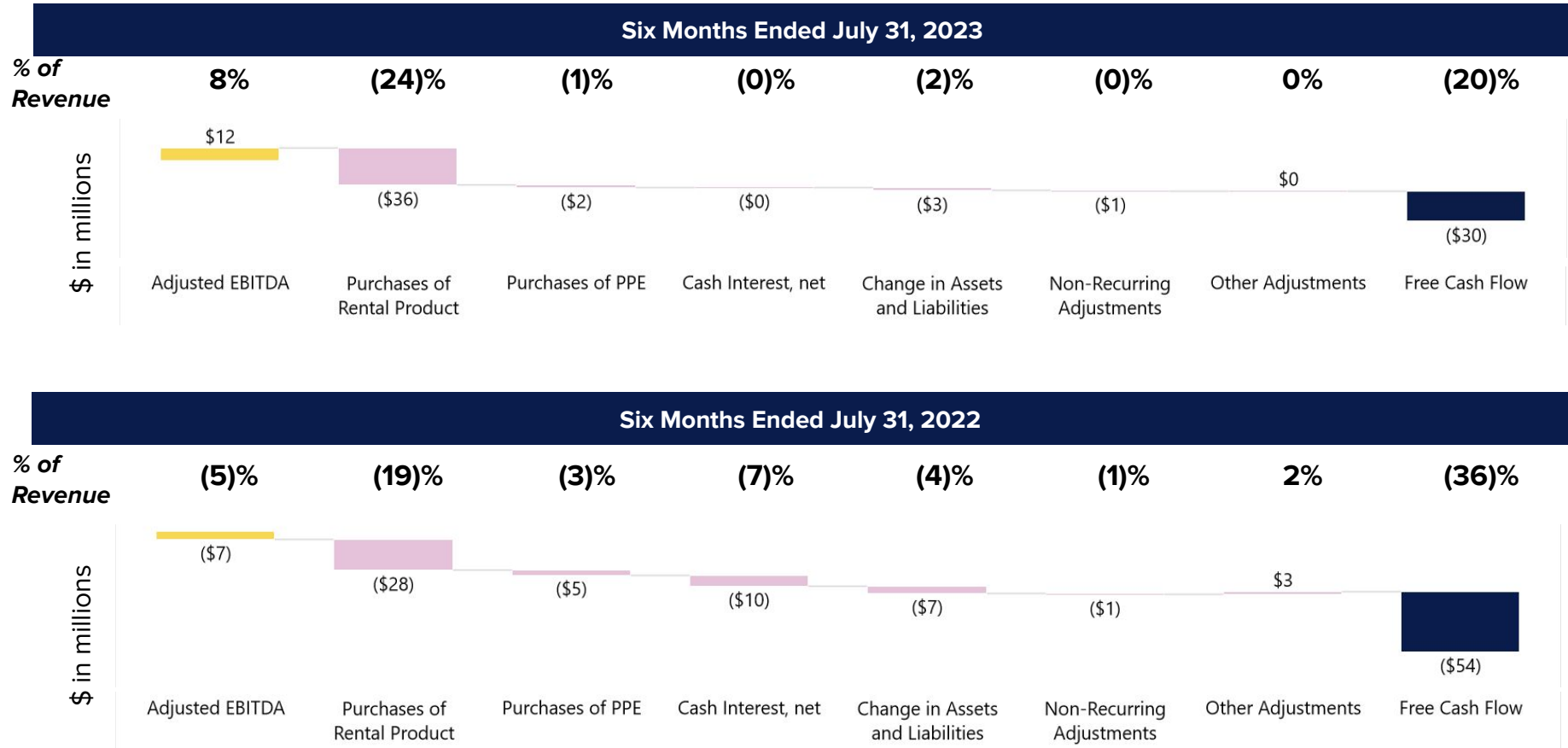


## Fiscal Quarter Ended July 31, 2022



Note: See GAAP to Non-GAAP Reconciliation in appendix. Calculations based on unrounded figures. Share-Based Compensation in Q2 2023 includes \$0.5 million expense associated with CFO transition. Addback: Other includes write-offs of liquidated assets, non-recurring adjustments, and other adjustments

# Adjusted EBITDA to Free Cash Flow - 1H'23 and 1H'22



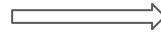
Note: See GAAP to Non-GAAP Reconciliation in appendix. Free cash flow defined as net cash (used in) provided by operating activities plus net cash (used in) provided by investing activities. Calculations based on unrounded figures. Non-Recurring Adjustments include public company SOX readiness costs. Other adjustments primarily includes income tax cash adjustments.

# Q3 2023 and FY 2023 Strategy



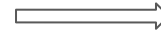
# We Continue to Drive Marked Improvement Across the Customer Experience via Our Strategic Pillars

**Inventory She Wants When She Wants It**



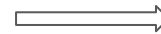
**Increasing Inventory Depths**

**Efficient and Easy-to-Use Experience**



**Improving Customer Onboarding for Subscription  
& Clarifying Reserve as a Distinct Product**

**Best-in-Class Product Discovery**



**Launched New Features to Increase Engagement &  
Reduce Time to Select Shipment**

# Inventory Depth Strategy is Underway – Impact is Expected to Begin to be Felt Over the Course of 2H and Throughout 2024



- Depths of our 2H2023 buy are expected to be approximately **1.7X the depths of our 1H23 buys**
- We have acquired **even higher depths in our most popular brands and in key items** we have confidence our customers will want this fall
- We have further expanded our depth plans for 2024 and **expect to see continued improvement on in-stock in 1H24** as a result

# Higher Inventory Availability is Associated with Lower Customer Churn

## RELATIONSHIP BETWEEN CHURN AND IN-STOCK RATE

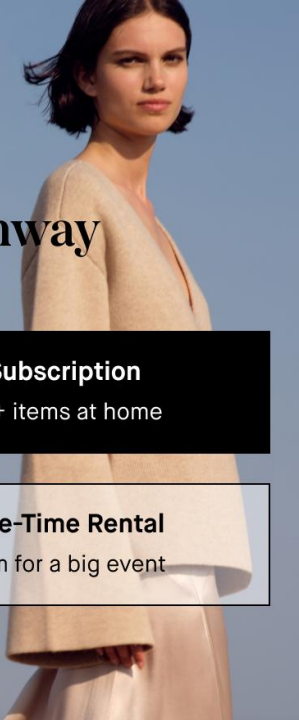


- RTR's data shows that as in-stock rate increases customer churn rates decrease
- RTR's depth strategy is expected to result in a 700-1000 bps improvement in in-stock rates in 2H23 and drive lower churn

# We are Focused on Reinvigorating Our Reserve Business & Returning it to Growth

We have made 3 exciting changes to our Reserve business over the past quarter:

1. **New Product Experience:** Debuted a distinct product experience for Reserve which separates the Reserve funnel from the Subscription funnel, driving higher intent customers into each program
2. **Distinguishing Inventory:** Started acquiring exclusive inventory for the Reserve business, mostly on consignment from premier brands, to elevate the business
3. **Changing Org Design:** Added new Leadership focused on Reserve



**There are two ways to Rent the Runway**

**Rent with Subscription**  
Always have 5+ items at home

**Reserve a One-Time Rental**  
Reserve an item for a big event

## Book your look in advance

- Rent for a specific date
- Free back-up size with every order
- Dry cleaning included
- 10k+ designer styles from hundreds of brands

Reserve a One-Time Rental

## Subscribe to a rotating designer closet

- Always have 5+ items at home
- Free 1-3 day shipping
- Home pickup in most ZIPs
- 10k+ designer styles from hundreds of brands
- Dry cleaning included
- Pause or cancel anytime

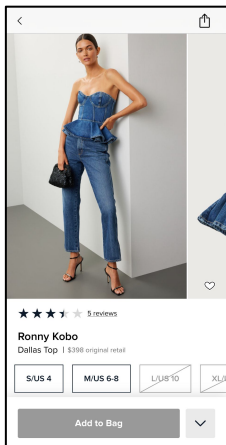
Explore Subscription Perks



# We Continue to Introduce Key Updates Designed to Enhance Product Discovery & Ease of Experience

## New App PDP Experience

Launched a new product detail page (PDP) experience featuring more detailed, larger product shots, clear fit advice, and stronger availability notice to streamline site experience



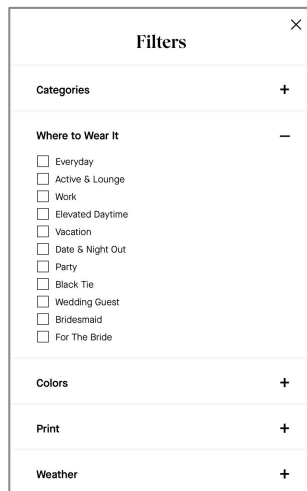
## Enhanced Editorial Curations

Created more visibility for editorial curations and accelerated schedule of refreshing editorials, leading to increased customer engagement



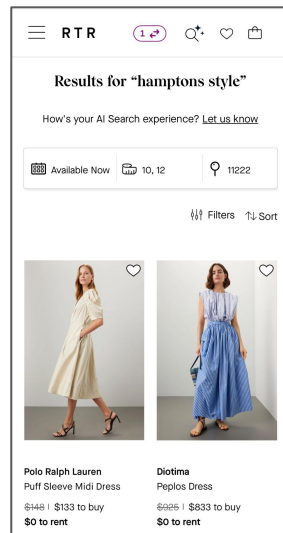
## Improved Filters for Search

Improved filters across site and app leading to decrease in time to pick



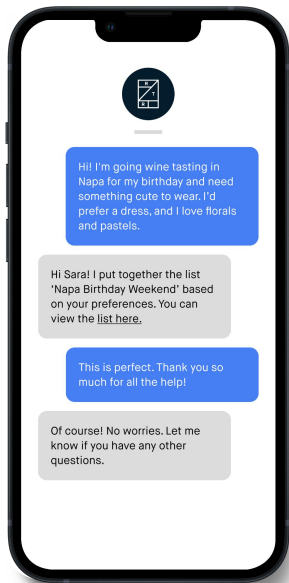
## AI Search Beta

Rolled out AI search beta to 20% of our customer base, allowing us to iterate on the best ways to search our catalog



# We are Investing in the Customer Experience to Drive Retention

## SMS-Based Onboarding Concierge is Leading to Loyalty Improvements



## Launched New Subscriber Onboarding

### What's happening this month?

Select your upcoming plan(s), and we'll provide relevant picks for you.

|                |                 |
|----------------|-----------------|
| Work           | Weekend         |
| Vacation       | Night Out       |
| Daytime Event  | Brunch          |
| Out to Dinner  | Black Tie Event |
| Cocktail Party | Bachelorette    |
| Weddings       | Your Wedding    |

## More Premium Look and Feel Across Site



## Enhanced Site Reliability

Improved Lighthouse scores<sup>1</sup> of key pages by 50% YoY



<sup>1</sup> A Lighthouse score is the rating Google gives websites based on a combination of criteria including performance, accessibility, SEO and other best practices.

We believe more fulsome impact of customer experience initiatives will be felt as in-stock rates steadily improve. Majority of impact expected in FY24.

# Q3 2023 and FY 2023 Guidance



# Q3'23 and Fiscal Year 2023 Guidance

## Q3 2023 Guidance

|                                       |                           |
|---------------------------------------|---------------------------|
| Total Revenue:                        | \$72M - \$74M             |
| Adjusted EBITDA Margin <sup>1</sup> : | ~3% - 4% of Total Revenue |

## Fiscal Year 2023 Guidance

|  |   |
|--|---|
| Total Revenue:                             | At least \$296.4 million (FY2022 Revenue) |
| Adjusted EBITDA Margin <sup>1</sup> :      | 7% - 8% of Total Revenue                  |
| Free Cash Flow <sup>1</sup> :              | ~\$(50-53M)*                              |
| Purchases of Rental Product <sup>2</sup> : | ~\$74M - \$77M*                           |
| Share-based Compensation:                  | \$30M - \$31M                             |

*\*Including anticipated \$3M incremental inventory purchase*

<sup>1</sup> A reconciliation of Adjusted EBITDA, Adjusted EBITDA margin guidance and Free Cash Flow guidance and free cash flow before interest expense expectations for FY24 to the closest corresponding GAAP measure is not available without unreasonable efforts on a forward-looking basis. For Adjusted EBITDA and Adjusted EBITDA margin, this is 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. For Free Cash Flow, this is due to the high variability, complexity. Free Cash Flow is defined as net cash (used in) provided by operating activities plus net cash (used in) provided by investing activities.

<sup>2</sup> 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

# Condensed Consolidated Statements of Operations

|  | Three<br>Months<br>Ended<br>7/31/23 | Three<br>Months<br>Ended<br>7/31/22 | Six<br>Months<br>Ended<br>7/31/23 | Six<br>Months<br>Ended<br>7/31/22 | Year<br>Ended<br>1/31/23 |
|--|-------------------------------------|-------------------------------------|-----------------------------------|-----------------------------------|--------------------------|
| (In millions, except per share amounts)  |                                     |                                     |                                   |                                   |                          |
| Total revenue, net   | \$75.7                              | \$76.5                              | \$149.9                           | \$143.6                           | \$296.4                  |
| Fulfillment  | 22.5                                | 23.4                                | 44.4                              | 46.3                              | 92.2                     |
| Technology   | 12.9                                | 14.9                                | 26.0                              | 28.5                              | 55.4                     |
| Marketing  | 8.2                                 | 9.0                                 | 17.5                              | 17.7                              | 35.1                     |
| General and administrative   | 25.9                                | 29.6                                | 52.4                              | 58.8                              | 109.0                    |
| Rental product depreciation and revenue share  | 20.0                                | 20.7                                | 40.9                              | 42.4                              | 84.2                     |
| Other depreciation and amortization  | 3.7                                 | 4.5                                 | 7.5                               | 8.7                               | 16.4                     |
| Restructuring charges  | -                                   | -                                   | -                                 | -                                 | 2.4                      |
| Loss on asset impairment related to restructuring  | -                                   | -                                   | -                                 | -                                 | 5.3                      |
| Total costs and expenses   | 93.2                                | 102.1                               | 188.7                             | 202.4                             | 400.0                    |
| Operating loss   | (17.5)                              | (25.6)                              | (38.8)                            | (58.8)                            | (103.6)                  |
| Interest income / (expense), net   | (9.5)                               | (9.6)                               | (18.3)                            | (18.9)                            | (36.8)                   |
| Gain / (loss) on warrant liability revaluation, net  | -                                   | -                                   | -                                 | -                                 | -                        |
| Other income / (expense) and gains / (losses) <sup>1</sup>                                   | 0.1                                 | 1.3                                 | 0.1                               | 1.3                               | 1.5                      |
| Income tax benefit / (expense)   | 0.1                                 | -                                   | 0.1                               | -                                 | 0.2                      |
| Net loss   | \$(26.8)                            | \$(33.9)                            | \$(56.9)                          | \$(76.4)                          | \$(138.7)                |
| Net loss per share attributable to common stockholders, basic and diluted                    | \$(0.40)                            | \$(0.53)                            | \$(0.85)                          | \$(1.20)                          | \$(2.16)                 |
| Weighted average basic and diluted shares outstanding  | 67.6                                | 64.1                                | 66.8                              | 63.8                              | 64.3                     |
| Restructuring-related items:   |                                     |                                     |                                   |                                   |                          |
| Restructuring charges  | -                                   | -                                   | -                                 | -                                 | (2.4)                    |
| Loss on asset impairment related to restructuring  | -                                   | -                                   | -                                 | -                                 | (5.3)                    |
| Total Restructuring-Related Items  | \$0.0                               | \$0.0                               | \$0.0                             | \$0.0                             | \$(7.7)                  |
| Restructuring-related items per share attributable to common stockholders, basic and diluted | \$0.00                              | \$0.00                              | \$0.00                            | \$0.00                            | \$(0.12)                 |
| Net loss excl. restructuring charges & loss on asset impairment related to restructuring     | \$(26.8)                            | \$(33.9)                            | \$(56.9)                          | \$(76.4)                          | \$(131.0)                |

(1) The year ended 1/31/23 primarily includes \$1.3 million of proceeds from monetization of tax credits. 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.

# Condensed Consolidated Balance Sheets

|   | As Of 7/31/23   | As Of 1/31/23   |
|---|-----------------|-----------------|
| (in millions)   |                 |                 |
| Cash and cash equivalents                                   | \$123.7         | \$154.5         |
| Restricted cash, current                                    | 4.2             | 3.1             |
| Prepaid expenses and other current assets                   | 9.6             | 14.5            |
| Rental product, net   | 88.0            | 78.7            |
| Fixed assets, net   | 40.0            | 44.7            |
| Operating lease and other assets <sup>1</sup>               | 38.9            | 40.7            |
| <b>Total assets</b>   | <b>\$304.4</b>  | <b>\$336.2</b>  |
| Total current liabilities                                   | 53.2            | 60.0            |
| Long-term debt, net   | 290.6           | 272.5           |
| Operating lease and other liabilities                       | 36.6            | 39.0            |
| <b>Total liabilities</b>                                    | <b>\$380.4</b>  | <b>\$371.5</b>  |
| <b>Total stockholders' equity (deficit)</b>                 | <b>\$(76.0)</b> | <b>\$(35.3)</b> |
| <b>Total liabilities and stockholders' equity (deficit)</b> | <b>\$304.4</b>  | <b>\$336.2</b>  |

(1) Includes non-current restricted cash.

# Condensed Consolidated Statements of Cash Flows

|  | Six Months<br>Ended<br>7/31/23 | Six Months<br>Ended<br>7/31/22 | Year Ended<br>1/31/23 |
|--|--------------------------------|--------------------------------|-----------------------|
| (in millions)  |                                |                                |                       |
| Net loss   | \$(56.9)                       | \$(76.4)                       | \$(138.7)             |
| Net cash (used in) provided by operating activities                                | (4.1)                          | (33.0)                         | (47.7)                |
| Net cash (used in) provided by investing activities                                | (25.5)                         | (20.8)                         | (44.3)                |
| Net cash (used in) provided by financing activities                                | (0.3)                          | (3.1)                          | (4.0)                 |
| Net (decrease) increase in cash and cash equivalents and restricted cash           | (29.9)                         | (56.9)                         | (96.0)                |
| Cash and cash equivalents and restricted cash at beginning of period               | 163.6                          | 259.6                          | 259.6                 |
| <b>Cash and cash equivalents and restricted cash at end of period <sup>1</sup></b> | <b>\$133.7</b>                 | <b>\$202.7</b>                 | <b>\$163.6</b>        |

(1) Includes both current and non-current restricted cash.



# Reconciliation of Net Loss to Free Cash Flow

|  | Six Months<br>Ended<br>7/31/23 | Six Months<br>Ended<br>7/31/22 | Year Ended<br>1/31/23 | Year Ended<br>1/31/22 | Year Ended<br>1/31/21 | Year Ended<br>1/31/20 |
|--|--------------------------------|--------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| (in millions)  |                                |                                |                       |                       |                       |                       |
| Net loss   | \$(56.9)                       | \$(76.4)                       | \$(138.7)             | \$(211.8)             | \$(171.1)             | \$(153.9)             |
| Operating loss   | (38.8)                         | (58.8)                         | (103.6)               | (125.9)               | (130.5)               | (130.0)               |
| Interest income / (expense), net                             | (18.3)                         | (18.9)                         | (36.8)                | (53.0)                | (46.6)                | (24.0)                |
| Gain / (loss) on warrant liability revaluation, net          | -                              | -                              | -                     | (24.9)                | 0.4                   | -                     |
| Other income / (expense) and gains / (losses) <sup>(1)</sup> | 0.1                            | 1.3                            | 1.5                   | (8.3)                 | 5.6                   | (0.1)                 |
| Income tax benefit / (expense)                               | 0.1                            | -                              | 0.2                   | 0.3                   | -                     | 0.2                   |
| Net cash (used in) provided by operating activities          | (4.1)                          | (33.0)                         | (47.7)                | (42.3)                | (42.8)                | (37.6)                |
| Net cash (used in) provided by investing activities          | (25.5)                         | (20.8)                         | (44.3)                | (22.5)                | (58.4)                | (138.6)               |
| Free Cash Flow   | \$(29.6)                       | \$(53.8)                       | \$(92.0)              | \$(64.8)              | \$(101.2)             | \$(176.2)             |

(1) Includes both current and non-current restricted cash.

# Selected Cash Flows Detail and Supplemental Cash Flow Information

| (in millions)                                       | Six Months Ended<br>7/31/23 | Six Months Ended<br>7/31/22 | Year Ended<br>1/31/23 |
|---|-----------------------------|-----------------------------|-----------------------|
| <b>INVESTING ACTIVITIES</b>                         |                             |                             |                       |
| Purchases of rental product                         | \$(36.3)                    | \$(27.6)                    | \$(62.1)              |
| Proceeds from liquidation of rental product         | \$2.2                       | \$2.6                       | \$8.8                 |
| Proceeds from sale of rental product                | \$10.8                      | \$8.8                       | \$17.9                |
| Purchases of fixed and intangible assets            | \$(2.2)                     | \$(4.6)                     | \$(8.9)               |
| Net cash (used in) provided by investing activities | \$(25.5)                    | \$(20.8)                    | \$(44.3)              |
| <b>SUPPLEMENTAL CASH FLOW INFORMATION</b>           |                             |                             |                       |
| Rental product received in the prior period         | \$5.4                       | \$6.5                       | \$6.5                 |
| Purchases of rental product not yet settled         | \$(5.0)                     | \$(8.9)                     | \$(5.4)               |

# Reconciliation of Purchases of Rental Product to Rental Product Acquired

|   | Six Months<br>Ended 7/31/23 | Six Months Ended<br>7/31/22 | Year Ended<br>1/31/23 |  |
|---|-----------------------------|-----------------------------|-----------------------|--|
| (in millions)                                     |                             |                             |                       |  |
| <b>Purchases of rental product</b>                | \$(36.3)                    | \$(27.6)                    | \$(62.1)              | Cost of owned rental product paid for in the period, as presented on the Condensed Consolidated Statements of Cash Flows.  |
| Plus: Rental product received in the prior period | \$5.4                       | \$6.5                       | \$6.5                 | 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. |
| Plus: Purchases of rental product not yet settled | \$(5.0)                     | \$(8.9)                     | \$(5.4)               | Cost of owned rental product received in the period, but not yet paid for, as presented on the Supplemental Cash Flow Information table.                             |
| <b>Rental Product Acquired</b>                    | <b>\$(35.9)</b>             | <b>\$(30.0)</b>             | <b>\$(61.0)</b>       | Cost of owned rental product received in the period.   |

# Reconciliation of Cash Used by Operating Activities to Free Cash Flow

|   | Six Months<br>Ended<br>7/31/23 | Six Months<br>Ended<br>7/31/22 | Year Ended<br>1/31/23 | Year Ended<br>1/31/22 | Year Ended<br>1/31/21 | Year Ended<br>1/31/20 |
|---|--------------------------------|--------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| (in millions)                                       |                                |                                |                       |                       |                       |                       |
| Net cash (used in) provided by operating activities | \$(4.1)                        | \$(33.0)                       | \$(47.7)              | \$(42.3)              | \$(42.8)              | \$(37.6)              |
| Purchases of rental product                         | (36.3)                         | (27.6)                         | (62.1)                | (30.8)                | (54.9)                | (117.7)               |
| Proceeds from liquidation of rental product         | 2.2                            | 2.6                            | 8.8                   | 5.7                   | 2.4                   | 3.6                   |
| Proceeds from sale of rental product                | 10.8                           | 8.8                            | 17.9                  | 12.9                  | 17.9                  | 19.3                  |
| Purchases of fixed and intangible assets            | (2.2)                          | (4.6)                          | (8.9)                 | (10.3)                | (23.8)                | (43.8)                |
| <b>Free Cash Flow</b>                               | <b>\$(29.6)</b>                | <b>\$(53.8)</b>                | <b>\$(92.0)</b>       | <b>\$(64.8)</b>       | <b>\$(101.2)</b>      | <b>\$(176.2)</b>      |
| Free Cash Flow Margin <sup>1</sup>                  | (19.7)%                        | (37.5)%                        | (31.0)%               | (31.9)%               | (64.3)%               | (68.6)%               |

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

# Reconciliation of Free Cash Flow before Cash Interest Expense

|   | Six Months<br>Ended 7/31/23 | Six Months<br>Ended 7/31/22 | Year Ended 1/31/23 |
|---|-----------------------------|-----------------------------|--------------------|
| (in millions)   |                             |                             |                    |
| Free Cash Flow  | \$(29.6)                    | \$(53.8)                    | \$(92.0)           |
| Cash Interest Expense   | (3.0)                       | (9.9)                       | (20.1)             |
| Free Cash Flow Before Cash Interest Expense                       | \$(26.6)                    | \$(43.9)                    | \$(71.9)           |
| Free Cash Flow Before Cash Interest Expense Margin <sup>(1)</sup> | (17.7)%                     | (30.6)%                     | (24.3)%            |

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

# Reconciliation of Net Loss to Adjusted EBITDA

|   | Three<br>Months<br>Ended<br>7/31/23 | Three<br>Months<br>Ended<br>7/31/22 | Six<br>Months<br>Ended<br>7/31/23 | Six<br>Months<br>Ended<br>7/31/22 | Year<br>Ended<br>1/31/23 | Year<br>Ended<br>1/31/22 | Year<br>Ended<br>1/31/21 | Year<br>Ended<br>1/31/20 |
|---|-------------------------------------|-------------------------------------|-----------------------------------|-----------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| (in millions)                                       |                                     |                                     |                                   |                                   |                          |                          |                          |                          |
| Net loss  | \$(26.8)                            | \$(33.9)                            | \$(56.9)                          | \$(76.4)                          | \$(138.7)                | \$(211.8)                | \$(171.1)                | \$(153.9)                |
| Interest (income) / expense, net                    | 9.5                                 | 9.6                                 | 18.3                              | 18.9                              | 36.8                     | 53.0                     | 46.6                     | 24.0                     |
| Rental product depreciation                         | 12.8                                | 13.5                                | 24.9                              | 271                               | 52.9                     | 50.3                     | 69.9                     | 75.7                     |
| Other depreciation and amortization                 | 3.7                                 | 4.5                                 | 7.5                               | 8.7                               | 16.4                     | 19.4                     | 23.0                     | 21.6                     |
| Share-based compensation                            | 7.4                                 | 6.9                                 | 16.2                              | 12.4                              | 25.4                     | 26.6                     | 8.2                      | 6.8                      |
| Write-off of liquidated assets                      | 0.7                                 | 1.8                                 | 1.7                               | 2.4                               | 5.8                      | 4.8                      | 3.3                      | 4.1                      |
| Non-recurring adjustments                           | 0.5                                 | 0.7                                 | 0.5                               | 1.0                               | 1.3                      | 5.3                      | 4.2                      | 3.8                      |
| Non-ordinary course legal fees                      | -                                   | -                                   | -                                 | -                                 | 0.1                      | -                        | -                        | -                        |
| Restructuring charges                               | -                                   | -                                   | -                                 | -                                 | 2.4                      | -                        | -                        | -                        |
| Loss on asset impairment related to restructuring   | -                                   | -                                   | -                                 | -                                 | 5.3                      | -                        | -                        | -                        |
| Income Tax (Benefit) / Expense                      | (0.1)                               | -                                   | (0.1)                             | -                                 | (0.2)                    | (0.3)                    | -                        | (0.2)                    |
| (Gain) / loss on warrant liability revaluation, net | -                                   | -                                   | -                                 | -                                 | -                        | 24.9                     | (0.4)                    | -                        |
| (Gain) / loss on debt extinguishment, net           | -                                   | -                                   | -                                 | -                                 | -                        | 12.2                     | 0.6                      | -                        |
| Other (income) / expense, net                       | (0.1)                               | (1.3)                               | (0.1)                             | (1.3)                             | (1.5)                    | (3.9)                    | (6.2)                    | 0.1                      |
| Other (gains) / losses                              | 0.1                                 | -                                   | 0.2                               | 0.2                               | 0.7                      | 0.3                      | 1.6                      | -                        |
| <b>Adjusted EBITDA</b>                              | <b>\$7.7</b>                        | <b>\$1.8</b>                        | <b>\$12.2</b>                     | <b>\$(7.0)</b>                    | <b>\$6.7</b>             | <b>\$(19.2)</b>          | <b>\$(20.3)</b>          | <b>\$(18.0)</b>          |
| Adjusted EBITDA Margin                              | 10.2%                               | 2.4%                                | 8.1%                              | (4.9)%                            | 2.3%                     | (9.4)%                   | (12.9)%                  | (7.0)%                   |

Note: For additional information on each line item see the footnotes to the Adjusted EBITDA reconciliation in our Q1 2023 earnings press release, which is included as ex. 99.1 to our Form 8-K filed with the SEC on June 7, 2023

# Reconciliation of Net Loss to Free Cash Flow

| (in millions)                                       | Six Months<br>Ended 7/31/23 | Six Months<br>Ended 7/31/22 |
|---|-----------------------------|-----------------------------|
| Net loss  | \$(56.9)                    | \$(76.4)                    |
| Interest (income) / expense, net                    | \$18.3                      | \$18.9                      |
| Rental product depreciation                         | \$24.9                      | \$27.1                      |
| Other depreciation and amortization                 | \$7.5                       | \$8.7                       |
| Share-based compensation                            | \$16.2                      | \$12.4                      |
| Write-off of liquidated assets                      | \$1.7                       | \$2.4                       |
| Non-recurring adjustments                           | \$0.5                       | \$1.0                       |
| Non-ordinary course legal fees                      | \$0.0                       | \$0.0                       |
| Restructuring charges                               | \$0.0                       | \$0.0                       |
| Loss on asset impairment related to restructuring   | \$0.0                       | \$0.0                       |
| Income Tax (Benefit) / Expense                      | \$(0.1)                     | \$0.0                       |
| (Gain) / loss on warrant liability revaluation, net | \$0.0                       | \$0.0                       |
| (Gain) / loss on debt extinguishment, net           | \$0.0                       | \$0.0                       |
| Other (income) / expense, net                       | \$(0.1)                     | \$(1.3)                     |
| Other (gains) / losses                              | \$0.2                       | \$0.2                       |
| <b>Adjusted EBITDA</b>                              | <b>\$12.2</b>               | <b>\$(7.0)</b>              |
| Purchases of Rental Product                         | (36.3)                      | (27.6)                      |
| Purchases of PPE                                    | (2.2)                       | (4.6)                       |
| Cash Interest Expense                               | (3.0)                       | (9.9)                       |
| Cash Interest Earned                                | 2.8                         | 0.0                         |
| Change in Assets and Liabilities                    | (2.8)                       | (6.7)                       |
| Non-Recurring Adjustments                           | (0.5)                       | (1.0)                       |
| Other Adjustments                                   | 0.2                         | 3.0                         |
| <b>Free Cash Flow</b>                               | <b>\$(29.6)</b>             | <b>\$(53.8)</b>             |

Note: See GAAP to Non-GAAP Reconciliation in appendix. Free cash flow defined as net cash (used in) provided by operating activities plus net cash (used in) provided by investing activities.

Calculations based on unrounded figures. Non-Recurring Adjustments include public company SOX readiness costs. Other adjustments primarily includes income tax cash adjustments.

# Operating Expense Detail

|   | Three Months Ended 7/31/23 | Three Months Ended 7/31/22 | Six Months Ended 7/31/23 | Six Months Ended 7/31/22 |
|---|----------------------------|----------------------------|--------------------------|--------------------------|
| (in millions)   |                            |                            |                          |                          |
| Technology  | \$12.9                     | \$14.9                     | \$26.0                   | \$28.5                   |
| Marketing   | \$8.2                      | \$9.0                      | \$17.5                   | \$17.7                   |
| General and administrative  | \$25.9                     | \$29.6                     | \$52.4                   | \$58.8                   |
| <b>Total operating expenses</b>   | <b>\$47.0</b>              | <b>\$53.5</b>              | <b>\$95.9</b>            | <b>\$105.0</b>           |
| Less: Share-based compensation  | \$7.4                      | \$6.9                      | \$16.2                   | \$12.4                   |
| <b>Total operating expenses excluding share-based compensation</b>      | <b>\$39.6</b>              | <b>\$46.6</b>              | <b>\$79.7</b>            | <b>\$92.6</b>            |
| Operating expenses including share-based compensation as a % of revenue | 62.1%                      | 69.9%                      | 64.0%                    | 73.1%                    |
| Operating expenses excluding share-based compensation as a % of revenue | 52.3%                      | 60.9%                      | 53.2%                    | 64.5%                    |

## *Share-based compensation Details*

|  |              |              |               |               |
|--|--------------|--------------|---------------|---------------|
| (in millions)                              |              |              |               |               |
| Share-based compensation                   |              |              |               |               |
| Technology                                 | \$1.8        | \$1.6        | \$3.7         | \$2.8         |
| Marketing                                  | \$0.0        | \$0.1        | \$0.1         | \$0.3         |
| General and administrative                 | \$5.6        | \$5.2        | \$12.4        | \$9.3         |
| <b>Total</b>                               | <b>\$7.4</b> | <b>\$6.9</b> | <b>\$16.2</b> | <b>\$12.4</b> |
| Share-based compensation as a % of revenue | 9.8%         | 9.0%         | 10.8%         | 8.6%          |