

REFINITIV

## DELTA REPORT

### 10-Q

TDUP - THREDUP INC.

10-Q - JUNE 30, 2024 COMPARED TO 10-Q - MARCH 31, 2024

The following comparison report has been automatically generated

TOTAL DELTAS 830

█ CHANGES 160

█ DELETIONS 150

█ ADDITIONS 520

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 10-Q

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **March 31, 2024** **June 30, 2024**

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 001-40249



**ThredUp Inc.**

(Exact name of registrant as specified in its charter)

Delaware

26-4009181

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

969 Broadway, Suite 200  
Oakland, California

94607

(Address of principal executive offices)

(Zip Code)

(415) 402-5202

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A Common Stock, \$0.0001 par value per share	TDUP	The Nasdaq Stock Market LLC Long-Term Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input checked="" type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

There were **80,571,704** **84,334,540** shares of Class A common stock and **29,684,496** **28,100,227** shares of Class B common stock outstanding as of **April 30, 2024** **July 29, 2024**.

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#### SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, which are statements that involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as "may," "will," "shall," "should," "expects," "plans," "anticipates," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans or intentions. Forward-looking statements contained in this Quarterly Report on Form 10-Q include, but are not limited to, statements about:

- our future financial performance, including our revenue, cost of revenue and operating expenses and our ability to achieve and maintain future profitability;
- the sufficiency of our cash, cash equivalents and capital resources to meet our liquidity needs;
- our ability to effectively manage or sustain our growth and to effectively expand our operations;
- our strategies, plans, objectives and goals, including our expectations regarding future infrastructure investments as well as reorganization activities;
- our ability to effectively deploy new and evolving technologies, such as artificial intelligence and machine learning, in our offerings;
- our ability to identify and execute a strategic alternative for our European operations conducted through our Remix subsidiary;
- our ability to attract and retain buyers and sellers and the continued impact of network effects as we scale our platform;
- our ability to continue to generate revenue from new Resale-as-a-Service ("RaaS") offerings as sources of revenue;
- trends in our key financial and operating metrics;
- our estimated market opportunity;
- economic and industry trends, projected growth or trend analysis, including the effects of foreign currency exchange rate fluctuations, inflationary pressures, increased interest rates, cybersecurity risks, changing consumer habits, climate change and extreme weather events and general global economic uncertainty;
- our ability to comply with applicable laws and regulations; and
- our ability to successfully integrate and realize the benefits of our past or future strategic acquisitions or investments.

You should not rely upon forward-looking statements as predictions of future events. Forward-looking statements are neither historical facts nor assurances of future performance. Forward-looking statements involve substantial risks and uncertainties that may cause actual results to differ materially from those that we expect. These risks and uncertainties include, but are not limited to: our ability to attract new users and convert users into buyers and active buyers; the sufficiency of our cash, cash equivalents and capital

resources to meet our liquidity needs; our ability to effectively manage or sustain our growth and to effectively expand our operations; our ability to continue to generate revenue from new RaaS offerings as sources of revenue; risks from an intensely competitive market; our ability to effectively deploy new and evolving technologies, such as artificial intelligence and machine learning, in our offerings; risks arising from economic and industry trends, including the effects of foreign currency exchange rate fluctuations, inflationary pressures, increased interest rates, changing consumer habits, climate change and general global economic uncertainty; our ability to comply with applicable laws and regulations; our ability to recognize realize expected savings or benefits from reorganization activities; and our ability to successfully integrate and realize the benefits of our past or future strategic acquisitions or investments. More information on these risks and other potential factors that could affect the Company's business, reputation, results of operations, financial condition, and stock price is included in the Company's filings with the Securities and Exchange Commission ("SEC"), including in Part I, Item 1A, Risk Factors, of our Annual Report on Form 10-K for the year ended December 31, 2023, in Part II, Item 1A, Risk Factors, in the section titled "Risk Factors" in Part II, Item 1A of our Quarterly Report on Form 10-Q for the quarter ended March 31, 2024 filed with the SEC on May 6, 2024 and elsewhere in this Quarterly Report on Form 10-Q, as well as in our other filings with the Securities and Exchange Commission ("SEC"). Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this Quarterly Report on Form 10-Q. The results, events and circumstances reflected in the forward-looking statements may not be achieved or occur, and actual results, events or circumstances could differ materially from those described in the forward-looking statements.

The forward-looking statements made in this Quarterly Report on Form 10-Q relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this Quarterly Report on Form 10-Q to reflect events or circumstances after the date of this Quarterly Report on Form 10-Q or to reflect new information or the occurrence of unanticipated events, except as required by law.

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Unless otherwise indicated or unless the context requires otherwise, all references in this document to "ThredUp", "the Company", "we", "us", "our", or similar references are to ThredUp Inc. and its consolidated subsidiaries.

ThredUp is one of the world's largest online resale platforms for apparel, shoes and accessories, based primarily on items processed, items sold and the capacity of our distribution centers.

The "estimated retail price" of an item is based on the estimated original retail price of a comparable item of the same quality, construction and material offered elsewhere in new condition. Our estimated original retail prices are set by our team of merchants who periodically monitor market prices for the brands and styles that we offer on our marketplaces.

#### Channels for Disclosure of Information

ThredUp intends to announce material information to the public through the ThredUp Investor Relations website (ir.thredup.com), SEC filings, press releases, public conference calls, and public webcasts. ThredUp uses these channels, as well as social media, to communicate with its investors, customers, and the public about the company, its offerings, and other issues. It is possible that the information ThredUp posts on social media could be deemed to be material information. As such, ThredUp encourages investors, the media, and others to follow the channels listed above, including the social media channels listed on ThredUp's investor relations website, and to review the information disclosed through such channels.

#### PART I. FINANCIAL INFORMATION

##### Item 1. Financial Statements

**THREDUP INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
**(Unaudited)**

	March	December
	31, 2024	31, 2023
	June 30, 2024	December 31, 2023

(in thousands, except par value  
amounts)

**ASSETS**

##### Current assets:

Cash and cash equivalents

Cash and cash equivalents

Cash and cash equivalents

Marketable securities

Accounts receivable, net		
Inventory		
Other current assets		
Total current assets		
Operating lease right-of-use assets		
Property and equipment, net		
Goodwill		
Intangible assets		
Other assets		
Total assets		
	<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>	
Current liabilities:		
Accounts payable		
Accounts payable		
Accounts payable		
Accrued and other current liabilities		
Seller payable		
Operating lease liabilities, current		
Current portion of long-term debt		
Total current liabilities		
Operating lease liabilities, non-current		
Long-term debt, net of current portion		
Other non-current liabilities		
Total liabilities		
Commitments and contingencies (Note 10)	Commitments and contingencies (Note 10)	Commitments and contingencies (Note 10)
Stockholders' equity:		
Class A and B common stock, \$0.0001 par value; 1,120,000 shares authorized as of March 31, 2024 and December 31, 2023; 110,217 and 108,784 shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively		
Class A and B common stock, \$0.0001 par value; 1,120,000 shares authorized as of March 31, 2024 and December 31, 2023; 110,217 and 108,784 shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively		
Class A and B common stock, \$0.0001 par value; 1,120,000 shares authorized as of March 31, 2024 and December 31, 2023; 110,217 and 108,784 shares issued and outstanding as of March 31, 2024 and December 31, 2023, respectively		
Class A and B common stock, \$0.0001 par value; 1,120,000 shares authorized as of June 30, 2024 and December 31, 2023; 112,386 and 108,784 shares issued and outstanding as of June 30, 2024 and December 31, 2023, respectively		
Class A and B common stock, \$0.0001 par value; 1,120,000 shares authorized as of June 30, 2024 and December 31, 2023; 112,386 and 108,784 shares issued and outstanding as of June 30, 2024 and December 31, 2023, respectively		
Class A and B common stock, \$0.0001 par value; 1,120,000 shares authorized as of June 30, 2024 and December 31, 2023; 112,386 and 108,784 shares issued and outstanding as of June 30, 2024 and December 31, 2023, respectively		
Additional paid-in capital		
Accumulated other comprehensive loss		
Accumulated deficit		
Total stockholders' equity		
Total liabilities and stockholders' equity		

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

**THREDUP INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(Unaudited)**

Three Months Ended

Three Months Ended

Three Months Ended

Six Months Ended

	Three Months Ended			
	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024
	(in thousands, except per share amounts)			
	(in thousands, except per share amounts)			
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
Revenue:				
Consignment				
Consignment				
Consignment				
Product				
Product				
Product				
Total revenue				
Total revenue				
Total revenue				
Cost of revenue:				
Cost of revenue:				
Cost of revenue:				
Consignment				
Consignment				
Consignment				
Product				
Product				
Product				
Total cost of revenue				
Total cost of revenue				
Total cost of revenue				
Total cost of revenue				
Gross profit				
Gross profit				
Gross profit				
Operating expenses:				
Operating expenses:				
Operating expenses:				
Operations, product, and technology				
Operations, product, and technology				
Operations, product, and technology				
Marketing				
Marketing				
Marketing				
Sales, general, and administrative				
Sales, general, and administrative				
Sales, general, and administrative				
Total operating expenses				
Total operating expenses				
Total operating expenses				

Operating loss
Operating loss
Operating loss
Interest expense
Interest expense
Interest expense
Other income, net
Other income, net
Other income, net
Loss before provision for income taxes
Loss before provision for income taxes
Loss before provision for income taxes
Provision for income taxes
Provision for income taxes
Provision for income taxes
Net loss
Net loss
Net loss
Loss per share, basic and diluted
Loss per share, basic and diluted
Loss per share, basic and diluted
Weighted-average shares used in computing loss per share, basic and diluted
Weighted-average shares used in computing loss per share, basic and diluted
Weighted-average shares used in computing loss per share, basic and diluted

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

<b>THREDUP INC.</b> <b>CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS</b> <b>(Unaudited)</b>			
	Three Months Ended	Three Months Ended	Six Months Ended
	March 31, 2024	March 31, 2024	March 31, 2024
	(in thousands)	(in thousands)	(in thousands)
Net loss	June 30, 2024	June 30, 2023	June 30, 2024
Other comprehensive income (loss), net of tax:			
Other comprehensive income (loss), net of tax:			
Other comprehensive income (loss), net of tax:			
Foreign currency translation adjustments			
Foreign currency translation adjustments			
Foreign currency translation adjustments			

Unrealized gain (loss) on available-for-sale securities
Unrealized gain (loss) on available-for-sale securities
Unrealized gain (loss) on available-for-sale securities
Total other comprehensive income (loss)
Total other comprehensive income (loss)
Total other comprehensive income (loss)
Total comprehensive loss
Total comprehensive loss
Total comprehensive loss

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

**THREDUP INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY**  
**(Unaudited)**

	Common Stock												
	Shares		Additional Paid-in Capital		Accumulated Other Comprehensive Loss		Accumulated Deficit		Total Stockholders' Equity				
Shares	Amount								Amount	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
(in thousands)													
<b>Balance as of December 31, 2023</b>													
Issuance of common stock from exercise of stock options and restricted stock units													
Stock-based compensation													
Shares withheld for net share settlement													
Net loss													
Other comprehensive loss													
<b>Balance as of March 31, 2024</b>													
Issuance of common stock from exercise of stock options, restricted stock units, and employee stock purchase plan													
Stock-based compensation													
Shares withheld for net share settlement													
Net loss													
Other comprehensive loss													
<b>Balance as of June 30, 2024</b>													

	Common Stock												
	Shares		Additional Paid-in Capital		Accumulated Other Comprehensive Loss		Accumulated Deficit		Total Stockholders' Equity				
Shares	Amount								Amount	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Stockholders' Equity
(in thousands)													
<b>Balance as of December 31, 2022</b>													
Issuance of common stock from exercise of stock options and restricted stock units													

Balance as of December 31, 2022  
Issuance of common stock from exercise of stock options and restricted stock units

Stock-based compensation
Shares withheld for net share settlement
Net loss
Other comprehensive income
Balance as of March 31, 2023
Issuance of common stock from exercise of stock options, restricted stock units, and employee stock purchase plan
Stock-based compensation
Shares withheld for net share settlement
Net loss
Other comprehensive income
Balance as of June 30, 2023

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

**THREDUP INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(Unaudited)**

	Three Months Ended	
	March 31, 2024	March 31, 2023
	Six Months Ended	
	June 30, 2024	June 30, 2023
(in thousands)		
<b>Cash flows from operating activities:</b>		
Net loss		
Net loss		
Net loss		
<b>Adjustments to reconcile net loss to net cash provided by (used in) operating activities:</b>		
<b>Adjustments to reconcile net loss to net cash used in operating activities:</b>		
Depreciation and amortization		
Depreciation and amortization		
Depreciation and amortization		
Stock-based compensation expense		
Reduction in carrying amount of right-of-use assets		
Other		
<b>Changes in operating assets and liabilities:</b>		
Accounts receivable, net		
Accounts receivable, net		
Accounts receivable, net		
Inventory		
Other current and non-current assets		
Accounts payable		
Accrued and other current liabilities		
Seller payable		
Operating lease liabilities		
Other non-current liabilities		
<b>Net cash provided by (used in) operating activities</b>		
<b>Net cash used in operating activities</b>		

Cash flows from investing activities:
Purchases of marketable securities
Purchases of marketable securities
Purchases of marketable securities
Maturities of marketable securities
Purchases of property and equipment
Net cash provided by (used in) investing activities
Cash flows from financing activities:
Repayment of debt
Repayment of debt
Repayment of debt
Proceeds from issuance of stock-based awards
Payments of withholding taxes on stock-based awards
Net cash used in financing activities
Effect of exchange rate changes on cash, cash equivalents, and restricted cash
Net change in cash, cash equivalents, and restricted cash
Cash, cash equivalents, and restricted cash, beginning of period
Cash, cash equivalents, and restricted cash, end of period

The accompanying notes are an integral part of these unaudited condensed consolidated financial statements.

**THREDUP INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(Unaudited)**

**1. Organization and Description of Business**

ThredUp Inc. ("ThredUp" or the "Company") was formed as a corporation in the State of Delaware in January 2009. ThredUp operates a large resale platform that enables consumers to buy and sell primarily secondhand apparel, shoes, and accessories.

**2. Significant Accounting Policies**

*Basis of Presentation and Use of Estimates*

The accompanying unaudited condensed consolidated financial statements include the accounts of the Company and its wholly-owned subsidiaries. All intercompany account balances and transactions have been eliminated upon consolidation. The unaudited condensed consolidated financial statements were prepared in accordance with the United States ("U.S.") Generally Accepted Accounting Principles ("GAAP") for interim financial information and with the instructions to Quarterly Report on Form 10-Q and Article 10 of Regulation S-X. As permitted under those rules, certain footnotes or other financial information may be condensed or omitted.

The preparation of consolidated financial statements in accordance with GAAP requires management to make estimates and assumptions that affect the amounts that are reported in the consolidated financial statements and the related disclosures. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include, but are not limited to: the useful lives of property and equipment and intangibles, allowance for sales returns, breakage on loyalty points and rewards and gift cards, valuation of inventory, stock-based compensation, lease liabilities, goodwill and acquired intangible assets, and income taxes.

In the opinion of management, the accompanying unaudited condensed consolidated financial statements reflect all normal and recurring adjustments necessary to present fairly the financial position of the Company as of **March 31, 2024** **June 30, 2024**, and the results of operations and cash flows for the interim periods presented.

The accompanying unaudited condensed consolidated financial statements and related financial information should be read in conjunction with the Company's audited consolidated financial statements and related notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2023 (the "2023 10-K").

*Recently Adopted Accounting Pronouncements*

There were no accounting pronouncements adopted during the three **and six** months ended **March 31, 2024** **June 30, 2024**.

*Accounting Pronouncements Not Yet Effective*

In October 2023, the Financial Accounting Standards Board (the "FASB") issued Accounting Standards Update ("ASU") 2023-06, "Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative," to amend certain disclosure and presentation requirements for a variety of topics within the Accounting Standards Codification (the "ASC"). These amendments align the requirements in the ASC to the removal of certain disclosure requirements set out in Regulation S-X and Regulation S-K, announced by the SEC. The effective date for each amended topic in the ASC is either the date on which the SEC's removal of the related disclosure requirement from Regulation S-X or Regulation S-K becomes effective, or on June 30, 2027, if the SEC has not removed the requirements by that date. Early adoption is prohibited. The Company does not expect that the application of this standard will have an impact on **our** **its** consolidated financial statements and disclosures.

In November 2023, the FASB issued ASU 2023-07, Improvements to Reportable Segment Disclosures. This new guidance is designed to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses. ASU 2023-07 is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024 on a retrospective basis. Early adoption is permitted. The Company is currently assessing the impact of adopting this new accounting standard on its consolidated financial **statements, statements and disclosures**. However, the Company does not expect the adoption of ASU 2023-07 to have a material impact on its consolidated financial statements or disclosures.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. ASU 2023-09 requires additional quantitative and qualitative income tax disclosures to enable financial statements users to better assess how an entity's operations and related tax risks and tax planning and operational opportunities affect its tax rate and prospects for future cash flows. For public business entities, ASU 2023-09 is effective for annual periods beginning after December 15, 2024, which will be the fiscal year ending December 31, 2025 for us. We expect the Company. The Company expects the adoption will to result in enhanced income tax disclosures.

#### *Revenue from Loyalty Reward Redemption and Expiration*

The Company has a customer loyalty program, which allows end-customers to earn and accumulate points with each qualifying purchase. Earned points can be redeemed for loyalty rewards, such as non-cashoutable shopping credit, free shipping, or waived restocking fee, which can be applied to future purchases or returns. Unredeemed points expire after one year from the date the points were earned. Reward coupons expire six months from the date the reward is claimed. Points earned on purchases are a material right, representing a separate performance obligation.

The allocated consideration for the points earned through qualifying purchase transactions is deferred based on the standalone selling price of the points, adjusted for expected breakage in proportion to the pattern of redemption, and recorded within deferred revenue under accrued and other current liabilities within the Company's condensed consolidated balance sheets. Revenue is recognized for these performance obligations at a point in time when rewards are redeemed by the end customer or expired.

As of **March 31, 2024** **June 30, 2024** and December 31, 2023, the Company had a deferred revenue liability of **\$1.6** **\$1.3** million and \$3.1 million, respectively, related to its customer loyalty program, which is included in accrued and other current liabilities within the Company's condensed consolidated balance sheets. The Company recognized revenue from loyalty reward redemption and expiration of **\$3.7** **\$3.8** million and **\$2.1** **\$2.4** million for the three months ended **March 31, 2024** **June 30, 2024** and 2023, respectively, and \$7.4 million and \$4.6 million for the six months ended **June 30, 2024** and 2023, respectively. As our loyalty points expire in 12 months and coupon rewards expire in six months, the revenue for the remaining performance obligation is expected to be recognized within a 12-month period.

#### *Gift Cards and Site Credits*

The Company sells ThredUp gift cards on its e-commerce website and may also convert seller payables and site credits to ThredUp gift cards beginning after one year at the discretion of the Company. ThredUp gift cards do not expire or lose value over periods of inactivity. The Company accounts for gift cards by recognizing a gift card liability at the time a gift card is delivered to the customer. As of **March 31, 2024** **June 30, 2024** and December 31, 2023, **\$6.9** **\$7.2** million and \$6.6 million, respectively, of gift card liability was included in accrued and other current liabilities within the Company's condensed consolidated balance sheets. Revenue from **redemption of gift cards is generally recognized when the gift cards are redeemed by the customer and amounted to \$0.3 million and \$0.5** **\$0.7** million for the three months ended **March 31, 2024** **June 30, 2024** and 2023, respectively, and \$0.6 million and \$1.2 million for the six months ended **June 30, 2024** and 2023, respectively.

The Company recognizes breakage revenue when it determines that the redemption of gift cards is remote. Breakage revenue was \$1.3 million and \$2.6 million for the three and six months ended **March 31, 2024**, **June 30, 2024**, respectively. Breakage revenue was not material for the three and six months ended **March 31, 2023**, **June 30, 2023**.

The Company issues site credits for returns, which can be applied toward future charges but may not be converted into cash. Site credits may also be converted to ThredUp gift cards beginning after one year at the discretion of the Company. These credits are recognized as revenue when used. As of **March 31, 2024** **June 30, 2024** and December 31, 2023, **\$5.2** **\$5.0** million and \$4.8 million, respectively, of such customer site credits were included in accrued and other current liabilities within the Company's condensed consolidated balance sheets. Revenue recognized from the redemption of site credits was **\$13.5** **\$11.4** million and **\$9.4** **\$10.7** million for the three months ended **March 31, 2024** **June 30, 2024** and 2023, respectively, and \$22.1 million and \$20.0 million for the six months ended **June 30, 2024** and 2023, respectively.

#### *Cash, Cash Equivalents and Restricted Cash*

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the Company's condensed consolidated balance sheets that sum to the total of the same such amounts shown in the Company's condensed consolidated statements of cash flows:

	March 31, 2024	December 31, 2023
	June 30, 2024	December 31, 2023
(in thousands)		
Cash and cash equivalents		
Restricted cash included in Other current assets		
Restricted cash included in Other assets		
Total cash, cash equivalents, and restricted cash shown in the statement of cash flows		

Cash and cash equivalents

Restricted cash included in Other current assets

Restricted cash included in Other assets

Total cash, cash equivalents, and restricted cash shown in the statement of cash flows

#### Fair Value Measurements

The Company applies the provisions of FASB ASC Topic 820, *Fair Value Measurements and Disclosures*, for its financial and non-financial assets and liabilities. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 establishes a fair value hierarchy, which prioritizes the inputs used in measuring fair value into three broad levels as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the reporting entity has the ability to access at the measurement date.
- Level 2 inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability and inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 inputs are unobservable inputs for the asset or liability.

The Company measures certain assets and liabilities at fair value as discussed throughout the notes to its condensed consolidated financial statements. As of **March 31, 2024**, June 30, 2024 and December 31, 2023, the carrying amounts of the Company's accounts receivable, other current assets, other assets, accounts payable, seller payable and accrued and other current liabilities approximated their estimated fair values due to their relatively short maturities. Management believes the terms of its long-term variable-rate debt reflect current market conditions for an instrument with similar terms and maturity, and as such, the carrying value of the Company's long-term debt approximated its fair value as of **March 31, 2024**, June 30, 2024 and December 31, 2023.

### 3. Financial Instruments and Fair Value Measurements

The following tables provide information about the Company's financial instruments that are measured at fair value on a recurring basis and indicate the fair value hierarchy of the valuation techniques utilized to determine such values as of **March 31, 2024**, June 30, 2024 and December 31, 2023:

	March 31, 2024				June 30, 2024			
	Level 1	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3
(in thousands)								
<b>Assets:</b>								
Cash equivalents:								
Cash equivalents:								
Cash equivalents:								
Money market funds								
Money market funds								
Money market funds								
Commercial paper								
U.S. treasury securities								
Commercial paper								
Total cash equivalents								
Total cash equivalents								
U.S. government agency bonds								
Total cash equivalents								
Marketable securities:								
U.S. treasury securities								
U.S. treasury securities								
U.S. treasury securities								
U.S. government agency bonds								
Total marketable securities								
Total assets at fair value								

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
(in thousands)				
<b>Assets:</b>				
Cash equivalents:				
Money market funds	\$ 8,028	\$ —	\$ —	\$ 8,028
Commercial paper	—	14,954	—	14,954

U.S. treasury securities	—	7,976	—	7,976
U.S. government agency bonds	—	1,108	—	1,108
<b>Total cash equivalents</b>	<b>8,028</b>	<b>24,038</b>	<b>—</b>	<b>32,066</b>
Marketable securities:				
U.S. treasury securities	—	7,405	—	7,405
U.S. government agency bonds	—	695	—	695
<b>Total marketable securities</b>	<b>—</b>	<b>8,100</b>	<b>—</b>	<b>8,100</b>
<b>Total assets at fair value</b>	<b>\$ 8,028</b>	<b>\$ 32,138</b>	<b>\$ —</b>	<b>\$ 40,166</b>

The following tables summarize the cost, gross unrealized gains, gross unrealized losses and fair value of the marketable securities as of March 31, 2024 and December 31, 2023:

	March 31, 2024			
	Cost or Amortized Cost	Unrealized		
		Gains	Losses	Fair Value
(in thousands)				
U.S. treasury securities	\$ 10,421	\$ —	\$ (2)	\$ 10,419
U.S. government agency bonds	1,983	—	(3)	1,980
<b>Total</b>	<b>\$ 12,404</b>	<b>\$ —</b>	<b>\$ (5)</b>	<b>\$ 12,399</b>

	December 31, 2023			
	Cost or Amortized Cost	Unrealized		
		Gains	Losses	Fair Value
(in thousands)				
U.S. treasury securities	\$ 7,403	\$ 2	\$ —	\$ 7,405
U.S. government agency bonds	695	—	—	695
<b>Total</b>	<b>\$ 8,098</b>	<b>\$ 2</b>	<b>\$ —</b>	<b>\$ 8,100</b>

As of **March 31, 2024** **June 30, 2024** and December 31, 2023, the Company's cash equivalents and marketable securities approximated their estimated fair value. As such, there were no unrealized gains or losses related to the Company's cash equivalents. equivalents and marketable securities were not material.

For the Company's marketable securities, which were all classified as available-for-sale, the Company utilizes third-party pricing services to obtain fair value. Third-party pricing methodologies incorporate bond terms and conditions, current performance data, proprietary pricing models, real-time quotes from contributing dealers, trade prices and other market data. The Company determined that the declines in the fair value of its marketable securities were not driven by credit-related factors. During the three and six months ended **March 31, 2024** **June 30, 2024** and 2023, the Company did not recognize any losses on its marketable securities due to credit-related factors.

As of **March 31, 2024** **June 30, 2024**, the Company's money market funds were valued using Level 1 inputs because they were valued using quoted prices in active markets. The Company's U.S. treasury securities, commercial paper and U.S. government agency bonds were valued using Level 2 inputs because they were valued using quoted prices for similar assets or liabilities in active markets and quoted prices for identical or similar assets or liabilities in markets that are not active.

There were no transfers into or out of Level 3 during the three and six months ended **March 31, 2024** **June 30, 2024**. As of **March 31, 2024** **June 30, 2024**, all of the **\$12.4** **\$10.5** million carrying amount of marketable securities had a contractual maturity date of less than one year.

#### 4. Property and Equipment, Net

Property and equipment, net consisted of the following:

	March 31,	December 31,
	2024	2023
	June 30,	December 31,
	2024	2023
(in thousands)		

Property and equipment, at cost:

Machinery and equipment	
Machinery and equipment	
Machinery and equipment	
Leasehold improvements	
Internal-use software	
Computers and software	
Construction in progress	
Furniture and fixtures	
Total property and equipment, at cost	
Less: accumulated depreciation and amortization	
Property and equipment, net	

Depreciation and amortization expense of property and equipment was ~~\$4.3~~ \$4.2 million and ~~\$3.0~~ million for each of the three months ended **March 31, 2024** **June 30, 2024** and **2023**, and \$8.5 million and \$7.2 million for the six months ended **June 30, 2024** and **2023**, respectively.

## 5. Goodwill and Other Intangible Assets

Goodwill is primarily attributable to the planned growth in the combined business after the acquisition of Remix Global EAD ("Remix"). Goodwill is reviewed for impairment at least annually, absent any interim indicators of impairment. Goodwill was ~~\$11.7~~ \$11.6 million and \$12.0 million as of **March 31, 2024** **June 30, 2024** and December 31, 2023, respectively. The change in goodwill during the ~~three~~ six months ended **March 31, 2024** **June 30, 2024** was due to foreign currency translation adjustments.

The gross carrying amounts and accumulated amortization of the Company's intangible assets with determinable lives as of **March 31, 2024** **June 30, 2024** and December 31, 2023 were as follows:

	March 31, 2024				June 30, 2024				
	Amortization Period	Amortization Period	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Amortization Period	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
	(in years)	(in years)	(in thousands)		(in years)	(in thousands)		(in thousands)	
Customer relationships									
Developed technology									
Trademarks									
Total									

	Amortization Period	December 31, 2023		
		Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
	(in years)	(in thousands)		
Customer relationships	8	\$ 4,965	\$ (1,386)	\$ 3,579
Developed technology	3	4,679	(3,482)	1,197
Trademarks	9	4,494	(1,114)	3,380
Total		\$ 14,138	\$ (5,982)	\$ 8,156

The changes in the gross carrying amounts were due to foreign currency translation adjustments.

Amortization expense related to developed technology, customer relationships, and trademarks is recorded within operations, product, and technology; sales, general, and administrative; and marketing expense, respectively, within the Company's condensed consolidated statements of operations. Amortization expense of intangible assets with determinable lives was ~~\$0.6~~ \$0.7 million and ~~\$0.6~~ \$0.6 million for each of the three months ended **March 31, 2024** **June 30, 2024** and **2023**, respectively, and \$1.3 million for each of the six months ended **June 30, 2024** and **2023**.

## 6. Balance Sheet Components

Inventories **Inventory** consisted of the following:

	March 31, 2024	December 31, 2023
	June 30, 2024	December 31, 2023

(in thousands)

Work in process	
Finished goods	
Total	

Work in process inventory relates to items that are currently undergoing preparation for sale, including itemization, cleaning, and repair.

Accrued and other current liabilities consisted of the following:

	March 31, 2024	December 31, 2023
	June 30, 2024	December 31, 2023
(in thousands)		
Gift card and site credit liabilities		
Accrued compensation		
Accrued vendor liabilities		
Accrued taxes		
Accrued compensation		
Deferred revenue		
Allowance for returns		
Deferred revenue		
Accrued other		
Total		

## 7. Long-Term Debt

In February 2019, the Company entered into a loan and security agreement ("Term Loan") with Western Alliance Bank for an aggregate amount of up to \$40.0 million.

The Term Loan was subsequently amended several times, with the most recent amendment taking place in December 2023. As amended, the Term Loan matures on July 14, 2027 and provides for an aggregate borrowing amount of up to \$48.8 million, of which \$22.5 million is designated for the purchase of certain equipment. The Term Loan bears interest at the prime rate published in the Wall Street Journal plus a margin of 1.25%, with a floor of 4.75%.

The Term Loan requires the Company to comply with certain financial covenants, including, among other things, liquidity requirements, minimum cash deposits with Western Alliance Bank, performance metrics, and a debt service coverage ratio. The Term Loan also contains affirmative and negative covenants customary for financings of this type, including, among other things, limitations or prohibitions on repurchasing common shares, declaring and paying dividends and other distributions, redeeming and repurchasing certain other indebtedness, loans and investments, additional indebtedness, liens, mergers, asset sales and transactions with affiliates. In addition, the Term Loan contains customary events of default. As of **March 31, 2024** and **December 31, 2023** **June 30, 2024**, the Company was in compliance with its debt covenants under the Term Loan.

The Term Loan is payable in consecutive monthly installments. Interest is due monthly on amounts outstanding under the Term Loan. The Company is permitted to make voluntary prepayments without penalty or premium at any time.

As of **March 31, 2024** **June 30, 2024** and **December 31, 2023**, the effective interest rate for borrowings under the Term Loan was 10.73%.

During the **three** **six** months ended **March 31, 2024** **June 30, 2024** and 2023, the Company did not make any borrowings under the Term Loan and repaid a total of **\$1.0** **\$2.0** million in each of the periods on amounts outstanding under the Term Loan. As of **March 31, 2024** **June 30, 2024** and **December 31, 2023**, the amounts outstanding under the Term Loan were **\$25.3** **\$24.3** million and \$26.3 million, respectively.

The Company incurred \$0.7 million of interest costs relating to the Term Loan during each of the three months ended **March 31, 2024** **June 30, 2024** and 2023. There was no capitalized interest during the three months ended **March 31, 2024** **June 30, 2024** and 2023.

The Company incurred \$1.3 million and \$1.4 million of interest costs relating to the Term Loan during the six months ended **June 30, 2024** and 2023, respectively. There was no capitalized interest during the six months ended **June 30, 2024**, and \$0.6 million was capitalized as part of an asset for the **three** **six** months ended **March 31, 2023** **June 30, 2023**.

As of **March 31, 2024** **June 30, 2024**, the future annual principal payments of the Term Loan were as follows:

	Amount	(in thousands)
--	--------	----------------

2024 (Remaining nine months)
2024 (Remaining six months)
2025
2026
2027
Total principal payments
Total principal payments
Total principal payments
Less: unamortized debt discount
Less: current portion of long-term debt
Non-current portion of long-term debt

## 8. Common Stock and Stockholders' Equity

Each share of Class A common stock is entitled to one vote per share. Each share of Class B common stock is entitled to ten votes per share and is convertible at any time into one share of Class A common stock.

The table below summarizes the Class A common stock and Class B common stock authorized, issued and outstanding as of **March 31, 2024**, **June 30, 2024** and December 31, 2023:

	March 31, 2024	
	Authorized	Issued and Outstanding
(in thousands)		
Class A common stock	1,000,000	80,273
Class B common stock	120,000	29,944
<b>Total</b>	<b>1,120,000</b>	<b>110,217</b>

## 9. Stock-Based Compensation

The Company has stock-based compensation plans, which are more fully described in Note 10, *Stock-Based Compensation Plans*, to the Consolidated Financial Statements included in the 2023 10-K. During the **three** **six** months ended **March 31, 2024** **June 30, 2024**, the Company granted restricted stock units subject to service conditions.

### *Stock-Based Compensation Expense*

The following table provides information about stock-based compensation expense by financial statement line item:

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2024	Three Months Ended March 31, 2024
Stock-based compensation expense	\$ 1,000	\$ 1,000	\$ 1,000
Stock-based compensation expense, net of tax benefit	\$ 1,000	\$ 1,000	\$ 1,000

	March 31, 2024		(in thousands)		(in thousands)		(in thousands)		(in thousands)		
					June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023			
	(in thousands)										
Operations, product, and technology											
Marketing											
Marketing											
Sales, general, and administrative											
Sales, general, and administrative											
Sales, general, and administrative											
Total stock-based compensation expense											
Total stock-based compensation expense											
Total stock-based compensation expense											

Stock-based compensation expense capitalized in internal use software was not material for the three and six months ended **March 31, 2024**, **June 30, 2024** and **2023**, respectively. **2023**.

#### Stock Options

The following table summarizes the activities for all stock options under the Company's share-based stock-based compensation plans for the three and six months ended **March 31, 2024**, **June 30, 2024**, and **2023**:

	Number of Options Outstanding	Number of Options Outstanding	Weighted-Average Exercise Price Per Share	Weighted-Average Remaining Contractual Life	Aggregate Intrinsic Value (1)	Number of Options Outstanding	Weighted-Average Exercise Price Per Share	Weighted-Average Remaining Contractual Life	Aggregate Intrinsic Value (1)	
	(in thousands)	(in thousands)			(in thousands)	(in thousands)			(in thousands)	
Outstanding as of December 31, 2023										
Granted										
Exercised										
Exercised										
Exercised										
Forfeited or expired										
Forfeited or expired										
Forfeited or expired										
Outstanding as of March 31, 2024										
Outstanding as of March 31, 2024										
Outstanding as of March 31, 2024										
Exercisable as of March 31, 2024										
Outstanding as of June 30, 2024										
Outstanding as of June 30, 2024										

Outstanding as of  
June 30, 2024  
Exercisable as of  
June 30, 2024

(1) The intrinsic value is the amount by which the current market value of the underlying stock exceeds the exercise price of the stock awards.

There were no options granted during the three months ended March 31, 2024 and 2023. The total intrinsic value of stock options exercised during the three months ended March 31, 2024 and 2023 was not material.

As of March 31, 2024 June 30, 2024, the total unrecognized compensation cost related to all nonvested stock options was \$0.8 \$0.5 million and the related weighted-average period over which it is expected to be recognized was approximately 0.83 years, less than one year.

#### Restricted Stock Units

The following table summarizes the activities for all restricted stock units ("RSUs") under the Company's share-based stock-based compensation plans for the three six months ended March 31, 2024 June 30, 2024:

	Number of Shares (in thousands)	Number of Shares	Weighted-Average Grant Date Fair Value Per Share	Number of Shares	Weighted-Average Grant Date Fair Value Per Share
Outstanding and nonvested as of December 31, 2023					
Outstanding and nonvested as of December 31, 2023					
Outstanding and nonvested as of December 31, 2023					
Granted					
Vested					
Forfeited					
Outstanding and nonvested as of March 31, 2024					
Outstanding and nonvested as of June 30, 2024					

The total vesting date fair value of RSUs that vested was \$7.9 million and \$17.3 million during the three six months ended March 31, 2024 June 30, 2024 and 2023, was \$3.5 million and \$8.0 million, respectively.

During the three months ended March 31, 2023, the Company modified the vesting schedule of substantially all RSUs outstanding as of December 31, 2022 from 4 years to 3 years and recognized compensation expense of \$2.4 million related to the acceleration of the vesting schedule.

As of March 31, 2024 June 30, 2024, the total unrecognized compensation cost related to all nonvested RSUs was \$32.4 million \$33.2 million and the related weighted-average period over which it is expected to be recognized was approximately 1.94 two years.

#### 10. Commitments and Contingencies

##### Legal Contingencies

The Company is subject to litigation claims and assessments from time to time in the ordinary course of business. The Company's management does not believe that any such matters, individually or in the aggregate, will have a material adverse effect on the Company's business, financial condition, results of operations or cash flows.

##### Indemnifications

In the normal course of business, the Company enters into contracts and agreements that contain a variety of representations and warranties and provide for limited and customary indemnification obligations. The Company's exposure under these agreements is unknown because it involves claims that may be made against the Company in the future, but that have not yet been made.

#### 11. Income Taxes

The quarterly income tax provision reflects an estimate of the corresponding quarter's state taxes in the U.S. The provision for income tax expense for the three and six months ended March 31, 2024 June 30, 2024 and 2023 was determined based upon estimates of the Company's annual effective tax rate for the years ending December 31, 2024 and 2023, respectively. Since the Company is in a full valuation allowance position due to losses incurred since inception, the provision for taxes consists solely of certain state income taxes.

## 12. Loss Per Share

The following participating securities have been excluded from the computation of diluted loss per share for the periods presented because including them would have been anti-dilutive:

	March 31, 2024	March 31, 2023
	June 30, 2024	June 30, 2023
(in thousands)		
Outstanding stock options		
Stock options		
Restricted stock units		
Delayed share issuance related to acquisition		
Employee stock purchase plan		
Employee stock purchase plan		
Employee stock purchase plan		
Total		

## 13. Subsequent Event

In August 2024, the Company announced that, following a review of its European operations, the Company intends to exit the European market and is evaluating strategic alternatives for its Remix business.

## Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with other information, including our condensed consolidated financial statements and related notes included in Part I, Item 1, Financial Statements, of this Quarterly Report on Form 10-Q; Part I, Item 1A, Risk Factors, of this Quarterly Report on Form 10-Q; and our consolidated financial statements and related notes appearing in our Annual Report on Form 10-K for the year ended December 31, 2023 (the "2023 10-K"). The following discussion contains forward-looking statements that reflect our plans, estimates and beliefs. Our actual results could differ materially from those discussed in the forward-looking statements. You should review the section titled "Special Note Regarding Forward-Looking Statements" for a discussion of forward-looking statements and the section titled "Risk Factors" for a discussion of factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis. Our historical results are not necessarily indicative of the results that may be expected for any period in the future, and our interim results are not necessarily indicative of the results we expect for the full calendar year or any other period.

### Overview

ThredUp operates one of the world's largest online resale platforms for apparel, shoes and accessories. Our mission is to inspire the world to think secondhand first. We believe in a sustainable fashion future and we are proud that our business model creates a positive impact to the benefit of our buyers, sellers, clients, employees, investors and the environment. Our custom-built operating platform consists of distributed processing infrastructure, proprietary software and systems and data science expertise. This platform is powering the rapidly emerging resale economy, one of the fastest growing sectors in retail, according to a GlobalData market survey conducted in January 2023.

ThredUp's proprietary operating platform is the foundation for our managed marketplace, where we have bridged online and offline technology to make the buying and selling of tens of millions of unique items easy and fun. The marketplaces we have built enable buyers in the U.S. and in Europe to browse and purchase resale items for primarily apparel, shoes and accessories across a wide range of price points. Buyers enjoy shopping value, premium and luxury brands all in one place, at up to 90% off estimated retail price. Sellers enjoy ThredUp because we make it easy to clean out their closets and unlock value for themselves or for the charity of their choice while doing good for the planet. ThredUp's sellers order a Clean Out Kit, fill it and return it to us using our prepaid label. We take it from there and do the work to make those items available for resale. Aside from Clean Out Kits, ThredUp also sources inventory from a variety of supply channels, such as wholesale supply in Europe.

In addition to our core marketplace, some of the world's leading brands and retailers are taking advantage of our RaaS offering, which allows them to conveniently offer a scalable closet clean out service and/or resale shop to their customers. We believe RaaS will accelerate the growth of this emerging category and form the backbone of the modern resale experience domestically and internationally.

### Recent Business Developments

#### Workforce Reorganization Remix

In March August 2024, we reorganized certain corporate functions announced that, following a review of our European operations, we intend to improve efficiencies exit the European market and reduce overhead costs, ensuring better alignment with the operational needs of the business, resulting in an estimated annualized reduction of operating

expenses of \$17 million. This and other reorganization activities we may undertake in the future are expected to provide future growth and efficiency benefits; however, the actual results may differ, evaluating strategic alternatives for our Remix business.

#### Overview of First Second Quarter Results

**Revenue:** Total revenue was \$79.6 \$79.8 million, representing an increase a decrease of 4.8% year-over-year, 3.5% year over year.

**Gross Profit and Margin:** Gross profit totaled \$55.3 \$56.1 million, representing an increase of 8.3% year-over-year, 0.7% year over year. Gross margin was 69.5% 70.4%, an increase of 220 basis points from 67.3% 67.4% in the comparable quarter last year.

**Net Loss:** Net loss was \$16.6 \$14.0 million, or a negative 20.8% 17.5% of revenue, for the first second quarter of 2024, compared to a net loss of \$19.8 \$18.8 million, or a negative 26.1% 22.7% of revenue, for the first second quarter of 2023.

**Non-GAAP Adjusted EBITDA Loss:** Non-GAAP Adjusted EBITDA loss was \$0.7 \$1.5 million, or a negative 0.9% 1.9% of revenue, for the first second quarter of 2024, compared to Non-GAAP Adjusted EBITDA loss of \$6.6 \$5.0 million, or a negative 8.7% 6.1% of revenue, for the first second quarter of 2023. Non-GAAP Adjusted EBITDA loss and Non-GAAP Adjusted EBITDA loss margin are non-GAAP measures which may not be comparable to similarly-titled measures used by other companies. See below for a reconciliation of Non-GAAP Adjusted EBITDA loss to net loss.

**Active Buyers and Orders:** Active Buyers totaled 1.7 million and Orders totaled 1.7 million in the first second quarter of 2024, representing an increase a decrease of 3.7% 2.6% and an increase a decrease of 9.3% 5.8%, respectively, compared to the first second quarter of 2023.

#### Key Financial and Operating Metrics

We review a number of operating and financial metrics, including the following key business and non-GAAP metrics, to evaluate our business, measure our performance, identify trends affecting our business, formulate business plans and make strategic decisions. These key financial and operating metrics are set forth below for the periods presented.

		Three Months Ended			Three Months Ended			Six Months Ended		
		March								
		31,	31,	31,	31,	31,	31,	31,	31,	31,
		(in thousands, except percentages)								
		June 30,								
		2024	2023	Change	2024	2023	Change	2024	2023	Change
		(in thousands, except percentages)			(in thousands, except percentages)			(in thousands, except percentages)		
Active Buyers (as of period end)	Active Buyers (as of period end)	1,666	1,710	1,710	(2.6)	(2.6)	%	1,666	1,710	(2.6)
Orders	Orders	1,686	1,789	1,789	(5.8)	(5.8)%		3,337	3,300	(1.1)
Orders										
Total revenue										
Total revenue										

Total revenue	Total revenue	\$ 79,755	\$ 82,658	(3.5)	(3.5)%	\$ 159,343	\$ 158,580	0.5
Gross profit	Gross profit	\$ 56,120	\$ 55,732	0.7	0.7 %	\$ 111,446	\$ 106,825	4.3
Gross profit								
Gross profit								
Gross margin								
Gross margin								
Gross margin	Gross margin	70.4 %	67.4 %	300 bps	69.9 %	67.4 %	250	
Net loss	Net loss	\$(13,954)	\$(18,760)	(25.6)	(25.6)%	\$(30,508)	\$(38,553)	(20.9)
Net loss								
Net loss								
Net loss margin								
Net loss margin	Net loss margin	(17.5) %	(22.7)%	520 bps	(19.1) %	(24.3) %	520	
Non-GAAP	Non-GAAP							
Adjusted	Adjusted							
EBITDA loss(1)	EBITDA loss(1)	\$ (1,544)	\$ (5,012)	(69.2)	(69.2)%	\$ (2,280)	\$ (11,647)	(80.4)
Non-GAAP	Non-GAAP							
Adjusted	Adjusted							
EBITDA loss(1)	EBITDA loss(1)							
Non-GAAP	Non-GAAP							
Adjusted	Adjusted							
EBITDA loss	EBITDA loss							
margin(1)	margin(1)	(1.9) %	(6.1)%	420 bps	(1.4) %	(7.3) %	590	
Non-GAAP	Non-GAAP							
Adjusted	Adjusted							
EBITDA loss	EBITDA loss							
margin(1)	margin(1)							

(1) Non-GAAP Adjusted EBITDA loss and Non-GAAP Adjusted EBITDA loss margin are non-GAAP measures which may not be comparable to similarly-titled measures used by other companies. See below for a reconciliation of Non-GAAP Adjusted EBITDA loss to net loss.

#### Active Buyers

An Active Buyer is a ThredUp buyer who has made at least one purchase in the last twelve months. A ThredUp buyer is a customer who has created an account and purchased in our marketplaces, including through our RaaS clients, and is identified by a unique email address. A single person could have multiple ThredUp accounts and count as multiple Active Buyers. The number of Active Buyers is a key driver of revenue for our marketplaces.

#### Orders

Orders means the total number of orders placed by buyers across our marketplaces, including through our RaaS clients, in a given period, net of cancellations.

#### Non-GAAP Financial Metrics

##### Non-GAAP Adjusted EBITDA Loss and Non-GAAP Adjusted EBITDA Loss Margin

Non-GAAP Adjusted EBITDA loss means net loss adjusted to exclude, where applicable in a given period, stock-based compensation expense, depreciation and amortization, severance and other reorganization costs, interest expense, and provision for income taxes. Non-GAAP Adjusted EBITDA loss margin represents Non-GAAP Adjusted EBITDA loss divided by Total revenue. We use Non-GAAP Adjusted EBITDA loss and Non-GAAP Adjusted EBITDA loss margin which are as non-GAAP measures to evaluate and assess our operating performance and the operating leverage in our business, and for internal planning and forecasting purposes. We believe that Non-GAAP Adjusted EBITDA loss and Non-

GAAP Adjusted EBITDA loss margin, when taken collectively with our GAAP results, may be helpful to investors because they provide consistency and comparability with past financial performance and assist in comparisons with other companies, some of which use similar non-GAAP financial information to supplement their GAAP results.

The following table provides a reconciliation of net loss to Non-GAAP Adjusted EBITDA loss:

	Three Months Ended	Three Months Ended	Three Months Ended	Six Months Ended
	March 31, 2024	March 31, 2024	March 31, 2024	
	(in thousands)	(in thousands)	(in thousands)	
	June 30, 2024	June 30, 2023	June 30, 2024	June 30, 2023
	(in thousands)	(in thousands)	(in thousands)	
Net loss				
Stock-based compensation expense				
Stock-based compensation expense				
Stock-based compensation expense				
Depreciation and amortization				
Depreciation and amortization				
Depreciation and amortization				
Severance and other				
Severance and other				
Severance and other				
Severance and other reorganization costs				
Interest expense				
Interest expense				
Interest expense				
Provision for income taxes				
Provision for income taxes				
Provision for income taxes				
Non-GAAP Adjusted EBITDA loss				
Non-GAAP Adjusted EBITDA loss				
Non-GAAP Adjusted EBITDA loss				
Total revenue				
Total revenue				
Total revenue				
Non-GAAP Adjusted EBITDA loss margin	Non-GAAP Adjusted EBITDA loss margin	(1.9) %	(6.1) %	(1.4) %
Non-GAAP Adjusted EBITDA loss margin				
Non-GAAP Adjusted EBITDA loss margin				

#### Comparison of the Three and Six Months Ended March 31, 2024 June 30, 2024 and 2023

Revenue	Three Months Ended	Three Months Ended	Change
	Three Months Ended	Three Months Ended	
	Three Months Ended	Three Months Ended	
	Three Months Ended	Three Months Ended	

		March 31, 2024		March 31, 2024		March 31, 2024							
		(in thousands, except percentages)											
		(in thousands, except percentages)											
		June 30, 2024		June 30, 2023									
Consignment revenue		\$63,855		\$53,415		\$10,440		19.5					
Product revenue		15,900		29,243		29,243		(13,343)					
Product revenue								(13,343)					
Product revenue								(45.6)					
Total revenue		Total revenue		\$79,755		\$82,658		(\$2,903)					
Total revenue								(3.5)					
Total revenue								(3.5)					
Consignment revenue as a percentage of total revenue													
Consignment revenue as a percentage of total revenue													
Consignment revenue as a percentage of total revenue													
Product revenue as a percentage of total revenue													
Product revenue as a percentage of total revenue													
Product revenue as a percentage of total revenue													
Consignment revenue as a percentage of Total revenue													
Product revenue as a percentage of Total revenue													
Product revenue as a percentage of Total revenue													
Product revenue as a percentage of Total revenue													

Total revenue increased \$3.7 million, or 4.8%, for the three months ended March 31, 2024 as compared to the same period in 2023. The increase in revenue for the three months ended March 31, 2024 as compared to the same period in 2023. This decline was driven by a \$14.7 million or a 31.7% increase in consignment product revenue, partially offset by a \$11.1 million or a 37.6% decrease in product consignment revenue. The increase in total revenue was primarily due to a 3.7% increase in Active Buyers, a 9.3% increase in Orders and a 7.6% increase in the average order value. Consignment revenue increased while product revenue decreased as a percentage of revenue by 15.7%. This shift occurred as we transitioned our RaaS partners from a product to a consignment model and introduced our European operations to the consignment model in the third quarter of 2023. The overall decrease in total revenue was mainly due to a 5.8% decrease in Orders, primarily driven by our European operations. This was partially offset by a 13.8% increase in the average order value.

Total revenue increased \$0.8 million, or 0.5%, for the six months ended June 30, 2024 as compared to the same period in 2023. This growth was driven by a \$25.2 million or 25.2% increase in consignment revenue, partially offset by a \$24.4 million or 41.6% decrease in product revenue. The shift occurred as we transitioned our RaaS clients from a

product to a consignment model and introduced our European operations to the consignment model in the third quarter of 2023. The overall increase in total revenue was mainly due to a 1.1% increase in Orders, primarily driven by our U.S. operations, and a 10.8% increase in the average order value.

#### Gross Margin

	Three Months Ended		Change	
	March 31, 2024	March 31, 2023	Amount	%
	(in thousands, except percentages)			
Cost of consignment revenue	\$ 10,502	\$ 9,220	\$ 1,282	13.9 %
Cost of product revenue	13,760	15,609	(1,849)	(11.8)%
Total cost of revenue	\$ 24,262	\$ 24,829	\$ (567)	(2.3)%
Gross profit	\$ 55,326	\$ 51,093	\$ 4,233	8.3 %
Gross margin	69.5 %	67.3 %		

Gross margin was 69.5% and 67.3% for the three months ended March 31, 2024 and 2023, respectively, or an increase of 220 basis points.

	Three Months Ended		Change		Six Months Ended		Change	
	June 30, 2024	June 30, 2023	Amount	%	June 30, 2024	June 30, 2023	Amount	%
	(in thousands, except percentages)							
Cost of consignment revenue	\$ 12,266	\$ 9,580	\$ 2,686	28.0 %	\$ 22,768	\$ 18,800	\$ 3,968	21.1 %
Cost of product revenue	11,369	17,346	(5,977)	(34.5)%	25,129	32,955	(7,826)	(23.7)%
Total cost of revenue	\$ 23,635	\$ 26,926	\$ (3,291)	(12.2)%	\$ 47,897	\$ 51,755	\$ (3,858)	(7.5)%
Gross profit	\$ 56,120	\$ 55,732	\$ 388	0.7 %	\$ 111,446	\$ 106,825	\$ 4,621	4.3 %
Gross margin	70.4 %	67.4 %			69.9 %	67.4 %		

Consignment revenue is recognized net of seller payouts. Seller payouts related to product revenue are included as a component of cost of product revenue. As such, product revenue has a lower gross margin than consignment revenue.

Gross margin was 70.4% and 67.4% for the three months ended June 30, 2024 and 2023, respectively, or an increase of 300 basis points. The increase in gross margin for the three months ended **March 31, 2024** June 30, 2024 as compared to the same period in 2023 was primarily due to an increase in consignment gross margin by 260 basis points, primarily driven by lower shipping, labor and packaging costs. We transitioned revenue as a percentage of total revenue. The transition of our RaaS partners clients and introduced the introduction of our European operations to the consignment model in the third quarter of 2023 which drove growth in our consignment revenue, positively impacting our gross margin. This higher consignment gross

Gross margin was offset by a 2,190 basis point decrease in product gross margin, primarily driven by higher inventory costs.

#### Consignment Gross Margin

	Three Months Ended		Change	
	March 31, 2024	March 31, 2023	Amount	%
	(in thousands, except percentages)			
Cost of consignment revenue	\$ 10,502	\$ 9,220	\$ 1,282	13.9 %
Consignment gross margin		82.8 %	80.2 %	

Consignment gross margin was 82.8% 69.9% and 80.2% 67.4% for the **three** six months ended **March 31, 2024** June 30, 2024 and 2023, respectively, or an increase of 260 250 basis points. The increase in gross margin for the six months ended June 30, 2024 as compared to the same period in 2023 was primarily due to an increase in consignment revenue as a percentage of total revenue and lower shipping costs. The transition of our RaaS clients and the introduction of our European operations to the consignment model in the third quarter of 2023 drove growth in our consignment revenue, positively impacting our gross margin.

#### Consignment Gross Margin

	Three Months Ended		Change		Six Months Ended		Change	
	June 30, 2024	June 30, 2023	Amount	%	June 30, 2024	June 30, 2023	Amount	%
	(in thousands, except percentages)							
Cost of consignment revenue	\$ 12,266	\$ 9,580	\$ 2,686	28.0 %	\$ 22,768	\$ 18,800	\$ 3,968	21.1 %
Consignment gross margin	80.8 %	82.1 %			81.8 %	81.2 %		

Consignment gross margin was 80.8% and 82.1% for the three months ended June 30, 2024 and 2023, respectively, or a decrease of 130 basis points. The increase in consignment gross margin for the three months ended March 31, 2024 June 30, 2024 as compared to the same period in 2023 was primarily due to a 260 basis point increase in outbound shipping, labor and packaging costs.

Consignment gross margin was 81.8% and 81.2% for the six months ended June 30, 2024 and 2023, respectively, or an increase of 60 basis points. The increase in consignment gross margin for the six months ended June 30, 2024 as compared to the same period in 2023 was primarily due to a 60 basis point decrease in outbound shipping costs.

#### Product Gross Margin

	Three Months Ended		Three Months Ended		Three Months Ended		Six Months Ended				
	Three Months Ended	Three Months Ended	Three Months Ended	Change	Three Months Ended	Three Months Ended	Six Months Ended	Change			
	March 31, 2024	March 31, 2024	March 31, 2024		March 31, 2024	March 31, 2024	March 31, 2024				
(in thousands, except percentages)											
(in thousands, except percentages)											
		June 30, 2024	June 30, 2023		June 30, 2024	June 30, 2023					
		Amount	%		Amount	%	Amount	%			
Cost of product revenue	Cost of product revenue	\$ 11,369	\$ 17,346	\$ (5,977)	(34.5)	(34.5)%	\$ 25,129	\$ 32,955	\$ (7,826)	(23.7)	(23.7)%

Product gross margin

Product gross margin

Product gross margin

Product gross margin was 25.1% 28.5% and 47.0% 40.7% for the three months ended March 31, 2024 June 30, 2024 and 2023, respectively, or a decrease of 2,190 basis points. The decrease in product gross margin for the three months ended March 31, 2024 June 30, 2024 as compared to the same period in 2023 was primarily due to a 1,380 basis point increase in product inventory costs, mainly driven by our European operations. This decrease was partially offset by a 160 basis point decrease in shipping, labor, and packaging costs.

Product gross margin was 26.7% and 43.8% for the six months ended June 30, 2024 and 2023, respectively, or a decrease of 1,710 basis points. The decrease in product gross margin for the six months ended June 30, 2024 as compared to the same period in 2023 was due to higher a 1,960 increase in product inventory costs, mainly driven by our European operations, which unfavorably impacted product gross margin by 2,800 basis points. This decrease was partially offset by a 300 basis point decrease in inventory costs in the U.S. and a 290 basis point decrease in shipping, labor, and packaging costs.

Operations, Product, and Technology

	Three Months Ended	Three Months Ended	Three Months Ended	Change	Six Months Ended	Six Months Ended	Change	
	March 31, 2024	March 31, 2024	March 31, 2024		March 31, 2024	March 31, 2023		
	(in thousands, except percentages)				(in thousands, except percentages)			
	June 30, 2024	June 30, 2023	Amount	%	June 30, 2024	June 30, 2023	Amount	%
Operations, product, and technology	\$38,921	\$39,771	\$ (850)	(2.1) %	\$79,972	\$78,118	\$1,854	2.4 %
Operations, product, and technology as a percentage of total revenue								
Operations, product, and technology as a percentage of total revenue								
Operations, product, and technology as a percentage of total revenue								

Operations, product, and technology expenses decreased \$0.9 million, or 2.1% for the three months ended June 30, 2024 as compared to the same period in 2023. The decrease was due to a \$1.8 million decrease in personnel-related costs and a \$0.4 million decrease in facilities, technology, and other costs. This decrease was partially offset by a \$1.3 million increase in inbound shipping related to consignment revenue.

Operations, product, and technology expenses increased \$2.7 \$1.9 million, or 7.1% 2.4% for the three/six months ended March 31, 2024 June 30, 2024 as compared to the same period in 2023. The increase was due to a \$2.4 million \$2.1 million increase in inbound shipping related to consignment revenue, a \$2.0 million increase in facilities, technology, and other allocated costs, \$1.2 million and a \$1.0 million increase in severance costs related to as a result of our workforce reorganization in March 2024, and a \$0.8 million increase in inbound shipping 2024. This increase was partially offset by a \$1.7 million \$3.2 million decrease in personnel-related costs, of which \$1.1 million \$1.0 million was related to stock-based compensation.

Marketing	Three Months Ended	Three Months Ended	Change	Six Months Ended	Six Months Ended	Change
	March 31, 2024	March 31, 2024		March 31, 2024	March 31, 2023	
	(in thousands, except percentages)			(in thousands, except percentages)		
	March 31, 2024	March 31, 2024		March 31, 2024	March 31, 2023	

		June				June 30,		June 30,					
		30, 2024	June 30, 2023	Amount	%	2024	2023	Amount	%				
		(in thousands, except percentages)						(in thousands, except percentages)					
Marketing	Marketing	\$16,053	\$18,643	\$ (2,590)	(13.9)	(13.9)%	\$29,466	\$35,513	\$ (6,047)	(17.0)	(17.0)%		
Marketing as a percentage of total revenue													
Marketing as a percentage of total revenue													
Marketing as a percentage of total revenue													

Marketing expenses decreased \$3.5 \$2.6 million, or 20.5% 13.9%, for the three months ended March 31, 2024 June 30, 2024 as compared to the same period in 2023. The decrease was due to a \$2.5 million decrease in advertising costs, a \$1.3 \$2.0 million decrease in personnel-related costs, of which \$1.0 million \$0.8 million was related to stock-based compensation expense, a \$0.4 million decrease in advertising costs, and a \$0.2 million decrease in facilities, technology and other costs.

Marketing expenses decreased \$6.0 million, or 17.0%, for the six months ended June 30, 2024 as compared to the same period in 2023. The decrease was due to a \$3.0 million decrease in personnel-related costs, of which \$1.8 million was related to stock-based compensation expense, a \$2.9 million decrease in advertising costs, and a \$0.4 million decrease in facilities, technology and other costs. This decrease was partially offset by \$0.5 million a \$0.3 million increase in severance costs related to as a result of our workforce reorganization in March 2024.

#### Sales, General and Administrative

		Three Months Ended		Three Months Ended		Six Months Ended					
		March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024	March 31, 2024		
		(in thousands, except percentages)									
		(in thousands, except percentages)									
		June 30, 2024	June 30, 2023	Amount	%	June 30, 2024	June 30, 2023	Amount	%		
Sales, general, and administrative	Sales, general, and administrative	\$15,440	\$16,030	\$ (590)	(3.7)	(3.7)%	\$33,013	\$32,089	\$ 924	2.9	2.9 %
Sales, general, and administrative as a percentage of total revenue											
Sales, general, and administrative as a percentage of total revenue											
Sales, general, and administrative as a percentage of total revenue											

Sales, general, and administrative expenses decreased \$0.6 million, or 3.7%, for the three months ended June 30, 2024 as compared to the same period in 2023. The decrease was due to a \$0.3 million decrease in personnel-related costs, a \$0.2 million decrease in professional services, and a \$0.1 million decrease in facilities, technology and other costs.

Sales, general, and administrative expenses increased \$1.5 \$0.9 million, or 9.4% 2.9%, for the three six months ended March 31, 2024 June 30, 2024 as compared to the same period in 2023. The increase was due to \$1.3 million a \$1.0 million increase in severance costs related to as a result of our workforce reorganization in March 2024 and a \$0.5 million increase in personnel-related costs, and a \$0.1 million increase in facilities, technology and other costs. This increase was partially offset by a \$0.4 million \$0.6 million decrease in professional services.

#### Interest Expense

	Three Months Ended	Three Months Ended	Change	Three Months Ended	Six Months Ended	Change					
Three Months Ended											
March 31, 2024											
March 31, 2024											
March 31, 2024											
	(in thousands, except percentages)										
	(in thousands, except percentages)										
	June 30, 2024	June 30, 2023		June 30, 2024	June 30, 2023						
	Amount	%		Amount	Amount	%					
	(in thousands, except percentages)			(in thousands, except percentages)							
Interest expense	Interest expense	\$ (652)	\$ (721)	\$ 69	\$ (9.6)	(9.6) %	\$ (1,329)	\$ (798)	\$ (531)	66.5	66.5 %

Interest expense increased \$0.6 million for the three months ended March 31, 2024 June 30, 2024 remained relatively consistent as compared to the same period in 2023.

Interest expense increased \$0.5 million for the six months ended June 30, 2024 as compared to the same period in 2023. This increase was primarily due to a \$0.6 million the capitalization of capitalized interest expense recorded costs in the first quarter of 2023 in conjunction with the build-out of our distribution centers. We did not capitalize any interest in the same period in 2024.

#### Other Income, Net

	Three Months Ended	Three Months Ended	Change	Three Months Ended	Six Months Ended	Change					
Three Months Ended											
March 31, 2024											
March 31, 2024											
March 31, 2024											
	(in thousands, except percentages)										
	(in thousands, except percentages)										
	June 30, 2024	June 30, 2023		June 30, 2024	June 30, 2023						
	Amount	%		Amount	Amount	%					
	(in thousands, except percentages)			(in thousands, except percentages)							
Other income, net	Other income, net	\$ 998	\$ 685	\$ 313	45.7	45.7 %	\$ 1,843	\$ 1,161	\$ 682	58.7	58.7 %

Other income, net increased \$0.4 \$0.3 million for the three months ended March 31, 2024 June 30, 2024 as compared to the same period in 2023. The increase was primarily due to an increase in interest income on from our marketable securities due to a higher interest rate environment.

Other income, net increased \$0.7 million for the six months ended June 30, 2024 as compared to the same period in 2023. The increase was primarily due to an increase in interest income from our marketable securities due to a higher interest rate environment.

#### Liquidity and Capital Resources

Although we generated \$1.4 million in cash flows from operating activities in the first quarter of 2024, we had We have historically generated negative cash flows from operations and have primarily financed our operations through private and public sales of equity securities and debt. As of March 31, 2024 June 30, 2024, we had cash, cash equivalents and short-term marketable securities of \$62.5 \$55.3 million. Additionally, we have a term loan facility ("Term Loan") under which \$22.5 million remained available to be drawn as of March 31, 2024 June 30, 2024 for the purchase of certain equipment, and we were in full compliance with our debt covenants under the Term Loan as of that date. See Note 7, Long-Term Debt, to the Condensed Consolidated Financial Statements included in Part I, Item 1, Financial Statements, of this Quarterly Report on Form 10-Q for a further discussion on our Term Loan.

We expect operating losses to continue in 2024 as we continue to invest in growing our business and our infrastructure. Our primary sources of liquidity are cash flows generated from operations, cash on hand and borrowings available under the Term Loan. Our primary use of cash includes product inventory costs and seller payouts, operating costs such as distribution network spend, product and technology expenses, marketing expenses, personnel expenses and other expenditures necessary to support our operations and our growth. Additionally, our primary capital expenditures are related to the set-up, expansion and/or automation of our distribution network. Based upon our current operating plans, we believe that our existing cash, cash equivalents and short-term marketable securities will be sufficient for at least the next 12 months and beyond to meet our short- and long-term capital requirements, and we do not anticipate expanding our distribution network to include additional locations in the near term. Our cash flow forecast is a forward-looking statement that involves risks and uncertainties, and actual results could vary materially.

Our future capital requirements will depend on many factors, including but not limited to, the timing of our increased any future distribution center automation and expansion plans to support planned revenue growth, the expansion of sales and marketing activities, the potential introduction of new offerings and new RaaS clients, the continuing growth of our marketplaces and overall economic conditions. However, we expect that our capital expenditures will be limited in the remainder of 2024 as we have completed the first phase of our new distribution center in Texas. See the section titled "Risk Factors—Risks Relating to Our Indebtedness and Liquidity—We may require additional capital to support business growth, and this capital might not be available or may be available only by diluting existing stockholders" within the 2023 10-K.

#### Cash Flows

The following table summarizes our cash flows for the periods indicated:

	Three Months Ended	
	March 31, 2024	March 31, 2023
	Six Months Ended	
	June 30, 2024	June 30, 2023
(in thousands)		
<b>Net cash provided by (used in):</b>		
Operating activities		
Operating activities		
Operating activities		
Investing activities		
Financing activities		
<b>Effect of exchange rate changes on cash, cash equivalents and restricted cash</b>		
<b>Net change in cash, cash equivalents and restricted cash</b>		

#### Changes in Cash Flows from Operating Activities

Net cash provided by used in operating activities was \$1.4 million \$3.6 million during the three six months ended March 31, 2024 June 30, 2024, compared to net cash used of \$4.5 million \$14.8 million during the three six months ended March 31, 2023 June 30, 2023. The increase \$11.3 million decrease in operating cash inflows outflows was primarily due to a \$3.2 million an \$8.0 million decrease in our net loss, partially offset adjusted by a \$0.5 million \$2.6 million decrease in non-cash adjustments to net loss, charges, and \$5.8 million of favorable changes totaling \$3.1 million in operating assets and liabilities. The change in operating assets and liabilities was primarily due to a \$7.0 million \$7.7 million reduction in inventory, mainly driven by decreased upfront inventory purchases as we transitioned our RaaS partners clients and introduced our European operations to the consignment model in the third quarter of 2023, and a \$2.4 million \$1.4 million increase in accounts payable, accrued and other current liabilities due to timing of vendor payments, a \$0.9 million reduction in accounts receivable due to timing in payment processing, a \$0.7 million reduction in other assets primarily due to lower vendor prepayments, and non-current liabilities driven primarily by accrued severance costs related a \$0.7 million reduction in lease payments due to our workforce reorganization in March 2024, lower rent prepayment and the expiration of certain leases. This was partially offset by a \$6.5 million \$5.6 million decrease in accounts and seller payable primarily due to timing of vendor payments and seller credit cash-outs or redemptions.

#### Changes in Cash Flows from Investing Activities

Net cash used in investing activities for the three six months ended March 31, 2024 increased \$24.7 million June 30, 2024 was \$4.9 million as compared to net cash provided by investing activities of \$29.3 million for the same period in 2023. The \$34.3 million increase in cash outflows was primarily due to a \$20.1 million \$36.5 million decrease in maturities of marketable securities and an \$8.7 million a \$7.3 million increase in purchases of marketable securities, partially offset by a \$4.1 million \$9.5 million decrease in purchases of property and equipment.

#### Changes in Cash Flows from Financing Activities

Net cash used in financing activities for the three six months ended March 31, 2024 increased \$0.3 million \$0.9 million as compared to the same period in 2023 which was primarily due to a \$0.6 million of increased increase in payroll taxes paid related to on stock-based award activity offset by and a \$0.3 million of increased decrease in

proceeds from issuance of stock-based awards.

#### Critical Accounting Policies and Estimates

U.S. GAAP requires us to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. We base our estimates and assumptions on current facts, historical experience and various other factors that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the recording of revenue, costs and expenses. Actual results could differ from those estimates.

There have been no material changes to our critical accounting policies since the 2023 10-K. For a description of critical accounting policies that affect our significant judgments and estimates used in the preparation of our condensed consolidated financial statements, see Part II, Item 7, *Management's Discussion and Analysis of Financial Condition and Results of Operations*, of the 2023 10-K.

#### JOBS Act Accounting Election

We are an "emerging growth company," as defined in the Jumpstart Our Business Startups Act ("JOBS Act"). Under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have elected to use this extended transition period until we are no longer an emerging growth company or until we affirmatively and irrevocably opt out of the extended transition period. Accordingly, our condensed consolidated financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates.

#### New Accounting Pronouncements

See discussion under Note 2, *Significant Accounting Policies*, to the Condensed Consolidated Financial Statements included in Part I, Item 1, *Financial Statements*, of this Quarterly Report on Form 10-Q for information on new accounting pronouncements.

#### Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to market risks in the ordinary course of our business. These risks primarily include:

##### Interest Rate Risk

As of **March 31, 2024** **June 30, 2024**, we had cash and cash equivalents of **\$50.1** **\$44.8** million and marketable securities of **\$12.4** **\$10.5** million, consisting primarily of money market funds, commercial paper, U.S. treasury securities and U.S. government agency bonds, which carry a degree of interest rate risk. The primary objective of our investment activities is to preserve principal while maximizing income without significantly increasing risk. We do not enter into investments for trading or speculative purposes and have not used any derivative financial instruments to manage our interest rate risk exposure. Due to the short- to intermediate-term nature of our investments, we have not been exposed to, nor do we anticipate being exposed to, material risks due to fluctuations in interest rates.

The Term Loan bears variable interest rates tied to the prime rate, with a floor of 4.75%, and therefore carries interest rate risk. If interest rates were to increase or decrease by 1% for the year and our borrowing amounts on the Term Loan remained constant, the increase or decrease to our annual interest expense would not be material.

##### Inflation Risk

As of **March 31, 2024** **June 30, 2024**, inflation remains at elevated levels in the U.S. and overseas where we conduct our business, resulting in rising interest rates and fuel, labor and processing, freight and other costs that have affected our gross margin and operating expenses. We believe these increases have negatively impacted our business, and although difficult to quantify, inflation is potentially having an adverse effect on our customers' ability to purchase in our marketplaces, resulting in slowing revenue and Order growth. If we are unable to increase our prices to sufficiently offset the rising costs of doing business, our profitability and financial position could be adversely impacted.

##### Foreign Currency Exchange Rate Risk

We transact business in Europe through Remix in multiple currencies. As a result, our operating results, cash flows and net investment in Remix are subject to fluctuations due to changes in foreign currency exchange rates. As of **March 31, 2024** **June 30, 2024**, our most significant currency exposure was the Bulgarian lev. We manage our foreign currency exchange rate risks through natural hedges including foreign currency revenue and costs matching, as well as foreign currency assets offsetting liabilities. We have not entered into any hedging arrangements with respect to foreign currency risk, but we may do so in the future if our exposure to foreign currency becomes more significant.

Assets and liabilities of our foreign operations are translated into dollars at period-end rates, while income and expenses are translated using the average exchange rate during the period in which the transactions occurred. The related translation adjustments were reflected as an unfavorable foreign currency translation adjustment of **\$0.9** **\$1.1** million during the **three** **six** months ended **March 31, 2024** **June 30, 2024**, which was recognized in accumulated other comprehensive loss within our condensed consolidated balance sheet.

A hypothetical 10% change in foreign currency exchange rates would not have had a material impact on our financial condition or results of operations during any of the periods presented.

#### Item 4. Controls and Procedures

##### *Evaluation of Disclosure Controls and Procedures*

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we evaluated the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), as of **March 31, 2024** **June 30, 2024**. The term "disclosure controls and procedures," as defined under the Exchange Act, means controls and procedures that are designed to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including the Chief Executive Officer and the Chief Financial Officer, to allow timely decisions regarding required disclosures. Any controls and procedures, no matter how well designed and operated, can provide only reasonable, not absolute, assurance of achieving the desired control objective and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of **March 31, 2024** **June 30, 2024**.

##### *Changes in Internal Control over Financial Reporting*

There were no changes in our internal control over financial reporting that occurred during our most recent **fiscal** quarter ended **March 31, 2024** **June 30, 2024** that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

##### *Inherent Limitations on Effectiveness of Controls*

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls or our internal control over financial reporting will prevent all errors and all fraud. A control system, no matter how well designated and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

## PART II. OTHER INFORMATION

#### Item 1. Legal Proceedings

We are not a party to any material pending legal proceedings. From time to time, we may be subject to legal proceedings and claims arising in the ordinary course of business.

#### Item 1A. Risk Factors

The Company is supplementing the risk factors previously disclosed in the section titled "Risk Factors" in Part I, Item 1A of our Annual Report on Form 10-K for the fiscal year ended December 31, 2023 filed with the SEC on March 5, 2024 (our "Fiscal 2023 10-K") and in the section titled "Risk Factors" in Part II, Item 1A of our Quarterly Report on Form 10-Q for the quarter ended **March 31, 2024** filed with the SEC on May 6, 2024 (our "First Quarter 2024 10-Q") to include the following risk factors, which should be read in conjunction with the other risk factors presented in our Fiscal 2023 10-K.

##### 10-K and First Quarter 2024 10-Q.

**Our ability efforts to incorporate artificial intelligence identify and machine learning into consummate a strategic alternative for our European operations conducted through our Remix subsidiary may not be successful.**

Following a strategic review, we have determined to seek strategic alternatives for the Remix business **operations successfully may affect with the intention to exit our reputation existing European markets. Efforts to identify and results of operations.**

We use artificial intelligence ("AI"), and machine learning ("ML") technologies in our business to, among other things, optimize our product presentation and personalize our website experience through advanced search and product recommendations. Our **consummate a strategic plans and initiatives also include investments in information technology, data science and AI and ML. We may expand our use of AI and ML into other areas alternative could divert the attention of our business including general administrative functions. However, there can be no assurance that we will realize the desired or anticipated benefits from AI management and ML. Our investments in AI and ML solutions and features may negatively impact our cost of revenue and gross margins until and unless we are able to increase revenue enough to offset these investments. We may also fail to properly implement or market our AI solutions and features.**

In addition, issues relating to our and our vendors' use of new and evolving technologies such as AI and ML may cause us to experience brand incur various expenses, whether or reputational harm, competitive harm, legal liability and new or enhanced governmental or regulatory scrutiny, and to incur additional costs to resolve such issues. For example, data sets used by AI and ML not any strategic alternative is ultimately consummated. We may be over-broad or insufficient, can include unexpected biases unsuccessful in identifying and may also be subject to legal risks consummating a strategic alternative for our European operations and licensing costs. Our vendors may incorporate artificial intelligence tools into their offerings without disclosing this use to us, and the providers of artificial intelligence tools any such alternative may not meet existing or rapidly evolving regulatory or industry standards with respect to have the use and governance of artificial intelligence tools. AI algorithms or training methodologies may have flaws and be prone to cybersecurity incidents or service interruptions. Perceived or actual technical, legal, compliance, privacy, security, ethical or other issues relating to the use of AI and ML could undermine the decisions, predictions or analysis that such applications produce and create additional risks, such as risks of cybersecurity incidents or loss of intellectual property and other confidential information, all anticipated benefits, any of which could adversely affect our business and operating results. Developing, testing and deploying AI systems may also increase our operating expenses due to the nature of the computing costs involved in such systems. Further, we may be unable to quickly and successfully adapt to rapid change resulting from advancements in AI and similar technology, or our competitors may have more success implementing and utilizing such technology than we do. Any of these risks could have an adverse effect on our reputation and results of operations.

The use of AI and ML involves significant technical complexity and requires specialized expertise, and our future success depends on our ability to continue to attract, retain and motivate highly skilled employees, software engineers and other employees with the technical skills in AI, ML and advanced algorithms. Competition for highly skilled employees is intense, particularly in the fields of AI and data science. We may be unable to attract or retain such highly skilled personnel who are critical to our success, which could hinder our ability to keep pace with innovation and technological changes in our industry or result in harm to our business, results of operations and financial condition.

***Our reorganization activities may not lead to expected savings or benefits and may be disruptive to our operations and harm our business.***

We have in the past implemented internal reorganizations designed to reduce our cost structure to better align the operational needs of the business to current economic conditions. In March 2024, we reorganized certain functions within our business to improve efficiencies and reduce overhead costs. We may have additional workforce reorganization initiatives in the future to improve our operations, respond to changes in business conditions and markets and to streamline certain key functions to reduce costs. We may not realize expected savings or benefits from reorganization activities, incur additional charges and experience loss of key personnel, disruptions in our operations, and difficulties in the timely delivery of products. These factors could negatively impact our business, results of operations and financial condition.

## **Item 2. Unregistered Sales of Equity Securities and Use of Proceeds**

- (a) None.
- (b) On March 25, 2021, the SEC declared our registration statement on Form S-1 (File No. 333-253834) for our IPO effective. We have applied the entirety of net proceeds from our IPO in accordance with the description included in our final prospectus filed with the SEC on March 3, 2021 pursuant to Rule 424(b)(4). None.
- (c) None.

## **Item 3. Defaults Upon Senior Securities**

None.

## **Item 4. Mine Safety Disclosures**

Not applicable.

## **Item 5. Other Information**

- (a) None.
- (b) None.
- (c) Rule 10b5-1 Trading Plans

On March 15, 2024 During the three months ended June 30, 2024, James Reinhart, Chief Executive Officer, adopted a Rule 10b5-1 trading arrangement that is intended to satisfy the affirmative defense none of Rule 10b5-1(c) of the Exchange Act for the sale of up to 692,152 shares of the Company's Class A common stock until June 13, 2024.

On March 15, 2024, Alon Rotem, Chief Legal Officer, adopted a Rule 10b5-1 trading arrangement that is intended to satisfy the affirmative defense of Rule 10b5-1(c) of the Exchange Act for the sale of up to 310,135 shares of the Company's Class A common stock until June 13, 2024.

There were no other Rule 10b5-1 trading arrangements or non-Rule 10b5-1 trading arrangements adopted, modified or terminated by our directors or officers during (as defined in Rule 16a-1(f) under the three months ended March 31, 2024. Exchange Act) adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as those terms are defined in Item 408 of Regulation S-K.

## **Item 6. Exhibits**

- (a) Exhibit Index:

Incorporated by Reference				
Exhibit Number	Description	Form	Exhibit	Filing Date
3.1	<a href="#">Amended and Restated Certificate of Incorporation of the Registrant</a>	S-1	3.2	3/3/2021
3.2	<a href="#">Amended and Restated Bylaws of the Registrant, as adopted on February 16, 2023</a>	8-K	3.1	2/21/2023
4.1	<a href="#">Form of Class A common stock certificate of the Registrant</a>	S-1	4.1	3/3/2021
4.2	<a href="#">Tenth Amended and Restated Investors' Rights Agreement, dated February 16, 2021, by and among the Registrant and certain of its stockholders</a>	S-1	4.2	3/3/2021
31.1*	<a href="#">Certification of Principal Executive Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>			
31.2*	<a href="#">Certification of Principal Financial Officer pursuant to Exchange Act Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002</a>			
32.1**	<a href="#">Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>			
32.2**	<a href="#">Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002</a>			
101.INS*	XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document			
101.SCH*	Inline XBRL Taxonomy Extension Schema Document			
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document			
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document			
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document			
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document			
104*	Cover Page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits 101)			

Incorporated by Reference				
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101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document			
104*	Cover Page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits 101)			

\* Filed herewith.

\*\* Furnished herewith.

† Certain schedules have been omitted pursuant to Item 601(a)(5) of Regulation S-K under the Securities Act. The Company agrees to furnish supplementally any omitted schedules to the Securities and Exchange Commission upon request.

^ Portions of this exhibit have been omitted pursuant to Item 601(b)(10)(iv) of Regulation S-K because they are both (i) not material and (ii) the type that the registrant treats as private or confidential. A copy of the omitted portions will be furnished to the Securities and Exchange Commission upon request.

#### SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

#### THREDUP INC.

By: /s/ SEAN SOBERS

Sean Sobers

*Chief Financial Officer*

(Principal Financial and Accounting Officer)

Date: **May 6, 2024** August 5, 2024

**3231**

**Exhibit 3.1**

#### THREDUP INC.

#### RESTATE CERTIFICATE OF INCORPORATION

ThredUp Inc., a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), hereby certifies as follows:

A. That the name of this corporation is ThredUp Inc., and that this corporation was originally incorporated pursuant to the General Corporation Law of the State of Delaware (the "DGCL") on January 7, 2009.

B. This Restated Certificate of Incorporation (this "Amended and Restated Certificate of Incorporation") was duly adopted in accordance with the provisions of Section 245 of the DGCL.

C. Pursuant to Section 245(c) of the DGCL, this Amended and Restated Certificate of Incorporation only restates and integrates and does not further amend the provisions of the Amended and Restated Certificate as heretofore amended, and there is no discrepancy between those provisions and the provisions of this Amended and Restated Certificate of Incorporation.

D. The Amended and Restated Certificate of Incorporation of the Corporation, as amended, is hereby restated in its entirety to read as follows:

#### ARTICLE I

The name of the Corporation is ThredUp Inc.

#### ARTICLE II

The address of the registered office of the Corporation in the State of Delaware is 1209 Orange Street, in the City of Wilmington, County of New Castle, 19801. The name of its registered agent at such address is The Corporation Trust Company.

#### ARTICLE III

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the DGCL.

#### ARTICLE IV

A. **Classes of Stock.** The total number of shares of capital stock that the Corporation shall have authority to issue is 1,220,000,000, consisting of the following: 1,000,000,000 shares of Class A Common Stock, par value \$0.0001 per share ("Class A Common Stock"), 120,000,000 shares of Class B Common Stock, par value \$0.0001 per share ("Class B Common Stock"), and 100,000,000 shares of undesignated Preferred Stock, par value \$0.0001 per share ("Preferred Stock").

B. **Rights of Preferred Stock.** The Board of Directors of the Corporation (the "Board of Directors") is authorized, subject to any limitations prescribed by law but to the fullest extent permitted by law, to provide by resolution for the designation and issuance of shares of Preferred Stock in one or more series, and to establish from time to

time the number of shares to be included in each such series, and to fix the designation, powers (which may include, without limitation, full, limited or no voting powers), preferences, and relative, participating, optional or other rights of the shares of each such series and any qualifications, limitations or restrictions thereof, and to file a certificate pursuant to the applicable law of the State of Delaware (such certificate being hereinafter referred to as a "**Preferred Stock Designation**"), setting forth such resolution or resolutions.

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**C. Vote to Increase or Decrease Authorized Shares of Preferred Stock.** The number of authorized shares of Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the voting power of all of the outstanding shares of capital stock of the Corporation entitled to vote thereon, without a separate class vote of the holders of Preferred Stock, or any separate series votes of any series thereof, unless a vote of any such holders is required pursuant to the terms of any Preferred Stock Designation.

**D. Rights of Class A Common Stock and Class B Common Stock.** The relative powers, rights, qualifications, limitations and restrictions granted to or imposed on the shares of Class A Common Stock and Class B Common Stock are as follows:

**1. Voting Rights.**

(a) **General Right to Vote Together; Exception.** Except as otherwise expressly provided herein or required by applicable law, the holders of Class A Common Stock and Class B Common Stock shall vote together as one class on all matters submitted to a vote of the stockholders; *provided, however,* subject to the terms of any Preferred Stock Designation, the number of authorized shares of Class A Common Stock or Class B Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the voting power of the capital stock of the Corporation entitled to vote.

(b) **Votes Per Share.** Except as otherwise expressly provided herein or required by applicable law, on any matter that is submitted to a vote of the stockholders, each holder of Class A Common Stock shall be entitled to one (1) vote for each such share, and each holder of Class B Common Stock shall be entitled to ten (10) votes for each such share.

**2. Identical Rights.** Except as otherwise expressly provided herein or required by applicable law, shares of Class A Common Stock and Class B Common Stock shall have the same rights and privileges and rank equally, share ratably and be identical in all respects as to all matters, including, without limitation:

(a) **Dividends and Distributions.** Shares of Class A Common Stock and Class B Common Stock shall be treated equally, identically and ratably, on a per share basis, with respect to any Distribution paid or distributed by the Corporation, unless different treatment of the shares of each such class is approved by the affirmative vote of the holders of a majority of the outstanding shares of Class A Common Stock and by the affirmative vote of the holders of a majority of the outstanding shares of Class B Common Stock, each voting separately as a class; *provided, however,* that in the event a Distribution is paid in the form of Class A Common Stock or Class B Common Stock (or Rights to acquire such stock), then holders of Class A Common Stock shall receive Class A Common Stock (or Rights to acquire such stock, as the case may be) and holders of Class B Common Stock shall receive Class B Common Stock (or Rights to acquire such stock, as the case may be).

(b) **Subdivision or Combination.** If the Corporation in any manner subdivides or combines the outstanding shares of Class A Common Stock or Class B Common Stock, the outstanding shares of the other such class will be subdivided or combined in the same proportion and manner, unless different treatment of the shares of each such class is approved by the affirmative vote of the holders of a majority of the outstanding shares of Class A Common Stock and by the affirmative vote of the holders of a majority of the outstanding shares of Class B Common Stock, each voting separately as a class.

(c) **Equal Treatment in a Change of Control or any Merger Transaction.** In connection with any Change of Control Transaction, shares of Class A Common Stock and Class B Common Stock shall be treated equally, identically and ratably, on a per share basis, with respect to any consideration into which such shares are converted or any consideration paid or otherwise distributed to stockholders of the Corporation, unless different treatment of the shares of each such class is approved by the affirmative vote of the holders of a majority of the outstanding shares of Class A Common Stock and by the affirmative vote of the holders of a majority of the outstanding shares of Class B Common Stock, each voting separately as a class. Any merger or consolidation

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of the Corporation with or into any other entity, which is not a Change of Control Transaction, shall require approval by the affirmative vote of the holders of a majority of the outstanding shares of Class A Common Stock and by the affirmative vote of the holders of a majority of the outstanding shares of Class B Common Stock, each voting separately as a class, unless (i) the shares of Class A Common Stock and Class B Common Stock remain outstanding and no other consideration is received in respect thereof or (ii) such shares are converted on a pro rata basis into shares of the surviving or parent entity in such transaction having identical rights to the shares of Class A Common Stock and Class B Common Stock, respectively.

3. Conversion of Class B Common Stock.

(a) Voluntary Conversion. Each one (1) share of Class B Common Stock shall be convertible into one (1) share of Class A Common Stock at the option of the holder thereof at any time upon written notice to the transfer agent of the Corporation.

(b) Automatic Conversion. Shares of Class B Common Stock shall automatically, without any further action, convert into an equal number of shares of Class A Common Stock upon the earlier of:

(i) a Transfer of such share; *provided, however,* that no such automatic conversion shall occur in the case of a Transfer by a Class B Stockholder to any of the persons or entities listed in clauses (A) through (G) below (each, a "Permitted Transferee") and from any such Permitted Transferee back to such Class B Stockholder and/or any other Permitted Transferee established by or for such Class B Stockholder:

(A) a family member of such Class B Stockholder, which shall include with respect to any natural person who is a Class B Stockholder, the spouse, domestic partner, parents, grandparents, lineal descendants, stepchildren, siblings and lineal descendants and stepchildren of siblings of such Class B Stockholder; and *provided, further,* that lineal descendants and shall include adopted persons, but only so long as they are adopted while a minor;

(B) a trust for the benefit of such Class B Stockholder or persons other than the Class B Stockholder so long as the Class B Stockholder and/or family members of such Class B Stockholder have sole dispositive power and exclusive Voting Control with respect to the shares of Class B Common Stock held by such trust; *provided* such Transfer does not involve any payment of cash, securities, property or other consideration to the Class B Stockholder (other than as a settlor or beneficiary of such trust) and, *provided, further,* that in the event such Class B Stockholder and/or family members of such Class B Stockholder no longer have sole dispositive power and exclusive Voting Control with respect to the shares of Class B Common Stock held by such trust, each share of Class B Common Stock then held by such trust shall automatically convert into one (1) fully paid and nonassessable share of Class A Common Stock;

(C) the beneficiaries or trustee of a trust; so long as the original grantor of the trust (the "Grantor") and/or family members of such Grantor have sole dispositive power and exclusive Voting Control with respect to the shares of Class B Common Stock, *provided* that in the event such Grantor and/or family members of such Grantor no longer have sole dispositive power and exclusive Voting Control with respect to the shares of Class B Common Stock, each share of Class B Common Stock then held shall automatically convert into one (1) fully paid and nonassessable share of Class A Common Stock;

(D) a trust under the terms of which such Class B Stockholder has retained a "qualified interest" within the meaning of §2702(b)(1) of the Internal Revenue Code (or successor provision) and/or a reversionary interest so long as the Class B Stockholder and/or family members of such Class B Stockholder have sole dispositive power and exclusive Voting Control with respect to the shares of Class B Common Stock held by such trust; *provided, however,* that in the event such Class B Stockholder and/or family members of such Class B

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Stockholder no longer have sole dispositive power and exclusive Voting Control with respect to the shares of Class B Common Stock held by such trust, each share of Class B Common Stock then held by such trust shall automatically convert into one (1) fully paid and nonassessable share of Class A Common Stock;

(E) an Individual Retirement Account, as defined in Section 408(a) of the Internal Revenue Code (or successor provision), or a pension, profit sharing, stock bonus or other type of plan or trust of which such Class B Stockholder is a participant or beneficiary and which satisfies the requirements for qualification under Section 401 of the Internal Revenue Code (or successor provision); *provided* that in each case such Class B Stockholder has sole dispositive power and exclusive Voting Control with respect to the shares of Class B Common Stock held in such account, plan or trust, and *provided, further,* that in the event the Class B Stockholder no longer has sole dispositive power and exclusive Voting Control with respect to the shares of Class B Common Stock held by such account, plan or trust, each share of Class B Common Stock then held by such account, plan or trust shall automatically convert into one (1) fully paid and nonassessable share of Class A Common Stock;

(F) a corporation, partnership or limited liability company in which such Class B Stockholder and/or family members of such Class B Stockholder directly, or indirectly through one or more Permitted Transferees, own shares, partnership interests or membership interests, as applicable, with sufficient Voting Control in the corporation, partnership or limited liability company, as applicable, or otherwise have legally enforceable rights, such that the Class B

Stockholder and/or family members of such Class B Stockholder retain sole dispositive power and exclusive Voting Control with respect to the shares of Class B Common Stock held by such corporation, partnership or limited liability company; *provided, however,* that in the event the Class B Stockholder and/or family members of such Class B Stockholder no longer own sufficient shares, partnership interests or membership interests, as applicable, or no longer has sufficient legally enforceable rights to ensure the Class B Stockholder and/or family members of such Class B Stockholder retain sole dispositive power and exclusive Voting Control with respect to the shares of Class B Common Stock held by such corporation, partnership or limited liability company, as applicable, each share of Class B Common Stock then held by such corporation, partnership or limited liability company, as applicable, shall automatically convert into one (1) fully paid and nonassessable share of Class A Common Stock; or

(G) an Affiliate of a Class B Stockholder; *provided, however,* that the person or entity holding sole dispositive power and exclusive Voting Control with respect to the shares of Class B Common Stock being Transferred (the "Controlling Person") retains, directly or indirectly, sole dispositive power and exclusive Voting Control with respect to the shares following such Transfer; *provided, further,* that in the event the Controlling Person no longer has sole dispositive power and exclusive Voting Control with respect to the shares of Class B Common Stock Transferred to such Affiliate, each such share of Class B Common Stock Transferred to such Affiliate shall automatically convert into one (1) share of Class A Common Stock unless such transaction is otherwise approved by the Corporation.

(ii) the date specified by a written notice and certification request of the Corporation to the holder of such share of Class B Common Stock requesting a certification, in a form satisfactory to the Corporation, verifying such holder's ownership of Class B Common Stock and confirming that a conversion to Class A Common Stock has not occurred, which date shall not be less than sixty (60) calendar days after the date of such notice and certification request; *provided, however,* that no such automatic conversion pursuant to this subsection (ii) shall occur in the case of a Class B Stockholder or its Permitted Transferees that furnishes a certification satisfactory to the Corporation prior to the specified date.

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(c) **Conversion Upon Death or Incapacity of a Class B Stockholder.** Each share of Class B Common Stock held of record by a Class B Stockholder who is a natural person, or by such Class B Stockholder's Permitted Transferees, shall automatically, without any further action, convert into one (1) share of Class A Common Stock upon the death or incapacity of such Class B Stockholder.

(d) **Automatic Conversion of Founder Shares Upon Termination.** In the event that co-founder James Reinhart (the "Founder") is terminated or resigns from his position as Chief Executive Officer of the Corporation (the "Founder Departure"), each share of Class B Common Stock held of record by the Founder, or by the Founder's Permitted Transferees, shall automatically, without any further action, convert into one (1) share of Class A Common Stock the day following the Founder Departure.

(e) **Automatic Conversion of All Outstanding Class B Common Stock.** Each one (1) share of Class B Common Stock shall automatically, without any further action, convert into one (1) share of Class A Common Stock upon the date specified by affirmative vote of the holders of at least sixty-six and two-thirds percent (66-2/3%) of the outstanding shares of Class B Common Stock, voting as a single class.

(f) **Final Conversion of Class B Common Stock.** On the Final Conversion Date, each one (1) outstanding share of Class B Common Stock shall automatically, without any further action, convert into one (1) share of Class A Common Stock. Following such conversion, the reissuance of all shares of Class B Common Stock shall be prohibited, and such shares shall be retired and cancelled in accordance with Section 243 of the DGCL and the filing by the Secretary of State of the State of Delaware required thereby, and upon such retirement and cancellation, all references to Class B Common Stock in this Amended and Restated Certificate of Incorporation shall be eliminated.

(g) **Procedures.** The Corporation may, from time to time, establish such policies and procedures relating to the conversion of Class B Common Stock to Class A Common Stock and the general administration of this dual class stock structure, including the issuance of stock certificates (or the establishment of book-entry positions) with respect thereto, as it may deem necessary or advisable, and may request that holders of shares of Class B Common Stock furnish certifications, affidavits or other proof to the Corporation as it deems necessary to verify the ownership of Class B Common Stock and to confirm that a conversion to Class A Common Stock has not occurred. A determination by the Secretary of the Corporation that a Transfer results in a conversion to Class A Common Stock shall be conclusive and binding.

(h) **Immediate Effect of Conversion.** In the event of a conversion of shares of Class B Common Stock to shares of Class A Common Stock pursuant to this Section D.3, such conversion(s) shall be deemed to have been made at the time that the Corporation's transfer agent receives the written notice required, the time that the Transfer of such shares occurred, the death or incapacity of the Class B Stockholder or immediately upon the Final Conversion Date, as applicable. Upon any conversion of Class B Common Stock to Class A Common Stock, all rights of the holder of such shares of Class B Common Stock shall cease and the person or persons in whose names or names the certificate or certificates (or book-entry position(s) representing the shares of Class B Common Stock) are to be issued shall be treated for all purposes as having become the record holder or holders of such number of shares of Class A Common Stock into which such shares of Class B Common Stock were convertible. Shares of Class B Common Stock that are converted into shares of Class A Common Stock as provided in this Section D.3 shall be retired and shall not be reissued.

(i) **Reservation of Stock.** The Corporation shall at all times reserve and keep available out of its authorized but unissued shares of Class A Common Stock, solely for the purpose of effecting the conversion of the shares of Class B Common Stock, such number of its shares of Class A Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding shares of Class B Common Stock into shares of Class A Common Stock.

E. **No Further Issuances.** Except for the issuance of Class B Common Stock issuable upon exercise of Rights outstanding at the IPO Time or a dividend payable in accordance with Article IV, Section D.2(a), the Corporation shall not at any time after the IPO Time issue any additional shares of Class B Common Stock,

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unless such issuance is approved by the affirmative vote of the holders of a majority of the outstanding shares of Class B Common Stock. After the Final Conversion Date, the Corporation shall not issue any additional shares of Class B Common Stock.

## ARTICLE V

The following terms, where capitalized in this Amended and Restated Certificate of Incorporation, shall have the meanings ascribed to them in this Article V:

**"Affiliate"** means with respect to any specified person, any other person who or which, directly or indirectly, controls, is controlled by, or is under common control with such specified person, including, without limitation, any general partner, managing member, officer, director or manager of such person and any venture capital, private equity, investment advisor or other investment fund now or hereafter existing that is controlled by one or more general partners or managing members of, or is under common investment management (or shares the same management, advisory company or investment advisor) with, such person.

**"Change of Control Share Issuance"** means the issuance by the Corporation, in a transaction or series of related transactions, of voting securities representing more than two percent (2%) of the total voting power (assuming Class A Common Stock and Class B Common Stock each have one (1) vote per share) of the Corporation before such issuance to any person or persons acting as a group as contemplated in Rule 13d-5(b) under the Exchange Act (or any successor provision) that immediately prior to such transaction or series of related transactions held fifty percent (50%) or less of the total voting power of the Corporation (assuming Class A Common Stock and Class B Common Stock each have one (1) vote per share), such that, immediately following such transaction or series of related transactions, such person or group of persons would hold more than fifty percent (50%) of the total voting power of the Corporation (assuming Class A Common Stock and Class B Common Stock each have one (1) vote per share).

**"Change of Control Transaction"** means (i) the sale, lease, exclusive license, exchange, or other disposition (other than liens and encumbrances created in the ordinary course of business, including liens or encumbrances to secure indebtedness for borrowed money that are approved by the Corporation's Board of Directors, so long as no foreclosure occurs in respect of any such lien or encumbrance) of all or substantially all of the Corporation's property and assets (which shall for such purpose include the property and assets of any direct or indirect subsidiary of the Corporation), *provided that* any sale, lease, exclusive license, exchange or other disposition of property or assets exclusively between or among the Corporation and any direct or indirect subsidiary or subsidiaries of the Corporation shall not be deemed a "Change of Control Transaction"; (ii) the merger, consolidation, business combination, or other similar transaction of the Corporation with any other entity, other than a merger, consolidation, business combination, or other similar transaction that would result in the voting securities of the Corporation outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) more than fifty percent (50%) of the total voting power represented by the voting securities of the Corporation *and* more than fifty percent (50%) of the total number of outstanding shares of the Corporation's capital stock, in each case as outstanding immediately after such merger, consolidation, business combination, or other similar transaction, and the stockholders of the Corporation immediately prior to the merger, consolidation, business combination, or other similar transaction own voting securities of the Corporation, the surviving entity or its parent immediately following the merger, consolidation, business combination, or other similar transaction in substantially the same proportions (vis-à-vis each other) as such stockholders owned the voting securities of the Corporation immediately prior to the transaction; (iii) recapitalization, liquidation, dissolution, or other similar transaction involving the Corporation, other than a recapitalization, liquidation, dissolution, or other similar transaction that would result in the voting securities of the Corporation outstanding immediately prior thereto continuing to represent (either by remaining outstanding or being converted into voting securities of the surviving entity or its parent) more than fifty percent (50%) of the total voting power represented by the voting securities of the Corporation *and* more than fifty percent (50%) of the total number of outstanding shares of the Corporation's capital stock, in each case as outstanding immediately after such recapitalization, liquidation, dissolution or other similar transaction, and the stockholders of the Corporation immediately prior to the recapitalization, liquidation, dissolution or other similar transaction own voting securities of

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the Corporation, the surviving entity or its parent immediately following the recapitalization, liquidation, dissolution or other similar transaction in substantially the same proportions (vis-à-vis each other) as such stockholders owned the voting securities of the Corporation immediately prior to the transaction; and (iv) any Change of Control Share Issuance.

**"Class B Stockholder"** means (i) the registered holder of a share of Class B Common Stock at the IPO Time and (ii) the registered holder of any shares of Class B Common Stock that are originally issued by the Corporation after the IPO Time.

**"Distribution"** means (i) any dividend or distribution of cash, property or shares of the Corporation's capital stock; and (ii) any distribution following or in connection with any liquidation, dissolution or winding up of the Corporation, either voluntary or involuntary.

**"Exchange Act"** means the United States Securities Exchange Act of 1934, as amended.

**"Final Conversion Date"** means 5:00 p.m. in New York City, New York on the first Trading Day falling on or after the seventh (7th) year anniversary of the IPO Time.

**"Incapacity"** shall mean that such holder is incapable of managing such holder's financial affairs under the criteria set forth in the applicable probate code that can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than six (6) months as determined by a licensed medical practitioner. In the event of a dispute regarding whether a Class B Stockholder has suffered an Incapacity, no Incapacity of such holder will be deemed to have occurred unless and until an affirmative ruling regarding such Incapacity has been made by a court of competent jurisdiction.

**"Independent Directors"** means the members of the Board of Directors designated as independent directors in accordance with the requirements of the Securities Exchange that are generally applicable to companies with common equity securities listed thereon (or if the Corporation's equity securities are not listed for trading on a Securities Exchange, the requirements of a Securities Exchange generally applicable to companies with common equity securities listed thereon).

**"IPO Time"** means the closing of the Corporation's sale of a class of its capital stock to the public pursuant to a registration statement on Form S-1 under the Securities Act.

**"Rights"** means any option, warrant, restricted stock unit, conversion right or contractual right of any kind to acquire shares of the Corporation's authorized but unissued capital stock.

**"Securities Act"** means the United States Securities Act of 1933, as amended.

**"Securities Exchange"** means, at any time, the registered national securities exchange on which the Corporation's equity securities are then principally listed or traded, which shall be the New York Stock Exchange or Nasdaq Global Market (or similar national quotation system of the Nasdaq Stock Market) ("Nasdaq") or any successor exchange of either the New York Stock Exchange or Nasdaq.

**"Trading Day"** means any day on which the Securities Exchange is open for trading.

**"Transfer"** of a share of Class B Common Stock shall mean, directly or indirectly, any sale, assignment, transfer, conveyance, hypothecation or other transfer or disposition of such share or any legal or beneficial interest in such share, whether or not for value and whether voluntary or involuntary or by operation of law. A "Transfer" shall also include, without limitation, (i) a transfer of a share of Class B Common Stock to a broker or other nominee (regardless of whether or not there is a corresponding change in beneficial ownership) or (ii) the transfer of, or entering into a binding agreement with respect to, Voting Control over a share of Class B Common Stock by proxy or otherwise; *provided, however, that the following shall not be considered a "Transfer": (a) the grant of a proxy to officers or directors of the Corporation at the request of the Board of Directors of the Corporation in connection with*

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actions to be taken at an annual or special meeting of stockholders; (b) the pledge of shares of Class B Common Stock by a Class B Stockholder that creates a mere security interest in such shares pursuant to a *bona fide* loan or indebtedness transaction so long as the Class B Stockholder continues to exercise Voting Control over such pledged shares; *provided, however, that a foreclosure on such shares of Class B Common Stock or other similar action by the pledge shall constitute a "Transfer"; (c) the fact that, as of the IPO Time or at any time after the IPO Time, the spouse of any Class B Stockholder possesses or obtains an interest in such holder's shares of Class B Common Stock arising solely by reason of the application of the community property laws of any jurisdiction, so long as no other event or circumstance shall exist or have occurred that constitutes a "Transfer" of such shares of Class B Common Stock; (d) entering into a trading plan pursuant to Rule 10b5-1 under the Exchange Act with a broker or other nominee; *provided, however, that a sale of such shares of Class B Common Stock pursuant to such plan shall constitute a "Transfer" at the time of such sale; or (e) entering into a support, voting, tender or similar agreement, arrangement or understanding (with or without granting a proxy) in connection with a Change of Control Transaction; *provided, however, that such Change of Control Transaction was approved by a majority of the Independent Directors then in office.***

**"Voting Control"** with respect to a share of Class B Common Stock means the exclusive power (whether directly or indirectly) to vote or direct the voting of such share of Class B Common Stock by proxy, voting agreement, or otherwise.

## ARTICLE VI

A. General Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors.

B. Number of Directors; Election. Subject to the rights of holders of any series of Preferred Stock with respect to the election of directors, the number of directors that constitutes the entire Board of Directors of the Corporation shall be fixed solely by resolution of the Board of Directors. Subject to the rights of holders of any series of Preferred Stock with respect to the election of directors, each director of the Corporation shall hold office until the expiration of the term for which he or she is elected and until such director's successor has been duly elected and qualified or until such director's earlier resignation, death or removal.

C. Classified Board Structure. From and after the IPO Time, and subject to the rights of holders of any series of Preferred Stock with respect to the election of directors, the directors of the Corporation shall be divided into three (3) classes as nearly equal in size as is practicable, hereby designated Class I, Class II and Class III. The Board of Directors may assign members of the Board of Directors already in office to such classes at the time such classification becomes effective. The term of office of the initial Class I directors shall expire at the first regularly-scheduled annual meeting of stockholders following the IPO Time, the term of office of the initial Class II directors shall expire at the second annual meeting of stockholders following the IPO Time and the term of office of the initial Class III directors shall expire at the third annual meeting of stockholders following the IPO Time. At each annual meeting of stockholders, commencing with the first regularly-scheduled annual meeting of stockholders following the IPO Time, each of the successors elected to replace the directors of a Class whose term shall have expired at such annual meeting shall be elected to hold office until the third annual meeting next succeeding such director's election and until such director's respective successor shall have been duly elected and qualified.

Notwithstanding the foregoing provisions of this Article VI, each director shall serve until such director's successor is duly elected and qualified or until such director's death, resignation, or removal. Subject to the rights of holders of any series of Preferred Stock with respect to the election of directors, if the number of directors is hereafter changed, any newly created directorships or decrease in directorships shall be so apportioned among the classes as to make all classes as nearly equal in number as is practicable, provided that no decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

D. Removal; Vacancies. Subject to the rights of holders of any series of Preferred Stock with respect to the election of directors, for so long as the Board of Directors is divided into classes pursuant to Article VI

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Section C, any director may be removed from office by the stockholders of the Corporation only for cause. Vacancies occurring on the Board of Directors for any reason and newly created directorships resulting from an increase in the authorized number of directors may be filled only by vote of a majority of the remaining members of the Board of Directors, although less than a quorum, or by a sole remaining director, at any meeting of the Board of Directors. A person so elected by the Board of Directors to fill a vacancy or newly created directorship shall hold office until the next election of the class for which such director shall have been chosen and until such director's successor shall be duly elected and qualified.

## ARTICLE VII

A. Written Ballot. Elections of directors need not be by written ballot unless the Bylaws of the Corporation (the "Bylaws") shall so provide.

B. Amendment of Bylaws. In furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to adopt, amend or repeal the Bylaws of the Corporation.

C. Special Meetings. Special meetings of the stockholders may be called only by (i) the Board of Directors pursuant to a resolution adopted by a majority of the Board of Directors; (ii) the chairman of the Board of Directors; (iii) the chief executive officer of the Corporation; or (iv) the president of the Corporation.

D. No Stockholder Action by Written Consent. Subject to the rights of the holders of any series of Preferred Stock, no action shall be taken by the stockholders of the Corporation except at an annual or special meeting of the stockholders called in accordance with the Bylaws, and no action shall be taken by the stockholders by written consent.

E. No Cumulative Voting. No stockholder will be permitted to cumulate votes at any election of directors.

## ARTICLE VIII

To the fullest extent permitted by the DGCL, as it presently exists or may hereafter be amended from time to time, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of any fiduciary duties as a director. If the DGCL is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the DGCL, as so amended.

Neither any amendment nor repeal of this Article VIII, nor the adoption of any provision of the Corporation's Amended Certificate of Incorporation inconsistent with this Article VIII, shall eliminate or reduce the effect of this Article VIII in respect of any matter occurring, or any cause of action, suit or proceeding accruing or arising or that, but for this Article VIII, would accrue or arise, prior to such amendment, repeal or adoption of an inconsistent provision.

## ARTICLE IX

Subject to any provisions in the Bylaws of the Corporation related to indemnification of directors or officers of the Corporation, the Corporation shall indemnify, to the fullest extent permitted by applicable law, any director or officer of the Corporation who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (a "Proceeding") by reason of the fact that he or she is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any such Proceeding.

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The Corporation shall have the power to indemnify, to the extent permitted by the DGCL, as it presently exists or may hereafter be amended from time to time, any employee or agent of the Corporation who was or is a party or is threatened to be made a party to any Proceeding by reason of the fact that he or she is or was a director, officer, employee or agent of the Corporation or is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by such person in connection with any such Proceeding.

A right to indemnification or to advancement of expenses arising under a provision of this Amended and Restated Certificate of Incorporation or the Bylaws of the Corporation shall not be eliminated or impaired by an amendment to this Amended and Restated Certificate of Incorporation or the Bylaws of the Corporation after the occurrence of the act or omission that is the subject of the Proceeding for which indemnification or advancement of expenses is sought, unless the provision in effect at the time of such act or omission explicitly authorizes such elimination or impairment after such action or omission has occurred.

A right to indemnification or to advancement of expenses arising under a provision of this Amended and Restated Certificate of Incorporation or the Bylaws of the Corporation shall not be deemed exclusive of any other rights to which those seeking indemnification or advancement of expenses may be entitled hereunder or thereunder or under any statute, bylaw, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in any other capacity while holding such office. The Corporation is specifically authorized to enter into individual contracts with any or all of its directors, officers, employees or agents respecting indemnification and advancement of expenses, to the fullest extent not prohibited by the DGCL or other applicable law.

## ARTICLE X

If any provision of this Amended and Restated Certificate of Incorporation becomes or is declared on any ground by a court of competent jurisdiction to be illegal, unenforceable or void, portions of such provision, or such provision in its entirety, to the extent necessary, shall be severed from this Amended and Restated Certificate of Incorporation, and the court will replace such illegal, void or unenforceable provision of this Amended and Restated Certificate of Incorporation with a valid and enforceable provision that most accurately reflects the Corporation's intent, in order to achieve, to the maximum extent possible, the same economic, business and other purposes of the illegal, void or unenforceable provision. The balance of this Amended and Restated Certificate of Incorporation shall be enforceable in accordance with its terms.

Except as provided in ARTICLE VII and ARTICLE IX above, the Corporation reserves the right to amend, alter, change or repeal any provision contained in this Amended and Restated Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation; *provided, however,* that, notwithstanding any other provision of this Amended and Restated Certificate of Incorporation or any provision of law that might otherwise permit a lesser vote or no vote, but in addition to any vote of the holders of any class or series of the stock of this Corporation required by law or by this Amended and Restated Certificate of Incorporation, the affirmative vote of the holders of at least sixty-six and two-thirds percent (66-2/3%) of the voting power of the outstanding shares of stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required to amend or repeal, or adopt any provision of this Amended and Restated Certificate of Incorporation inconsistent with, ARTICLE VI, ARTICLE VII, ARTICLE VIII, ARTICLE IX or this ARTICLE X.

## ARTICLE XI

To the fullest extent permitted by the DGCL, as it presently exists or may hereafter be amended from time to time, an officer of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of any fiduciary duties as an officer. If the DGCL is amended to authorize corporate action further eliminating or limiting the personal liability of officers, then the liability of an officer of the Corporation shall be eliminated or limited to the fullest extent permitted by the DGCL, as so amended.

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Neither any amendment nor repeal of this Article XI, nor the adoption of any provision of the Corporation's Amended and Restated Certificate of Incorporation inconsistent with this Article XI, shall eliminate or reduce the effect of this Article XI in respect of any matter occurring, or any cause of action, suit or proceeding accruing or arising or that, but for this Article XI, would accrue or arise, prior to such amendment, repeal or adoption of an inconsistent provision.

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IN WITNESS WHEREOF, this Restated Certificate of Incorporation has been signed on behalf of the Corporation by its duly authorized officer effective this 23rd day of May, 2024.

THREDUP INC.

By: /s/ James Reinhart

Name: James Reinhart

Title: Chief Executive Officer

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Exhibit 31.1

**CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF  
THE SARBANES-OXLEY ACT OF 2002**

I, James Reinhart, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of ThredUp Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ JAMES REINHART  
James Reinhart  
*Chief Executive Officer*  
(Principal Executive Officer)

Date: **May 6, 2024** August 5, 2024

**Exhibit 31.2**

**CERTIFICATION OF PERIODIC REPORT UNDER SECTION 302 OF  
THE SARBANES-OXLEY ACT OF 2002**

I, Sean Sobers, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of ThredUp Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
  - b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
  - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
  - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

By: /s/ SEAN SOBERS  
Sean Sobers  
*Chief Financial Officer*  
(Principal Financial and Accounting Officer)

Date: **May 6, 2024** August 5, 2024

**Exhibit 32.1**

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO SECTION 906  
OF THE SARBANES-OXLEY ACT OF 2002**

I, James Reinhart, Chief Executive Officer of ThredUp Inc. (the "Company"), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- the Quarterly Report on Form 10-Q of the Company for the quarter ended **March 31, 2024** **June 30, 2024** (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

By: /s/ JAMES REINHART  
James Reinhart  
*Chief Executive Officer*  
(Principal Executive Officer)

Date: **May 6, 2024** August 5, 2024

**Exhibit 32.2**

**CERTIFICATION PURSUANT TO  
18 U.S.C. SECTION 1350  
AS ADOPTED PURSUANT TO SECTION 906  
OF THE SARBANES-OXLEY ACT OF 2002**

I, Sean Sobers, Chief Financial Officer of ThredUp Inc. (the "Company"), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

- the Quarterly Report on Form 10-Q of the Company for the quarter ended **March 31, 2024** **June 30, 2024** (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company for the periods presented therein.

By: /s/ SEAN SOBERS  
Sean Sobers  
*Chief Financial Officer*  
(Principal Financial and Accounting Officer)

Date: **May 6, 2024** August 5, 2024

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