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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, DC 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

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: 001-40256

**ACV Auctions Inc.**

(Exact Name of Registrant as Specified in its Charter)

**Delaware**

(State or other jurisdiction of  
incorporation or organization)

**47-2415221**

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

**640 Ellicott Street, #321  
Buffalo, New York**

(Address of principal executive offices)

**14203**

(Zip Code)

Registrant's telephone number, including area code: 800 553-4070

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

| Title of each class                               | Trading<br>Symbol(s) | Name of each exchange on which registered |
|---|----------------------|---|
| Class A common stock, par value \$0.001 per share | ACVA                 | Nasdaq Global Select Market               |

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

As of April 30, 2024, there were 147,965,283 shares of the registrant's Class A common stock, and 17,123,116 shares of Class B common stock, each with a par value of \$0.001, outstanding.

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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 Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Exchange Act, about us and our industry that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this Quarterly Report on Form 10-Q including statements regarding our future results of operations or financial condition, business strategy and plans and objectives of management for future operations, are forward-looking statements. In some cases, you can identify forward-looking statements because they contain words such as "anticipate," "believe," "contemplate," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "target," "will" or "would" or the negative of these words or other similar terms or expressions. These forward-looking statements include, but are not limited to, statements concerning the following:

- our expectations regarding our revenue, operating expenses and other operating results, including our key metrics and our ability to meet previously announced earnings guidance;
- our ability to effectively manage our growth and expand our business, including providing additional channels for auction services for dealers and commercial partners;
- our ability to grow the number of marketplace participants on our platform;
- our ability to acquire new customers and successfully retain existing customers and capture a greater share of wholesale transactions from our existing customers;
- our ability to increase usage of our platform and generate revenue from our value-added services;
- anticipated trends, growth rates, and challenges in our business and in the markets in which we operate;
- our ability to achieve or sustain our profitability;
- future investments in our business, our anticipated capital expenditures and our estimates regarding our capital requirements;
- the costs and success of our marketing efforts, and our ability to promote our brand;
- the effects of macroeconomic conditions on our business;
- our reliance on key personnel and our ability to identify, recruit and retain skilled personnel, especially as we establish new offerings;
- our ability to compete effectively with existing competitors and new market entrants;
- our ability to obtain, maintain, protect and enforce our intellectual property rights and any costs associated therewith;
- our ability to predict, prepare and respond to new kinds of technology innovations, such as artificial intelligence, as well as market developments and changing customer needs;
- our ability to expand internationally;
- our ability to identify and complete acquisitions that complement and expand our reach and platform;
- our decision to not declare or pay dividends for the foreseeable future;
- our ability to comply or remain in compliance with laws and regulations that currently apply or become applicable to our business in the United States and other jurisdictions where we elect to do business; and
- the growth rates of the markets in which we compete.

You should not rely on forward-looking statements as predictions of future events. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties and other factors described under the header "Risk Factors" and elsewhere in this Quarterly Report on Form 10-Q. 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 herein. 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.

In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based on information available to us as of the date of this Quarterly Report on Form 10-Q. While we believe that information provides a reasonable basis for these statements, that information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely on these 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, and we undertake no obligation to update them 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.

Unless the context otherwise indicates, references in this report to the terms "ACV Auctions," "ACV," "the Company," "we," "our" and "us" refer to ACV Auctions Inc. and its subsidiaries.

We may announce material business and financial information to our investors using our investor relations website ([www.investors.acvauto.com](http://www.investors.acvauto.com)). We therefore encourage investors and others interested in ACV to review the information that we make available on our website, in addition to following our filings with the Securities and Exchange Commission (the "SEC"), webcasts, press releases and conference calls.

**PART I—FINANCIAL INFORMATION****Item 1. Financial Statements (Unaudited)**

**ACV AUCTIONS INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
**(Unaudited)**  
**(in thousands, except share data)**

|   | Three months ended March 31, |                    |
|---|------------------------------|--------------------|
|   | 2024                         | 2023               |
| <b>Revenue:</b>   |                              |                    |
| Marketplace and service revenue   | \$ 129,814                   | \$ 104,863         |
| Customer assurance revenue  | 15,875                       | 14,763             |
| <b>Total revenue</b>  | <b>145,689</b>               | <b>119,626</b>     |
| <b>Operating expenses:</b>  |                              |                    |
| Marketplace and service cost of revenue (excluding depreciation & amortization) | 55,693                       | 47,575             |
| Customer assurance cost of revenue (excluding depreciation & amortization)      | 12,814                       | 12,143             |
| Operations and technology   | 38,069                       | 35,660             |
| Selling, general, and administrative  | 53,853                       | 41,797             |
| Depreciation and amortization   | 7,787                        | 3,285              |
| <b>Total operating expenses</b>   | <b>168,216</b>               | <b>140,460</b>     |
| <b>Loss from operations</b>   | <b>(22,527)</b>              | <b>(20,834)</b>    |
| <b>Other income (expense):</b>  |                              |                    |
| Interest income   | 3,031                        | 3,296              |
| Interest expense  | (535)                        | (315)              |
| <b>Total other income (expense)</b>   | <b>2,496</b>                 | <b>2,981</b>       |
| Loss before income taxes  | (20,031)                     | (17,853)           |
| <b>Provision for income taxes</b>   | <b>440</b>                   | <b>347</b>         |
| <b>Net loss</b>   | <b>\$ (20,471)</b>           | <b>\$ (18,200)</b> |
| <b>Weighted-average shares - basic and diluted</b>                              | <b>162,889,642</b>           | <b>158,694,919</b> |
| <b>Net loss per share - basic and diluted</b>                                   | <b>\$ (0.13)</b>             | <b>\$ (0.11)</b>   |

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

**ACV AUCTIONS INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**  
**(Unaudited)**  
**(in thousands)**

|  | Three months ended March 31, |                    |
|--|------------------------------|--------------------|
|  | 2024                         | 2023               |
| <b>Net loss</b>  | <b>\$ (20,471)</b>           | <b>\$ (18,200)</b> |
| <b>Other comprehensive income (loss):</b>                      |                              |                    |
| Net unrealized gains (losses) on available-for-sale securities | (30)                         | 1,000              |
| Foreign currency translation (loss) gain                       | (229)                        | 244                |
| <b>Comprehensive loss</b>                                      | <b>\$ (20,730)</b>           | <b>\$ (16,956)</b> |

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

**ACV AUCTIONS INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(Uaudited)  
(in thousands, except share data)

|   | March 31,<br>2024   | December 31,<br>2023 |
|---|---------------------|----------------------|
| <b>Assets</b>   |                     |                      |
| <b>Current Assets :</b>   |                     |                      |
| Cash and cash equivalents   | \$ 209,845          | \$ 182,571           |
| Marketable securities   | 131,631             | 228,761              |
| Trade receivables (net of allowance of \$ 3,931 and \$2,868)  | 219,305             | 164,009              |
| Finance receivables (net of allowance of \$ 3,728 and \$3,428)  | 121,047             | 119,034              |
| Other current assets  | 14,398              | 12,524               |
| <b>Total current assets</b>   | <u>696,226</u>      | <u>706,899</u>       |
| Property and equipment (net of accumulated depreciation of \$ 4,289 and \$4,462)  | 7,903               | 4,918                |
| Goodwill  | 169,305             | 103,379              |
| Acquired intangible assets (net of amortization of \$ 19,676 and \$17,534)  | 78,585              | 34,192               |
| Capitalized software (net of amortization of \$ 21,836 and \$17,059)  | 59,662              | 55,771               |
| Other assets  | 32,971              | 17,765               |
| <b>Total assets</b>   | <u>\$ 1,044,652</u> | <u>\$ 922,924</u>    |
| <b>Liabilities and Stockholders' Equity</b>   |                     |                      |
| <b>Current Liabilities :</b>  |                     |                      |
| Accounts payable  | \$ 393,144          | \$ 305,845           |
| Accrued payroll   | 14,126              | 12,245               |
| Accrued other liabilities   | 22,788              | 15,851               |
| <b>Total current liabilities</b>  | <u>430,058</u>      | <u>333,941</u>       |
| Long-term debt  | 125,000             | 115,000              |
| Other long-term liabilities   | 31,315              | 17,455               |
| <b>Total liabilities</b>  | <u>586,373</u>      | <u>466,396</u>       |
| Commitments and Contingencies (Note 5)  |                     |                      |
| <b>Stockholders' Equity :</b>   |                     |                      |
| Preferred Stock; \$0.001 par value; 20,000,000 shares authorized; 0 and 0 shares issued and outstanding at March 31, 2024 and December 31, 2023, respectively                               | —                   | —                    |
| Common Stock - Class A; \$0.001 par value; 2,000,000,000 shares authorized; 147,307,191 and 138,637,352 shares issued and outstanding at March 31, 2024 and December 31, 2023, respectively | 147                 | 139                  |
| Common Stock - Class B; \$0.001 par value; 160,000,000 shares authorized; 17,297,339 and 23,205,487 shares issued and outstanding at March 31, 2024 and December 31, 2023, respectively     | 17                  | 23                   |
| Additional paid-in capital  | 902,989             | 880,510              |
| Accumulated deficit   | (443,086)           | (422,615)            |
| Accumulated other comprehensive loss  | (1,788)             | (1,529)              |
| <b>Total stockholders' equity</b>   | <u>458,279</u>      | <u>456,528</u>       |
| <b>Total liabilities and stockholders' equity</b>   | <u>\$ 1,044,652</u> | <u>\$ 922,924</u>    |

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

**ACV AUCTIONS INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
(Uaudited)  
(in thousands, except share data)

| Three Months Ended March 31, 2024                          |                      |               |                      |              |                            |                     |                          |                            |
|--|----------------------|---------------|----------------------|--------------|----------------------------|---------------------|--------------------------|----------------------------|
|  | Common Stock Class A |               | Common Stock Class B |              | Additional Paid-In Capital | Accumulated Deficit | Other Comprehensive Loss | Total Stockholders' Equity |
|  | Shares               | Par Value     | Shares               | Par Value    |                            |                     |                          |                            |
| <b>Balance, December 31, 2023</b>                          | 138,637,352          | \$ 139        | 23,205,487           | 23           | \$ 880,510                 | \$ (422,615)        | \$ (1,529)               | \$ 456,528                 |
| Conversion of Class B common stock to Class A common stock | 5,981,622            | 6             | (5,981,622)          | (6)          |                            | (20,471)            |                          | (20,471)                   |
| Net loss   |                      |               |                      |              |                            |                     | (259)                    | (259)                      |
| Other comprehensive income (loss)                          |                      |               |                      |              |                            |                     | 18,599                   | 18,599                     |
| Stock-based compensation                                   |                      |               |                      |              |                            |                     | 8,555                    | 8,556                      |
| Issuance of shares for acquisitions                        | 1,413,075            | 1             |                      |              |                            |                     | 2,401                    | 2,402                      |
| Exercise of common stock options                           | 719,039              | 1             |                      |              |                            |                     |                          |                            |
| Vested restricted stock units                              | 556,103              |               | 73,474               |              | (7,076)                    |                     |                          | (7,076)                    |
| <b>Balance as of March 31, 2024</b>                        | <b>147,307,191</b>   | <b>\$ 147</b> | <b>17,297,339</b>    | <b>\$ 17</b> | <b>\$ 902,989</b>          | <b>\$ (443,086)</b> | <b>\$ (1,788)</b>        | <b>\$ 458,279</b>          |

| Three Months Ended March 31, 2023                          |                      |               |                      |              |                            |                     |                          |                            |
|--|----------------------|---------------|----------------------|--------------|----------------------------|---------------------|--------------------------|----------------------------|
|  | Common Stock Class A |               | Common Stock Class B |              | Additional Paid-In Capital | Accumulated Deficit | Other Comprehensive Loss | Total Stockholders' Equity |
|  | Shares               | Par Value     | Shares               | Par Value    |                            |                     |                          |                            |
| <b>Balance, December 31, 2022</b>                          | <b>121,214,275</b>   | <b>\$ 121</b> | <b>37,241,952</b>    | <b>37</b>    | <b>\$ 836,695</b>          | <b>\$ (347,354)</b> | <b>\$ (3,775)</b>        | <b>\$ 485,724</b>          |
| Conversion of Class B common stock to Class A common stock | 7,042,121            | 7             | (7,042,121)          | (7)          |                            | (18,200)            |                          | (18,200)                   |
| Net loss   |                      |               |                      |              |                            |                     | 1,244                    | 1,244                      |
| Other comprehensive income (loss)                          |                      |               |                      |              |                            |                     | 14,859                   | 14,859                     |
| Stock-based compensation                                   |                      |               |                      |              |                            |                     | 898                      | 898                        |
| Exercise of common stock options                           | 181,284              | -             |                      |              |                            |                     |                          |                            |
| Vested restricted stock units                              | 416,763              | 1             | 75,599               | 0            | (3,620)                    |                     |                          | (3,619)                    |
| <b>Balance as of March 31, 2023</b>                        | <b>128,854,443</b>   | <b>\$ 129</b> | <b>30,275,430</b>    | <b>\$ 30</b> | <b>\$ 848,832</b>          | <b>\$ (365,554)</b> | <b>\$ (2,531)</b>        | <b>\$ 480,906</b>          |

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

**ACV AUCTIONS INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**(Unaudited)**  
**(in thousands)**

|  | <b>Three months ended March 31,</b> |                   |
|--|-------------------------------------|-------------------|
|  | <b>2024</b>                         | <b>2023</b>       |
| <b>Cash Flows from Operating Activities</b>  |                                     |                   |
| Net income (loss)  | \$ (20,471)                         | \$ (18,200)       |
| Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities: |                                     |                   |
| Depreciation and amortization  | 7,802                               | 3,392             |
| Stock-based compensation expense, net of amounts capitalized                                       | 14,830                              | 11,505            |
| Provision for bad debt   | 2,097                               | 2,176             |
| Other non-cash, net  | 356                                 | (302)             |
| Changes in operating assets and liabilities, net of effects from purchases of businesses:          |                                     |                   |
| Trade receivables  | (33,676)                            | (21,487)          |
| Other operating assets   | (289)                               | (841)             |
| Accounts payable   | 68,217                              | 62,761            |
| Other operating liabilities  | 4,109                               | 3,976             |
| <b>Net cash provided by (used in) operating activities</b>   | <b>42,975</b>                       | <b>42,980</b>     |
| <b>Cash Flows from Investing Activities</b>  |                                     |                   |
| Net increase in finance receivables  | (1,047)                             | (27,407)          |
| Purchases of property and equipment  | (1,075)                             | (266)             |
| Capitalization of software costs   | (7,513)                             | (4,943)           |
| Purchases of marketable securities   | (2,902)                             | (35,602)          |
| Maturities and redemptions of marketable securities  | 30,030                              | 41,950            |
| Sales of marketable securities   | 70,020                              | 2,402             |
| Acquisition of businesses (net of cash acquired)   | (108,453)                           | —                 |
| <b>Net cash provided by (used in) investing activities</b>   | <b>(20,940)</b>                     | <b>(23,866)</b>   |
| <b>Cash Flows from Financing Activities</b>  |                                     |                   |
| Proceeds from long term debt   | 190,000                             | 95,000            |
| Payments towards long term debt  | (180,000)                           | (75,000)          |
| Proceeds from exercise of stock options  | 2,401                               | 899               |
| Payment of RSU tax withholdings in exchange for common shares surrendered by RSU holders           | (7,090)                             | (3,619)           |
| Other financing activities   | (23)                                | —                 |
| <b>Net cash provided by (used in) financing activities</b>   | <b>5,288</b>                        | <b>17,280</b>     |
| <b>Effect of exchange rate changes on cash, cash equivalents, and restricted cash</b>              | <b>(49)</b>                         | <b>3</b>          |
| <b>Net increase (decrease) in cash, cash equivalents, and restricted cash</b>                      | <b>27,274</b>                       | <b>36,397</b>     |
| <b>Cash, cash equivalents, and restricted cash, beginning of period</b>                            | <b>182,571</b>                      | <b>280,752</b>    |
| <b>Cash, cash equivalents, and restricted cash, end of period</b>                                  | <b>\$ 209,845</b>                   | <b>\$ 317,149</b> |
| <b>Supplemental disclosure of cash flow information</b>  |                                     |                   |
| Non-cash investing and financing activities:   |                                     |                   |
| Stock-based compensation included in capitalized software development costs                        | \$ 1,184                            | \$ 696            |
| Purchase of property and equipment and internal use software in accounts payable                   | \$ 1,119                            | \$ 2,553          |

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

**ACV AUCTIONS INC.**  
**NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**1. Nature of Business and Summary of Significant Accounting Policies**

**Nature of Business** – The Company operates in one industry segment, providing a wholesale auction marketplace (the “Marketplace”) to facilitate business-to-business used vehicle sales between a selling dealership (“Seller”) and a buying dealership (“Buyer”). Customers using the Marketplace are licensed automotive dealerships or other commercial automotive enterprises. At the election of the customer purchasing a vehicle, the Company can arrange third-party transportation services for the delivery of the purchased vehicle through its wholly owned subsidiary, ACV Transportation LLC. The Company can also provide the customer financing for the purchased vehicle through its wholly owned subsidiary, ACV Capital LLC. ACV also provides data services that offer insights into the condition and value of used vehicles for transactions both on and off the Company’s Marketplace, which help dealerships, their end customers, and commercial partners make more informed decisions to transact with confidence and efficiency. Customers using data services are licensed automotive dealerships or other commercial automotive enterprises. All services are provided in the United States and certain data services are also provided internationally. Services are supported by the Company’s operations which are in the United States, Canada, France, and India.

**Basis of Consolidation** – The condensed consolidated financial statements include the accounts of ACV Auctions Inc. and all of its controlled subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

**Basis of Preparation** – The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”) for interim financial information and pursuant to the applicable rules and regulations of the Securities and Exchange Commission (“SEC”). The Company has condensed or omitted certain information and notes normally included in complete annual financial statements prepared in accordance with GAAP. These financial statements have been prepared on the same basis as the Company’s annual financial statements and, in the opinion of management, reflect all adjustments, consisting only of normal recurring adjustments, which are necessary for the fair statement of the Company’s financial information. The unaudited interim condensed consolidated financial statements should therefore be read in conjunction with the audited consolidated financial statements and accompanying notes contained in the Company’s Annual Report on Form 10-K for the year ended December 31, 2023, as filed with the SEC on February 21, 2024 (the “Annual Report”). Any reference in these notes to applicable guidance is meant to refer to the authoritative GAAP as found in the Accounting Standards Codification (“ASC”) and Accounting Standards Update (“ASU”) of the Financial Accounting Standards Board (“FASB”).

**Seasonality** – The volume of vehicles sold through the Marketplace generally fluctuates from quarter to quarter. This seasonality is caused by several factors, including holidays, weather, the seasonality of the retail market for used vehicles and the timing of federal tax returns, which affects the demand side of the automotive industry. As a result, revenue and operating expenses related to volume fluctuate accordingly on a quarterly basis. In the fourth quarter, we typically experience lower used vehicle volume on our Marketplace as well as additional costs associated with the holidays. Seasonally depressed used vehicle volume on our Marketplace typically continues during the winter months through the first quarter. Typical seasonality trends may not be observed in periods where other external factors more significantly impact the industry.

## 2. Financial Instruments

The following is a summary of available-for-sale financial instruments, as of March 31, 2024 and December 31, 2023, respectively (in thousands):

|  | March 31, 2024           |                    |                        |                          |
|--|--------------------------|--------------------|------------------------|--------------------------|
|  | Amortized Cost           | Unrealized Gain    | Unrealized Losses      | Fair Value               |
| <b>Marketable securities:</b>              |                          |                    |                        |                          |
| Corporate securities <sup>(1)</sup>        | \$ 110,948               | \$ 1               | \$ (681)               | \$ 110,268               |
| U.S. treasury and agency securities        | <u>21,442</u>            | <u>3</u>           | <u>(82)</u>            | <u>21,363</u>            |
| <b>Total Marketable securities</b>         | <b><u>\$ 132,390</u></b> | <b><u>\$ 4</u></b> | <b><u>\$ (763)</u></b> | <b><u>\$ 131,631</u></b> |
| (1) Comprised primarily of corporate bonds |                          |                    |                        |                          |

|   | December 31, 2023        |                      |                        |                          |
|---|--------------------------|----------------------|------------------------|--------------------------|
|   | Amortized Cost           | Unrealized Gain      | Unrealized Losses      | Fair Value               |
| <b>Cash equivalents:</b>  |                          |                      |                        |                          |
| Corporate securities <sup>(1)</sup>                             | \$ 1,213                 | \$ —                 | \$ (1)                 | \$ 1,212                 |
| <b>Total cash equivalents</b>                                   | <b>1,213</b>             | <b>—</b>             | <b>(1)</b>             | <b>1,212</b>             |
| <b>Marketable securities:</b>                                   |                          |                      |                        |                          |
| Corporate securities <sup>(1)</sup>                             | \$ 199,084               | \$ 115               | \$ (819)               | \$ 198,380               |
| U.S. treasury and agency securities                             | <u>30,404</u>            | <u>25</u>            | <u>(48)</u>            | <u>30,381</u>            |
| <b>Total Marketable securities</b>                              | <b><u>\$ 229,488</u></b> | <b><u>\$ 140</u></b> | <b><u>\$ (867)</u></b> | <b><u>\$ 228,761</u></b> |
| (1) Comprised primarily of corporate bonds and commercial paper |                          |                      |                        |                          |

As of March 31, 2024, the fair values of available-for-sale financial instruments, by remaining contractual maturity, were as follows (in thousands):

|                          |                   |
|--------------------------|-------------------|
| Due within one year      | \$ 94,440         |
| Due in one to five years | 37,191            |
| <b>Total</b>             | <b>\$ 131,631</b> |

The Company typically invests in highly rated securities, with the primary objective of minimizing the potential risk of principal loss. The Company's investment policy generally requires securities to be investment grade and limits the amount of credit exposure to any one issuer. Fair values were determined for each individual security in the investment portfolio.

The Company does not believe that any unrealized losses are attributable to credit-related factors based on its evaluation of available evidence. To determine whether a decline in value is related to credit loss, the Company evaluates, among other factors: the extent to which the fair value is less than the amortized cost basis, changes to the rating of the security by a rating agency and any adverse conditions specifically related to an issuer of a security or its industry. Unrealized gain and losses on marketable securities are presented net of tax.

### 3. Fair Value Measurement

Fair value accounting is applied for all financial assets and liabilities and non-financial assets and liabilities that are recognized or disclosed at fair value in the condensed consolidated financial statements on a recurring basis (at least annually). Fair value is defined 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.

Assets and liabilities recorded at fair value in the condensed consolidated financial statements are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels, which

are directly related to the amount of subjectivity, associated with the inputs to the valuation of these assets or liabilities are as follows:

Level 1: Observable inputs such as quoted prices in active markets for identical assets and liabilities.

Level 2: Inputs other than the quoted prices in active markets that are observable either directly or indirectly.

Level 3: Unobservable inputs in which there is little or no market data which require the Company to develop its own assumptions.

The Company's financial instruments that are not measured at fair value on a recurring basis include trade and finance accounts receivable and accounts payable whose carrying values approximate fair value due to the short-term nature of those instruments.

The following tables present information about the Company's financial assets measured at fair value on a recurring basis as of March 31, 2024 and December 31, 2023, and indicate the fair value hierarchy of the valuation inputs utilized to determine such fair value (in thousands):

|                                     | March 31, 2024   |                   |             |                   |
|-------------------------------------|------------------|-------------------|-------------|-------------------|
|                                     | Level 1          | Level 2           | Level 3     | Total             |
| <b>Cash equivalents:</b>            |                  |                   |             |                   |
| Money market funds                  | \$ 18,704        | \$ —              | \$ —        | \$ 18,704         |
| <b>Marketable Securities:</b>       |                  |                   |             |                   |
| Corporate securities                | —                | 110,268           | —           | 110,268           |
| U.S. treasury and agency securities | 14,049           | 7,314             | —           | 21,363            |
| <b>Total financial assets</b>       | <b>\$ 32,753</b> | <b>\$ 117,582</b> | <b>\$ —</b> | <b>\$ 150,335</b> |

|                                     | December 31, 2023 |                   |             |                   |
|-------------------------------------|-------------------|-------------------|-------------|-------------------|
|                                     | Level 1           | Level 2           | Level 3     | Total             |
| <b>Cash equivalents:</b>            |                   |                   |             |                   |
| Money market funds                  | \$ 22,433         | \$ —              | \$ —        | \$ 22,433         |
| <b>Marketable Securities:</b>       |                   |                   |             |                   |
| Corporate securities                | —                 | 1,212             | —           | 1,212             |
| U.S. treasury and agency securities | 20,064            | 10,317            | —           | 30,381            |
| <b>Total financial assets</b>       | <b>\$ 42,497</b>  | <b>\$ 209,909</b> | <b>\$ —</b> | <b>\$ 252,406</b> |

The Company classifies its highly liquid money market funds and U.S treasury securities within Level 1 of the fair value hierarchy because they are valued based on quoted market prices in active markets. The Company classifies its corporate securities, and U.S. agency securities within Level 2 because they are valued using inputs other than quoted prices that are directly or indirectly observable in the market, including readily available pricing sources for the identical underlying security which may not be actively traded.

#### 4. Accounts Receivable & Allowance for Doubtful Receivables

The Company maintains an allowance for doubtful receivables that in management's judgment reflects losses inherent in the portfolio. A provision for doubtful receivables is recorded to adjust the level of the allowance in accordance with GAAP.

Changes in the allowance for doubtful trade receivables for the three months ended March 31, 2024 and 2023 were as follows (in thousands):

|                             | Three months ended March 31, |                 |
|-----------------------------|------------------------------|-----------------|
|                             | 2024                         | 2023            |
| Beginning balance           | \$ 2,868                     | \$ 4,860        |
| Provision for bad debt      | 732                          | 1,028           |
| Net write-offs              |                              |                 |
| Write-offs                  | (264)                        | (3,963)         |
| Recoveries                  | 595                          | 2,446           |
| Net (write-offs) recoveries | 331                          | (1,517)         |
| Ending balance              | <u>\$ 3,931</u>              | <u>\$ 4,371</u> |

Changes in the allowance for doubtful finance receivables for the three months ended March 31, 2024 and 2023 were as follows (in thousands):

|                             | Three months ended March 31, |                 |
|-----------------------------|------------------------------|-----------------|
|                             | 2024                         | 2023            |
| Beginning balance           | \$ 3,428                     | \$ 2,275        |
| Provision for bad debt      | 1,362                        | 1,148           |
| Net write-offs              |                              |                 |
| Write-offs                  | (1,195)                      | (1,381)         |
| Recoveries                  | 133                          | 214             |
| Net (write-offs) recoveries | (1,062)                      | (1,167)         |
| Ending balance              | <u>\$ 3,728</u>              | <u>\$ 2,256</u> |

## 5. Guarantees, Commitments and Contingencies

The Company provides certain guarantees to Sellers in the Marketplace in the ordinary course of business, which are accounted for under ASC 460 as a general guarantee.

*Vehicle Condition Guarantees* – Sellers must attach a vehicle condition report in the Marketplace for every auction; this vehicle condition report is used by Buyers to inform bid decisions. The Company offers guarantees to Sellers in qualifying situations where the Company performed a vehicle inspection and prepared the vehicle condition report. Sellers must pay an additional fee in exchange for this guarantee. The guarantee provides Sellers protection from paying remedies to Buyers related to a Buyer's claim that the vehicle condition report did not accurately portray the condition of the vehicle purchased on the Marketplace. The guarantee provides the Company with the right to retain proceeds from the subsequent liquidation of the vehicle covered under the guarantee. The guarantee is typically provided for 10 days after the successful sale of the vehicle on the Marketplace. The fair value of vehicle condition guarantees issued is estimated based on historical results and other qualitative factors. The vehicle condition guarantee revenue is recognized on the earlier of the guarantee expiration date or the guarantee settlement date. The maximum potential payment is the sale price of the vehicle. The total sale price of vehicles for which there was an outstanding guarantee was \$219.0 million and \$142.8 million at March 31, 2024 and December 31, 2023, respectively. The carrying amount of the liability presented in Accrued other liabilities was \$1.5 million and \$1.2 million at March 31, 2024 and December 31, 2023, respectively.

The recognized probable loss contingency, in excess of vehicle condition guarantees recognized, presented in Accrued other liabilities was \$ 1.7 million and \$1.8 million at March 31, 2024 and December 31, 2023, respectively.

*Other Price Guarantees* – The Company provides Sellers with a price guarantee for vehicles to be sold on the Marketplace from time to time. If a vehicle sells below the guaranteed price, the Company is responsible for paying the Seller the difference between the guaranteed price and the final sale price. The term of the guarantee is typically less than one week. No material unsettled price guarantees existed at March 31, 2024 and December 31, 2023.

*Litigation* – The Company and its subsidiaries are subject in the normal course of business to various pending and threatened legal proceedings and matters in which claims for monetary damages are asserted. On an on-going basis management, after consultation with legal counsel, assesses the Company's liabilities and contingencies in connection with such proceedings. For those matters where it is probable that the Company will incur losses and the amounts of the losses can be reasonably estimated, the Company records an expense and corresponding liability in its condensed consolidated financial statements. To the extent pending or threatened litigation could result in exposure in excess of the recorded liability, the amount of such excess is not currently estimable.

## 6. Borrowings

On August 24, 2021, the Company entered into a revolving credit facility (the "2021 Revolver"). The 2021 Revolver was established to provide general financing to the Company. The 2021 Revolver is secured by substantially all of the Company's assets except for ACV Capital receivables. The maximum borrowing principal amount of the 2021 Revolver is \$160.0 million and includes a sub facility that provides for the issuance of letters of credit up to \$20.0 million outstanding at any time. On June 1, 2023, the Company entered into Amendment No. 1 ("The First Amendment"), which modified the rate to which interest payments are indexed to the Secured Overnight Financing Rate, or SOFR. The interest rate applicable to the 2021 Revolver is, at our option, either (a) SOFR (or a replacement rate established in accordance with the terms of the credit agreement for the 2021 Revolver) (subject to a 0.00% SOFR floor), plus a margin of 2.75% per annum plus an additional credit spread adjustment of 0.11% for daily and one-month terms, 0.26% for three-month terms and 0.43% for six-month terms or (b) the Alternate Base Rate plus a margin of 1.75% per annum. The Alternate Base Rate is the highest of (a) the Wall Street Journal prime rate, (b) the NYFRB rate plus 0.5% and (c)(i) 1.00% plus (ii) the adjusted SOFR rate for a one-month interest period. The First Amendment maintains a maximum borrowing principal amount of \$160.0 million.

Refer to [Note 9 contained in our Annual Report on Form 10-K for the year ended December 31, 2023](#) for further details regarding our revolving credit facilities and their key terms.

As of March 31, 2024 and December 31, 2023, outstanding borrowings under the 2021 Revolver were \$ 125.0 million and \$115.0 million, respectively, and there were outstanding letters of credit issued under the 2021 Revolver in the amount of \$3.1 million and \$2.1 million, respectively decreasing the availability under the 2021 Revolver by a corresponding amount. As of March 31, 2024, the interest rate on the outstanding borrowing was 10.25%.

As of March 31, 2024, the Company was in compliance with all of its financial covenants and non-financial covenants.

## 7. Leases

The Company leases office space under operating leases expiring at various dates through 2038. For the three months ended March 31, 2024 and 2023, the Company incurred operating lease costs of \$1.3 million and \$0.4 million, respectively. For operating leases, the weighted-average remaining term is 9.7 and 7.3 years with a weighted-average discount rate of 10% and 5% for the three months ended March 31, 2024 and 2023, respectively.

Maturities of lease liabilities as of March 31, 2024 were as follows (in thousands):

|                             |                  |
|-----------------------------|------------------|
| 2024                        | \$ 4,749         |
| 2025                        | 6,001            |
| 2026                        | 5,732            |
| 2027                        | 5,414            |
| 2028                        | 5,105            |
| Thereafter                  | 22,060           |
| <b>Total lease payments</b> | <b>49,061</b>    |
| Less imputed interest       | (17,171)         |
| <b>Total</b>                | <b>\$ 31,890</b> |

The following amounts relate to operating leases that were recorded on the Company's Condensed Consolidated Balance Sheets at March 31, 2024 and December 31, 2023 (in thousands):

|                                      | March 31,<br>2024 | December 31,<br>2023 |
|--------------------------------------|-------------------|----------------------|
| Operating lease right of use assets: |                   |                      |
| Other assets                         | \$ 32,120         | \$ 16,858            |
| Operating lease liabilities:         |                   |                      |
| Accrued other liabilities            | 3,231             | 1,647                |
| Other long-term liabilities          | 28,659            | 15,034               |

The Company recorded right of use assets in exchange for new lease liabilities of \$ 14.0 million and \$0.0 million during the three months ended March 31, 2024 and 2023, respectively.

## 8. Revenue

The following table summarizes the primary components of revenue; this level of disaggregation takes into consideration how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors (in thousands):

|                                 | Three months ended March 31, |                   |
|---------------------------------|------------------------------|-------------------|
|                                 | 2024                         | 2023              |
| Auction marketplace revenue     | \$ 67,329                    | \$ 54,002         |
| Other marketplace revenue       | 54,569                       | 42,691            |
| Data services revenue           | 7,916                        | 8,170             |
| Marketplace and service revenue | <u>\$ 129,814</u>            | <u>\$ 104,863</u> |

Contract liabilities represent consideration collected prior to satisfying performance obligations. The Company had \$ 5.4 million and \$4.2 million of contract liabilities included in Accrued other liabilities on the Condensed Consolidated Balance Sheets as of March 31, 2024 and December 31, 2023, respectively. Revenue recognized for the three months ended March 31, 2024 from amounts included in deferred revenue as of December 31, 2023 was \$4.2 million. All the remaining performance obligations for contracts are expected to be recognized within one year.

## 9. Stock-Based Compensation

Refer to [Note 13 contained in our Annual Report on Form 10-K for the year ended December 31, 2023](#) for further details regarding our equity plans.

The following table summarizes the stock option activity for the three months ended March 31, 2024 (in thousands, except for share and per share amounts):

|                                | Number of Options | Weighted-Average Exercise Price Per Share | Intrinsic Value  | Weighted-Average Remaining Contractual Term (in years) |
|--------------------------------|-------------------|---|------------------|--|
| Outstanding, December 31, 2023 | <u>6,296,350</u>  | <u>\$ 2.49</u>                            | <u>\$ 79,728</u> | <u>4.83</u>  |
| Exercised                      | (719,039)         | 3.34                                      |                  |  |
| Forfeited                      | (1,611)           | 5.42                                      |                  |  |
| Expired                        | (4,352)           | 5.32                                      |                  |  |
| Outstanding, March 31, 2024    | <u>5,571,348</u>  | <u>\$ 2.37</u>                            | <u>\$ 91,345</u> | <u>4.50</u>  |
| Exercisable, March 31, 2024    | <u>5,292,470</u>  | <u>\$ 2.18</u>                            | <u>\$ 87,800</u> | <u>4.42</u>  |

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The following table summarizes the restricted stock unit activity for the three months ended March 31, 2024 (in thousands, except for share and per share amounts):

|                                | Number of RSUs     | Weighted-Average Grant-Date Fair Value |
|--------------------------------|--------------------|--|
| Outstanding, December 31, 2023 | 7,237,920          | \$ 14.37                               |
| Granted                        | <u>608,294</u>     | 15.65                                  |
| Vested                         | <u>(1,068,053)</u> | 14.98                                  |
| Forfeited                      | <u>(115,198)</u>   | 14.50                                  |
| Outstanding, March 31, 2024    | <u>6,662,963</u>   | \$ 14.37                               |

As of March 31, 2024 there was approximately \$ 84.7 million of compensation expense related to the unvested portion of common stock options and restricted stock units that will be recorded as compensation expense over a weighted-average period of 2.3 years.

During the first quarter of 2024, the Company entered into two contingently returnable share agreements (the "2024 Agreements") for certain compensatory share-based service awards. The 2024 Agreements authorized 773,099 shares of common stock to be issued. Shares will be released and distributed to the employee award recipients with the final vesting date during the first quarter of 2028. At March 31, 2024, there was approximately \$10.6 million of compensation expense related to the unvested portion of the contingently returnable shares that will be recorded over 3.8 years.

## 10. Income Taxes

The Company had an effective tax rate of approximately (2)% and (2)% for the three months ended March 31, 2024 and 2023, respectively. The principal differences between the federal statutory rate and the effective tax rate are related to state taxes, foreign taxes and credits, and the non-recognition of tax benefits for certain entities in a loss position for which a full valuation allowance has been recorded.

## 11. Net Income (Loss) Per Share

The numerators and denominators of the basic and diluted net income (loss) per share computations for the Company's common stock are calculated as follows for the three months ended March 31, 2024 and 2023 (in thousands, except share data):

|   | Three months ended March 31, |                   |                    |                   |
|---|------------------------------|-------------------|--------------------|-------------------|
|   | 2024                         |                   | 2023               |                   |
|   | Class A                      | Class B           | Class A            | Class B           |
| <b>Numerator:</b>   |                              |                   |                    |                   |
| Net loss attributable to common stockholders                          | \$ (17,718)                  | \$ (2,753)        | \$ (14,393)        | \$ (3,807)        |
| <b>Denominator:</b>   |                              |                   |                    |                   |
| Weighted-average number of shares of common stock - Basic and diluted | <u>140,979,870</u>           | <u>21,909,772</u> | <u>125,500,186</u> | <u>33,194,733</u> |
| <b>Net loss per share attributable to common stockholders:</b>        |                              |                   |                    |                   |
| Basic and diluted   | <u>\$ (0.13)</u>             | <u>\$ (0.13)</u>  | <u>\$ (0.11)</u>   | <u>\$ (0.11)</u>  |

The following table presents the total weighted-average number of potentially dilutive shares that were excluded from the computation of diluted net loss per share attributable to common shareholders because their effect would have been anti-dilutive for the period presented:

|                                | Three months ended March 31, |           |
|--------------------------------|------------------------------|-----------|
|                                | 2024                         | 2023      |
| Unvested RSUs and other awards | 2,385,164                    | 1,082,627 |
| Stock options                  | 4,800,879                    | 5,281,394 |

## 12. Acquisitions

The Company completed three business acquisitions during the three months ended March 31, 2024. These acquisitions were accounted for using the acquisition method and, accordingly, the results of the acquired business have been included in the Company's results of operations from the respective acquisition dates. Purchase price allocations related to these acquisitions are subject to adjustments as they are finalized over the 12 month measurement period from the respective acquisition dates. Goodwill acquired in connection with these acquisitions will be deductible for tax purposes in the United States and will be amortized on a straight-line basis over 15 years.

### **Alliance Auto Auctions**

On January 30, 2024, the Company completed its acquisition of all of the ownership interests of Alliance Auto Auctions for estimated cash consideration of \$66.4 million and 639,976 common shares of the Company's Class A common stock. The fair value of the consideration shares of \$ 8.6 million was determined based upon the closing market price of the Company's Class A common shares on January 30, 2024.

The aggregate purchase price for the Alliance Auto Auctions acquisition was preliminarily allocated to the assets and liabilities assumed as follows (in thousands):

| <b>Assets Acquired</b>           |                  |
|----------------------------------|------------------|
| Cash and cash equivalents        | \$ 2,465         |
| Trade receivables                | 14,855           |
| Finance receivables              | —                |
| Other current assets             | 815              |
| Property & equipment, net        | 892              |
| Goodwill & intangibles           | 72,424           |
| Other assets                     | 8,305            |
| <b>Total assets acquired</b>     | <b>\$ 99,756</b> |
| <b>Liabilities Assumed</b>       |                  |
| Accounts payable                 | \$ 14,945        |
| Accrued payroll                  | 381              |
| Accrued other liabilities        | 2,012            |
| Deferred revenue                 | 60               |
| Other long-term liabilities      | 7,362            |
| <b>Total liabilities assumed</b> | <b>24,760</b>    |
| <b>Net assets acquired</b>       | <b>\$ 74,996</b> |

Alliance Auto Auctions offers wholesale car auction services, and enabled the Company to expand its range of offerings to dealers and commercial partners.

### **March 8, 2024 Acquisition**

On March 8, 2024, the Company completed its acquisition of all of the ownership interests of a business ("the March 8, 2024 acquisition") for estimated cash consideration of \$26.7 million. The aggregate purchase price was preliminarily allocated to \$8.1 million of goodwill, \$13.0 million of intangible assets, and \$5.6 million of net assets assumed. The business acquired in the March 8, 2024 acquisition offers wholesale and commercial car auction and reconditioning services and enabled the Company to expand its range of offerings to dealers and commercial partners.

### **March 13, 2024 Acquisition**

On March 13, 2024, the Company completed its acquisition of all of the ownership interests of a business ("the March 13, 2024 acquisition") for estimated cash consideration of \$19.1 million. The aggregate purchase price was

preliminarily allocated to \$18.7 million of goodwill, \$1.0 million of intangible assets, and \$ 0.6 million of net liabilities assumed. The business acquired in the March 13, 2024 acquisition offers wholesale car auction services.

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

**MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

*You should read the following discussion and analysis of our financial condition and results of operations together with our unaudited condensed consolidated financial statements and the related notes and other financial information included elsewhere in this Quarterly Report on Form 10-Q and our audited consolidated financial statements and the related notes and the discussion under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" relating to our financial condition and results of operations for the year ended December 31, 2023 included in our Annual Report on Form 10-K, filed with the Securities and Exchange Commission, or SEC, on February 21, 2024, or the Annual Report. Some of the information contained in this discussion and analysis, including information with respect to our financial condition or results of operations, business strategy and plans and objectives of management for future operations, includes forward-looking statements that involve risks and uncertainties as described under the heading "Special Note Regarding Forward-Looking Statements" in this Form 10-Q. You should review the "Risk Factors" section of our Annual Report for a discussion of important factors that could cause our actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.*

**Overview**

Our mission is to build and enable the most trusted and efficient marketplace platform for buying and selling used vehicles with transparency and comprehensive data that was previously unimaginable.

We provide a highly efficient and vibrant marketplace platform ("marketplace platform" or "marketplace") for wholesale vehicle transactions and data services that offer transparent and accurate vehicle information to our customers. Our marketplace platform leverages data insights and technology to power our digital marketplace and data services, enabling our dealers and commercial partners to buy, sell, and value vehicles with confidence and efficiency. We strive to solve the challenges that the used automotive industry has faced for generations and provide powerful technology-enabled capabilities to our dealers and commercial partners who fulfill a critical role in the automotive ecosystem. We help dealers source and manage inventory and accurately price their vehicles as well as process payments, transfer titles, manage arbitrations, and finance and transport vehicles. Our marketplace platform encompasses:

- **Digital Marketplace.** Connects buyers and sellers of wholesale vehicles in an intuitive and efficient manner. Our core digital marketplace offerings are auctions in varying formats, which facilitate real time transactions of wholesale vehicles, and are accessible across multiple platforms including mobile apps, desktop, and directly through API integration. We also offer transportation, financing and assurance services to facilitate the entire transaction journey.
- **Remarketing Centers.** Provides an additional channel to provide dealers and commercial partners with auction services. At remarketing centers, vehicles may be auctioned onsite and/or launched into the digital marketplace. Additional services are offered at remarketing centers that are important to servicing commercial partners.
- **Data Services.** Offers insights into the condition and value of used vehicles for transactions both on and off our marketplace and helps dealers, their end consumers, and commercial partners make more informed decisions and transact with confidence and efficiency. We enable dealers to manage their inventory and set pricing more effectively while turning vehicles faster and maximizing profit by leveraging predictive analytics informed by artificial intelligence, machine learning and market data.
- **Data and Technology.** Underpins everything we do, and powers our vehicle inspections, comprehensive vehicle intelligence reports, digital marketplace, inventory management software, and operations automation.

We have historically generated the majority of our revenue from our digital marketplace where we earn auction and ancillary fees from both buyers and sellers in each case only upon a successful auction. Buyer auction fees are variable based on the price of the vehicle, while seller auction fees include a fixed auction fee and an optional fee for the elective condition report associated with the vehicle. We also earn ancillary fees through additional value-added services to buyers and sellers in connection with the auction.

Our customers include participants on our marketplace platform and purchasers of our data services. Certain dealers and commercial partners purchase data services in connection with vehicle assessments, software subscriptions, and transactions that do not occur on our marketplace. Our dealer customers include a majority of the top 100 used vehicle dealers in the United States.

We had 174,631 and 151,563 Marketplace Units sold on our marketplace, an increase in units of 15%, for the three months ended March 31, 2024 and 2023 respectively. We had a total Marketplace Gross Merchandise Value, or Marketplace GMV, of \$2.3 billion and \$2.4 billion, for the three months ended March 31, 2024 and 2023 respectively. In the three months ended March 31, 2024 and 2023, we generated revenue of \$145.7 million and \$119.6 million, a net loss of \$20.5 million and \$18.2 million, and Adjusted EBITDA of \$4.3 million and (\$5.6) million, respectively. We continue to invest in growth to scale our company responsibly and drive towards sustained profitability. See the section titled “—Key Operating and Financial Metrics” for additional information on Marketplace Units, Marketplace GMV and Adjusted EBITDA.

#### Key Operating and Financial Metrics

We regularly monitor a number of operating and financial metrics in order to measure our current performance and estimate our future performance. Our business metrics may be calculated in a manner different than similar business metrics used by other companies.

|                   | Three Months Ended March 31, |                 |
|-------------------|------------------------------|-----------------|
|                   | 2024                         | 2023            |
| Marketplace Units | 174,631                      | 151,563         |
| Marketplace GMV   | \$ 2.3 billion               | \$ 2.4 billion  |
| Adjusted EBITDA   | \$ 4.3 million               | (\$5.6) million |

#### Marketplace Units

Marketplace Units is a key indicator of our potential for growth in Marketplace GMV and revenue. It demonstrates the overall engagement of our customers on the marketplace platform, the vibrancy of our marketplace platform and our market share of wholesale transactions in the United States. We define Marketplace Units as the number of vehicles transacted on our marketplace platform within the applicable period. Marketplace Units transacted includes any vehicle that successfully reaches sold status, even if the auction is subsequently unwound, meaning the buyer or seller does not complete the transaction. These instances were immaterial in the periods presented. Marketplace Units exclude vehicles that were inspected by ACV, but not sold on our marketplace. Since the launch of our marketplace platform, Marketplace Units have generally increased as we have expanded our territory coverage, added new Marketplace Buyers and Marketplace Sellers to our marketplace platform and increased our share of wholesale transactions from existing customers. Because we only earn auction and ancillary fees in the case of a successful auction, Marketplace Units will remain a critical driver of our revenue growth.

#### Marketplace GMV

Marketplace GMV is primarily driven by the volume and dollar value of Marketplace Units transacted on our marketplace platform. We believe that Marketplace GMV acts as an indicator of the success of our marketplace, signaling satisfaction of dealers and buyers on our marketplace, and the health, scale, and growth of our business. We define Marketplace GMV as the total dollar value of vehicles transacted through our marketplace platform within the applicable period, excluding any auction and ancillary fees. Because our definition of Marketplace Units does not include vehicles inspected but not sold on our marketplace platform, and because the value of the vehicle sold is not recognized as revenue, GMV does not represent revenue earned by us. We expect that Marketplace GMV will continue to grow as Marketplace Units grow, though at a varying rate within a given applicable period, as Marketplace GMV is also impacted by the value of each vehicle transacted. In periods of declining used vehicle values, Marketplace GMV may decline even while Marketplace Units increase.

### **Marketplace Buyers**

We define Marketplace Buyers as dealers or commercial partners with a unique customer ID that have transacted at least once in the last 12 months as a buyer on our marketplace platform. Marketplace Buyers include independent and franchise dealers buying on our marketplace.

### **Marketplace Sellers**

We define Marketplace Sellers as dealers or commercial partners with a unique customer ID that have transacted at least once in the last 12 months as a seller on our marketplace platform. Marketplace Sellers include independent and franchise dealers selling on our marketplace, as well as commercial partners, consisting of commercial leasing companies, rental car companies, bank or other finance companies, who use our marketplace to sell their inventory.

We monitor the growth in both Marketplace Buyers and Marketplace Sellers as they each promote a more vibrant and healthy marketplace. We believe that our growth in Marketplace Sellers and Marketplace Buyers over time has been driven by the value proposition of our offerings, and our sales and marketing success, including our ability to attract new dealers and commercial partners to our marketplace platform. Based on our current position in the market, we believe that we have significant opportunity to continue to increase the number of Marketplace Buyers and Marketplace Sellers.

### **Adjusted EBITDA**

Adjusted EBITDA is a performance measure that we use to assess our operating performance and the operating leverage in our business. We define Adjusted EBITDA as net income (loss), adjusted to exclude: depreciation and amortization, stock-based compensation expense, interest (income) expense, provision for income taxes, and other one-time, non-recurring items, when applicable, such as acquisition-related and restructuring expenses. We monitor Adjusted EBITDA as a non-GAAP financial measure to supplement the financial information we present in accordance with generally accepted accounting principles, or GAAP, to provide investors with additional information regarding our financial results. For further explanation of the uses and limitations of this measure and a reconciliation of our Adjusted EBITDA to the most directly comparable GAAP measure, net income (loss), please see “—Non-GAAP Financial Measures.”

We expect Adjusted EBITDA to fluctuate in the near term as we continue to invest in our business and improve over the long term as we achieve greater scale in our business and efficiencies in our operating expenses.

### **Factors Affecting Our Performance**

We believe that the growth and future success of our business depend on many factors. While each of these factors presents significant opportunities for our business, they also pose important challenges that we must successfully address in order to sustain our growth, improve our results of operations, and increase profitability.

### **Increasing Marketplace Units**

Increasing Marketplace Units is a key driver of our revenue growth. The transparency, efficiency and vibrancy of our marketplace is critical to our ability to grow our share of wholesale transactions from existing customers and attract new buyers and sellers to our marketplace platform. Failure to increase the number of Marketplace Units would adversely affect our revenue growth, operating results, and the overall health of our marketplace.

### **Grow Our Share of Wholesale Transactions from Existing Customers**

Our success depends in part on our ability to grow our share of wholesale transactions from existing customers, increasing their engagement and spend on our marketplace platform. We remain in the early stages of penetrating our Marketplace Buyers' and Sellers' total number of wholesale transactions. As we continue to invest in eliminating key risks of uncertainty related to the auction process through our trusted and efficient marketplace platform, we expect that we will capture an increasing share of transactions from our existing buyers and sellers. Our ability to increase share from existing customers will depend on a number of factors, including our customers' satisfaction with our marketplace platform, competition, pricing and overall changes in our customers' engagement levels.

#### *Add New Marketplace Buyers and Marketplace Sellers*

We believe we have a significant opportunity to add new marketplace participants. As we expand our presence within our existing territories, we are able to drive increased liquidity and greater vehicle selection, which in turn improves our ability to attract new Marketplace Buyers and Marketplace Sellers. Additionally, we intend to add more commercial consignors to our marketplace platform and capture a greater share of vehicles in the wholesale market that are sold to dealers by commercial consignors through auctions and private sales.

Our ability to attract new Marketplace Buyers and Marketplace Sellers will depend on a number of factors including: the ability of our sales team to onboard dealers and commercial consignors onto our marketplace platform and ensure their satisfaction, the ability of our territory managers to build awareness of our brand, the ability of our vehicle condition inspectors, or VCIs, to cultivate relationships with our customers in their respective territories, and the effectiveness of our marketing efforts.

#### *Grow Awareness for Our Offerings and Brand*

Wholesale vehicle online penetration is in the early stages, lagging the consumer automotive market, and we expect more dealers and commercial partners to source and manage their inventory online. As the digitization of the wholesale automotive market accelerates, we believe that our digital marketplace is well positioned to capture a disproportionate share of that growth. We use targeted sales and marketing efforts to educate potential Marketplace Buyers and Marketplace Sellers as to the benefits of our offerings and drive adoption of our marketplace platform. Our ability to grow awareness of our offerings and brand depend on a number of factors, including:

- **Secure Trusted Supply.** The more trusted supply on our marketplace, the more buyers we can attract to our marketplace platform.
- **Deepen Relationships with Dealers and Commercial Partners.** We have a team of VCIs who regularly interact with our customers, providing high-quality inspection services and developing strong customer relationships.
- **Drive Customer Loyalty.** Our loyal customers and referrals serve as a highly effective customer acquisition tool, and help drive our growth in a given territory.
- **Grow Brand Awareness.** We invest in promoting our brand via targeted marketing spend to increase customer awareness in the territories in which we operate.

Our future success is dependent on our ability to successfully grow our market presence and market and sell products to both new and existing customers.

#### *Grow Value-Added and Data Services*

We continue to drive customer adoption of our existing value-added and data services and introduce new and complementary products. Our ability to drive higher attachment rates of existing value-added services, such as ACV Transportation and ACV Capital, will help grow our revenue. In 2019 we launched our financing arm, ACV Capital. In 2021, we added ACV MAX (formerly doing business as MAX Digital) flagship inventory management system to our portfolio of data services offerings. We continue to drive customer adoption of our data services such as our True360 Reports that bring transparency and offer insights into the condition and value of used vehicles, as well as our inventory management system, which enables dealers to accurately price wholesale and retail inventory while maximizing profit by leveraging predictive analytics informed by artificial intelligence. These data services enable our customers to make more informed inventory management decisions both on and off our digital marketplace. In addition, we will continue to focus on developing new products and services that enhance our marketplace platform in areas including new data-powered products. Our ability to drive customer adoption of these products and services is dependent on the pricing of our products, the offerings of our competitors and the effectiveness of our marketing efforts.

#### *Investment in Growth*

We are actively investing in our business. In order to support our future growth and expanded product offerings, we expect this investment to continue. We anticipate that our operating expenses will increase as we continue to build our sales and marketing efforts, expand our employee base and invest in our technology development. The investments we make in our marketplace platform are designed to grow our revenue opportunity and to improve our operating results in the long term, but these investments could also delay our ability to achieve sustained profitability or reduce our

profitability in the near term. Our success is dependent on making value-generative investments that support our future growth.

#### **Used Car Demand**

Our success depends in part on sufficient demand for used vehicles. Our growth over the last several years has coincided with a rising consumer demand for used vehicles. Since early 2020 demand for cars has outpaced supply. During this period, we have seen new car supply have a significant impact on the supply of wholesale vehicles available within our marketplace. More recently, new vehicle supply has begun to increase, although still below 2019 levels. However, this increase in new vehicle supply has been coupled with an increase in interest rates which has made both new and used vehicles more expensive for retail consumers utilizing financing. Used car demand will be in part dependent on the economic health of the retail consumer and their ability to afford a vehicle purchase.

Used vehicle sales are also seasonal. Sales typically peak late in the first quarter and early in the second quarter, with the lowest relative level of industry vehicle sales occurring in the fourth quarter. Due to our growth since launch, our sales patterns to date have not been entirely reflective of the general seasonality of the used vehicle market, but we expect this to normalize as our business matures. Seasonality also impacts used vehicle pricing, with used vehicles depreciating at a faster rate in the last two quarters of each year and a slower rate in the first two quarters of each year. We may experience seasonal and other fluctuations in our quarterly results of operations, which may not fully reflect the underlying performance of our business. See the section titled "Seasonality" for additional information on the impacts of seasonality on our business.

### **Components of Results of Operations**

#### **Revenue**

##### *Marketplace and Service Revenue*

We have historically generated the majority of our revenue from our digital marketplace where we earn auction and ancillary fees from both buyers and sellers, in each case only upon a successful auction. Our marketplace and service revenue consists principally of revenue earned from facilitating auctions and arranging for the transportation of vehicles purchased in such auctions.

We act as an agent when facilitating a vehicle auction through the marketplace. Auction and related fees charged to the buyer and seller are reported as revenue on a net basis, excluding the price of the auctioned vehicle in the transaction.

We act as a principal when arranging for the transportation of vehicles purchased on the marketplace and leverage our network of third-party transportation carriers to secure the arrangement. Transportation fees charged to the buyer are reported on a gross basis.

We also generate data services revenue through our True360 reports and ACV MAX inventory management software subscriptions and offer short-term inventory financing to eligible customers purchasing vehicles through the marketplace.

##### *Customer Assurance Revenue*

We also generate revenue by providing our Go Green assurance to sellers on the condition of certain vehicles sold on the marketplace, which is considered a guarantee under GAAP. This assurance option is only available for Go Green sellers on qualifying vehicles for which we have prepared the vehicle condition report. Customer assurance revenue also includes revenue from other price guarantee products offered to sellers. Customer assurance revenue is measured based upon the fair value of the guarantees that we provide. We expect the fair value per vehicle assured to decrease over time as we continue to improve the quality of our inspection product, which in turn reduces the costs of satisfying such assurance.

#### **Operating Expenses**

##### *Marketplace and Service Cost of Revenue*

Marketplace and service cost of revenue consists of third-party transportation carrier costs, titles shipping costs, customer support, website hosting costs, inspection costs related to data services and various other costs. These costs

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include salaries, benefits, bonuses and related stock-based compensation expenses, which we refer to as personnel expenses. We expect our marketplace and service cost of revenue to continue to increase in absolute dollars as we continue to scale our business and introduce new product and service offerings.

*Customer Assurance Cost of Revenue*

Customer assurance cost of revenue consists of the costs related to satisfying claims against the vehicle condition guarantees, and other price guarantees.

*Operations and Technology*

Operations and technology expense consists of costs for wholesale auction inspections, personnel costs related to payments and titles processing, transportation processing, product and engineering and other general operations and technology expenses. These costs include personnel-related expenses and other allocated facility and office costs. We expect that our operations and technology expense will increase in absolute dollars as our business grows, particularly as we incur additional costs related to continued investments in our marketplace, transportation capabilities and other technologies.

*Selling, General and Administrative*

Selling, general and administrative expense consists of costs resulting from sales, accounting, finance, legal, marketing, human resources, executive, and other administrative activities. These costs include personnel-related expenses, legal and other professional services expenses and other allocated facility and office costs. Also included in selling, general and administrative expense is advertising and marketing costs to promote our services. We expect that our selling, general and administrative expense will increase in absolute dollars as our business grows. However, we expect that our selling, general and administrative expense will decrease as a percentage of our revenue as our revenue grows over the longer term.

*Depreciation and Amortization*

Depreciation and amortization expense consists of depreciation of fixed assets, and amortization of acquired intangible assets and internal-use software.

***Other Income (Expense)***

Other income (expense) consists primarily of interest income earned on our marketable securities and cash and cash equivalents. Other income (expense) also includes interest expense on our borrowings.

***Provision for Income Taxes***

Provision for income taxes consists of U.S. federal, state and foreign income taxes.

### Results of Operations

The following table sets forth our Condensed Consolidated Statements of Operations data expressed as a percentage of total revenue for the periods presented:

|  | Three months ended March 31, |              |                    |              |
|--|------------------------------|--------------|--------------------|--------------|
|  | 2024                         |              | 2023               |              |
|  | Amount                       | % of Revenue | Amount             | % of Revenue |
| (in thousands)   |                              |              |                    |              |
| <b>Revenue:</b>  |                              |              |                    |              |
| Marketplace and service revenue  | \$ 129,814                   | 89 %         | \$ 104,863         | 88 %         |
| Customer assurance revenue   | 15,875                       | 11 %         | 14,763             | 12 %         |
| Total revenue  | 145,689                      | 100 %        | 119,626            | 100 %        |
| <b>Operating expenses:</b>   |                              |              |                    |              |
| Marketplace and service cost of revenue (excluding depreciation & amortization) <sup>(1)</sup> | 55,693                       | 38 %         | 47,575             | 40 %         |
| Customer assurance cost of revenue (excluding depreciation & amortization)                     | 12,814                       | 9 %          | 12,143             | 10 %         |
| Operations and technology <sup>(1)</sup>   | 38,069                       | 26 %         | 35,660             | 30 %         |
| Selling, general, and administrative <sup>(1) (3) (5) (6)</sup>                                | 53,853                       | 37 %         | 41,797             | 35 %         |
| Depreciation and amortization <sup>(2) (4)</sup>   | 7,787                        | 5 %          | 3,285              | 3 %          |
| Total operating expenses   | 168,216                      |              | 140,460            |              |
| Income (loss) from operations  | (22,527)                     |              | (20,834)           |              |
| <b>Other Income (expense):</b>   |                              |              |                    |              |
| Interest income  | 3,031                        |              | 3,296              |              |
| Interest expense   | (535)                        |              | (315)              |              |
| Total other income (expense)   | 2,496                        |              | 2,981              |              |
| Income (loss) before income taxes  | (20,031)                     |              | (17,853)           |              |
| Provision for income taxes   | 440                          |              | 347                |              |
| <b>Net loss</b>  | <b>\$ (20,471)</b>           |              | <b>\$ (18,200)</b> |              |

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(1) Includes stock-based compensation expense as follows:

|   | Three months ended March 31, |           |
|---|------------------------------|-----------|
|   | 2024                         | 2023      |
| (in thousands)  |                              |           |
| Marketplace and service cost of revenue (excluding depreciation & amortization) | \$ 250                       | \$ 203    |
| Operations and technology   | 3,446                        | 2,399     |
| Selling, general, and administrative  | 11,134                       | 8,903     |
| Stock-based compensation expense  | \$ 14,830                    | \$ 11,505 |

(2) Includes acquired intangible asset amortization as follows:

|                               | Three months ended March 31, |          |
|-------------------------------|------------------------------|----------|
|                               | 2024                         | 2023     |
| (in thousands)                |                              |          |
| Depreciation and amortization | \$ 2,213                     | \$ 1,173 |

(3) Includes litigation-related costs as follows:

|                                      | Three months ended March 31, |      |
|--------------------------------------|------------------------------|------|
|                                      | 2024                         | 2023 |
| (in thousands)                       |                              |      |
| Selling, general, and administrative | \$ 1,553                     | \$ — |

(4) Includes amortization of capitalized stock based compensation as follows:

|                               | Three months ended March 31, |        |
|-------------------------------|------------------------------|--------|
|                               | 2024                         | 2023   |
| (in thousands)                |                              |        |
| Depreciation and amortization | \$ 928                       | \$ 277 |

(5) Includes acquisition-related costs as follows:

|                                      | Three months ended March 31, |        |
|--------------------------------------|------------------------------|--------|
|                                      | 2024                         | 2023   |
| (in thousands)                       |                              |        |
| Selling, general, and administrative | \$ 2,120                     | \$ 206 |

(6) Includes other adjustments as follows:

|                                      | Three months ended March 31, |      |
|--------------------------------------|------------------------------|------|
|                                      | 2024                         | 2023 |
| (in thousands)                       |                              |      |
| Selling, general, and administrative | \$ 45                        | \$ — |

### Comparison of the three months ended March 31, 2024 and 2023

#### Revenue

##### Marketplace and Service Revenue

|                                 | Three months ended March 31, |            | \$ Change | % Change |
|---------------------------------|------------------------------|------------|-----------|----------|
|                                 | 2024                         | 2023       |           |          |
| (in thousands)                  |                              |            |           |          |
| Marketplace and service revenue | \$ 129,814                   | \$ 104,863 | \$ 24,951 | 24 %     |

The increase was primarily driven by an increase in auction marketplace revenue from our buyers and sellers, as well as increases in revenue earned from arranging for the transportation of vehicles to buyers and an increase in revenue earned from the financing of vehicles sold on our marketplace. Revenue increases in the current quarter were primarily volume-driven. Additionally, we raised the buyer fees charged on our marketplace effective in September 2023 that further contributed to the increase in revenue year-over-year. For the three months ended March 31, 2024 compared to the three months ended March 31, 2023, auction marketplace revenue increased to \$67.3 million from \$54.0 million and other marketplace revenue increased to \$54.6 million from \$42.7 million. The increase in other marketplace revenue was

primarily related to an increase in the revenue earned from the transportation of vehicles due to an increase in the number of units transported.

**Customer Assurance Revenue**

|                            | Three months ended March 31, |           | \$ Change | % Change |
|----------------------------|------------------------------|-----------|-----------|----------|
|                            | 2024                         | 2023      |           |          |
|                            | (in thousands)               |           |           |          |
| Customer assurance revenue | \$ 15,875                    | \$ 14,763 | \$ 1,112  | 8 %      |

The customer assurance revenue increase was mainly driven by an increase in Go Green revenue, which was driven by an increase in the fair value per unit sold that elected the Go Green offering year over year. For the three months ended March 31, 2024, Go Green assurance revenue increased to \$14.2 million from \$13.1 million in the three months ended March 31, 2023. Other assurance revenue remained consistent at \$1.7 million during the three months ended March 31, 2024 and 2023.

**Operating Expenses**

*Marketplace and Service Cost of Revenue*

|   | Three months ended March 31, |           | \$ Change | % Change |
|---|------------------------------|-----------|-----------|----------|
|   | 2024                         | 2023      |           |          |
|   | (in thousands)               |           |           |          |
| Marketplace and service cost of revenue (excluding depreciation & amortization) | \$ 55,693                    | \$ 47,575 | \$ 8,118  | 17 %     |

The increase primarily consisted of higher costs related to generating auction marketplace and other marketplace revenue. For the three months ended March 31, 2024 compared to the three months ended March 31, 2023, total cost attributed to generating auction marketplace revenue increased to \$9.7 million from \$8.3 million. The increase in auction marketplace cost of revenue is primarily due to increased units sold through our marketplace. Other marketplace cost of revenues increased to \$40.9 million for the three months ended March 31, 2024, compared to \$33.6 million for the three months ended March 31, 2023, primarily due to an increase in the units transported to buyers from sellers. Marketplace and service costs of revenues as a percentage of revenue decreased during the three months ended March 31, 2024 compared to the three months ended March 31, 2023 as we continued to grow revenue and scale our business.

*Customer Assurance Cost of Revenue*

|  | Three months ended March 31, |           | \$ Change | % Change |
|--|------------------------------|-----------|-----------|----------|
|  | 2024                         | 2023      |           |          |
|  | (in thousands)               |           |           |          |
| Customer assurance cost of revenue (excluding depreciation & amortization) | \$ 12,814                    | \$ 12,143 | \$ 671    | 6 %      |

The increase primarily consisted of costs attributable to our Go Green assurance offerings and was primarily driven by an increase in arbitration cost per unit sold that elected the Go Green offering. For the three months ended March 31, 2024, Go Green assurance cost of revenue increased to \$11.7 million from \$11.0 million in three months ended March 31, 2023. Other assurance cost of revenue remained flat at \$1.1 million during the three months ended March 31, 2024 and 2023. Other assurance cost of revenues as a percentage of revenue decreased slightly during the three months ended March 31, 2024 compared to the three months ended March 31, 2023 as we continued to manage arbitration costs and grow revenue.

*Operations and Technology Expenses*

|                           | Three months ended March 31, |           | \$ Change | % Change |
|---------------------------|------------------------------|-----------|-----------|----------|
|                           | 2024                         | 2023      |           |          |
|                           | (in thousands)               |           |           |          |
| Operations and technology | \$ 38,069                    | \$ 35,660 | \$ 2,409  | 7 %      |
| Percentage of revenue     | 26 %                         | 30 %      |           |          |

The increase is primarily due to higher personnel-related costs. For the three months ended March 31, 2024 compared to the three months ended March 31, 2023, personnel-related costs increased to \$32.2 million from \$30.6 million as a result of headcount increases and increased stock-based compensation in 2024. Software and technology costs increased to \$4.0 million from \$3.7 million in the three months ended March 31, 2024 compared to the three months ended March 31, 2023 as a result of continued investment in our technology and infrastructure. Other expenses increased to \$1.9 million from \$1.4 million in the three months ended March 31, 2024 compared to the three months ended March 31, 2023. Operations and technology expense as a percentage of revenue decreased during the three months ended March 31, 2024 compared to the three months ended March 31, 2023 as we continued our efforts to effectively manage costs while growing revenue.

*Selling, General, and Administrative Expenses*

|                                      | Three months ended March 31, |           | \$ Change | % Change |
|--------------------------------------|------------------------------|-----------|-----------|----------|
|                                      | 2024                         | 2023      |           |          |
|                                      | (in thousands)               |           |           |          |
| Selling, general, and administrative | \$ 53,853                    | \$ 41,797 | \$ 12,056 | 29 %     |
| Percentage of revenue                | 37 %                         | 35 %      |           |          |

The increase is primarily due to higher personnel-related costs. For the three months ended March 31, 2024 compared to the three months ended March 31, 2023, personnel-related costs increased to \$42.9 million from \$35.3 million, primarily as a result of headcount increases and increased stock-based compensation in 2024. Non-personnel expenses increased to \$11.0 million from \$6.5 million in the three months ended March 31, 2024 compared to the three months ended March 31, 2023, primarily as a result of increased litigation expenses as well as increased facilities expenses as we expand our footprint to support future growth. Selling, general, and administrative expenses increased as a percentage of revenue during the three months ended March 31, 2024 compared to the three months ended March 31, 2023 as we continue to invest in our business to support future growth.

*Depreciation and Amortization*

|                               | Three months ended March 31, |          | \$ Change | % Change |
|-------------------------------|------------------------------|----------|-----------|----------|
|                               | 2024                         | 2023     |           |          |
|                               | (in thousands)               |          |           |          |
| Depreciation and amortization | \$ 7,787                     | \$ 3,285 | \$ 4,502  | 137 %    |
| Percentage of revenue         | 5 %                          | 3 %      |           |          |

The increase is primarily due to an increase of \$3.4 million in amortization of internal-use software costs along with an increase of \$1.0 million in amortization related to acquired intangible assets. The increase in depreciation and

amortization as a percentage of revenue is primarily due to the placing of internal-use software projects into service and the subsequent recognition of amortization expense.

**Interest Income**

|                 | Three months ended March 31, |          | \$ Change | % Change |
|-----------------|------------------------------|----------|-----------|----------|
|                 | 2024                         | 2023     |           |          |
|                 | (in thousands)               |          |           |          |
| Interest income | \$ 3,031                     | \$ 3,296 | \$ (265)  | (8) %    |

The decrease was primarily driven by a lower balance in our marketable securities portfolio during the three months ended March 31, 2024 compared to the three months ended March 31, 2023 due to the sale of marketable securities to support our acquisition transactions during the three months ended March 31, 2024.

**Interest Expense**

|                  | Three months ended March 31, |          | \$ Change | % Change |
|------------------|------------------------------|----------|-----------|----------|
|                  | 2024                         | 2023     |           |          |
|                  | (in thousands)               |          |           |          |
| Interest expense | \$ (535)                     | \$ (315) | \$ (220)  | 70 %     |

The increase was primarily driven by an increase in borrowings and interest rates during the three months ended March 31, 2024 as compared to the three months ended March 31, 2023.

**Provision for Income Taxes**

|                            | Three months ended March 31, |        | \$ Change | % Change |
|----------------------------|------------------------------|--------|-----------|----------|
|                            | 2024                         | 2023   |           |          |
|                            | (in thousands)               |        |           |          |
| Provision for income taxes | \$ 440                       | \$ 347 | \$ 93     | 27 %     |

Our effective tax rate was approximately (2)% and (2)% for the three months ended March 31, 2024 and 2023, respectively. The principal differences between the federal statutory rate and the effective tax rate are related to state taxes, foreign taxes and credits and the non-recognition of tax benefits for certain entities in a loss position for which a full valuation allowance has been recorded.

**Non-GAAP Financial Measures**

**Adjusted EBITDA**

We report our financial results in accordance with GAAP. However, management believes that Adjusted EBITDA, a non-GAAP financial measure, provides investors with additional useful information in evaluating our performance.

Adjusted EBITDA is a financial measure that is not presented in accordance with GAAP. We believe that Adjusted EBITDA, when taken together with our financial results presented in accordance with GAAP, provides meaningful supplemental information regarding our operating performance and facilitates internal comparisons of our historical operating performance on a more consistent basis by excluding certain items that may not be indicative of our business, results of operations or outlook. In particular, we believe that the use of Adjusted EBITDA is helpful to our investors as it is a measure used by management in assessing the health of our business and evaluating our operating performance, as well as for internal planning and forecasting purposes.

Adjusted EBITDA is presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP.

Some of these limitations include that: (i) it does not properly reflect capital commitments to be paid in the future; (ii) although depreciation and amortization are non-cash charges, the underlying assets may need to be replaced and Adjusted EBITDA does not reflect these capital expenditures; (iii) it does not consider the impact of stock-based compensation expense; (iv) it does not reflect other non-operating income and expenses, including interest income and expense; (v) it does not consider the impact of any contingent consideration liability valuation adjustments; (vi) it does not reflect tax payments that may represent a reduction in cash available to us; and (vii) it does not reflect other one-time, non-recurring items, when applicable, such as acquisition-related and restructuring expenses. In addition, our use of Adjusted EBITDA may not be comparable to similarly titled measures of other companies because they may not calculate Adjusted EBITDA in the same manner, limiting its usefulness as a comparative measure. Because of these limitations, when evaluating our performance, you should consider Adjusted EBITDA alongside other financial measures, including our net loss and other results stated in accordance with GAAP.

The following table presents a reconciliation of Adjusted EBITDA to net income (loss), the most directly comparable financial measure stated in accordance with GAAP, for the periods presented:

|   | Three Months Ended March 31, |                   |
|---|------------------------------|-------------------|
|   | 2024                         | 2023              |
| Net income (loss)                       | \$ (20,471)                  | \$ (18,200)       |
| Depreciation and amortization           | 7,802                        | 3,392             |
| Stock-based compensation                | 14,830                       | 11,505            |
| Interest (income) expense               | (2,496)                      | (2,981)           |
| Provision for income taxes              | 440                          | 347               |
| Acquisition-related costs               | 2,120                        | 206               |
| Litigation-related costs <sup>(1)</sup> | 1,553                        | —                 |
| Other                                   | 494                          | 96                |
| <b>Adjusted EBITDA</b>                  | <b>\$ 4,272</b>              | <b>\$ (5,635)</b> |

(1) Litigation-related costs are related to an anti-competition case which we do not consider to be representative of our underlying operating performance

#### **Non-GAAP Net income (loss)**

We report our financial results in accordance with GAAP. However, management believes that Non-GAAP Net income (loss), a financial measure that is not presented in accordance with GAAP, provides investors with additional useful information to measure operating performance and current and future liquidity when taken together with our financial results presented in accordance with GAAP. By providing this information, we believe management and the users of the financial statements are better able to understand the financial results of what we consider to be our organic, continuing operations.

We believe that providing non-GAAP financial measures that exclude stock-based compensation expense allows for more meaningful comparisons between our operating results from period to period. We exclude amortization of acquired intangible assets from the calculation of Non-GAAP Net income (loss). We believe that excluding the impact of amortization of acquired intangible assets allows for more meaningful comparisons between operating results from period to period as the underlying intangible assets are valued at the time of acquisition and are amortized over several years after the acquisition.

We exclude contingent consideration liability valuation adjustments associated with the purchase consideration of transactions accounted for as business combinations. We also exclude certain other one-time, non-recurring items, when applicable, such as acquisition-related and restructuring expenses, because we do not consider such amounts to be part of our ongoing operations nor are they comparable to prior periods nor predictive of future results.

Non-GAAP Net income (loss) is presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP. Some of these limitations include that: (i) it does not consider the impact of stock-based compensation expense; (ii) although amortization is a non-cash charge, the underlying assets may need to be replaced and Non-GAAP Net income (loss) does not reflect these capital expenditures; (iii) it does not consider the impact of any

contingent consideration liability valuation adjustments; and (iv) it does not consider the impact of other one-time charges, such as acquisition-related and restructuring expenses, which could be material to the results of our operations. In addition, our use of Non-GAAP Net income (loss) may not be comparable to similarly titled measures of other companies because they may not calculate Non-GAAP Net income (loss) in the same manner, limiting its usefulness as a comparative measure. Because of these limitations, when evaluating our performance, you should consider Non-GAAP Net income (loss) alongside other financial measures, including our net loss and other results stated in accordance with GAAP.

The following table presents a reconciliation of Non-GAAP Net income (loss) to net loss, the most directly comparable financial measure stated in accordance with GAAP, for the periods presented:

|  | <b>Three Months Ended March 31,</b> |             |
|--|-------------------------------------|-------------|
|  | <b>2024</b>                         | <b>2023</b> |
| Net income (loss)                                    | \$ (20,471)                         | \$ (18,200) |
| Stock-based compensation                             | 14,830                              | 11,505      |
| Amortization of acquired intangible assets           | 2,213                               | 1,173       |
| Amortization of capitalized stock based compensation | 928                                 | 277         |
| Acquisition-related costs                            | 2,120                               | 206         |
| Litigation-related costs <sup>(1)</sup>              | 1,553                               | —           |
| Other  | 45                                  | —           |
| Non-GAAP Net income (loss)                           | \$ 1,218                            | \$ (5,039)  |

(1) Litigation-related costs are related to an anti-competition case which we do not consider to be representative of our underlying operating performance

### **Liquidity and Capital Resources**

We have financed operations since our inception primarily through our marketplace revenue, proceeds from sales of equity securities, and debt facilities.

As of March 31, 2024, our principal sources of liquidity were cash and cash equivalents totaling \$209.8 million, and investments in marketable securities totaling \$131.6 million. We believe that our existing cash and cash equivalents, marketable securities, and cash flow from operations will be sufficient to support working capital and capital expenditure requirements for at least the next 12 months and for the long-term. Our future capital requirements over the long-term will depend on many factors, including volume of sales with existing customers, expansion of sales and marketing activities to acquire new customers, timing and extent of spending to support development efforts and introduction of new and enhanced services. We may, in the future, enter into arrangements to acquire or invest in complementary businesses, products, and technologies. We may be required to seek additional equity or debt financing. In the event that we require additional financing, we may not be able to raise such financing on terms acceptable to us or at all. If we are unable to raise additional capital or generate cash flows necessary to expand our operations and invest in continued innovation, we may not be able to compete successfully, which would harm our business, results of operations and financial condition.

As of March 31, 2024, our principal commitments primarily consist of long-term debt and leases for facilities. We have \$3.2 million of lease obligations due within a year, and an additional \$28.7 million of lease obligations due at various dates through 2038. Refer to Note 7, Leases, of our condensed consolidated financial statements.

In order to compete successfully and sustain operations at current levels over the next 12 months, we will be required to devote a significant amount of operating cash flow to our human capital in the form of salaries and wages. Additionally, we enter into purchase commitments for goods and services made in the ordinary course of business. These purchase commitments include goods and services received and recorded as liabilities as of March 31, 2024 as well as goods and services which have not yet been delivered or performed and have, therefore, not been reflected in our unaudited Condensed Consolidated Balance Sheets and unaudited Condensed Consolidated Statements of Operations. These commitments typically become due after the delivery and completion of such goods or services.

We settle transactions among buyers and sellers using the marketplace, and as a result the value of the vehicles passes through our balance sheet. Because our receivables typically have been, on average, settled faster than our

payables, our cash position at each balance sheet date has been bolstered by marketplace float. Changes in working capital vary from quarter-to-quarter as a result of GMV and the timing of collections and disbursements of funds related to auctions completed near period end.

#### **Our Debt Arrangements**

We also entered into a revolving credit facility with JP Morgan Chase Bank, N.A., or the 2021 Revolver, on August 24, 2021. On June 1, 2023, we entered into an Amendment on the 2021 Revolver which modified the rate at which interest payments are indexed from LIBOR to Secured Overnight Financing Rate ("SOFR").

The 2021 Revolver, provides for a revolving line of credit in the aggregate principal amount of up to \$160.0 million. The 2021 Revolver also includes a sub facility that provides for the issuance of letters of credit up to \$20.0 million outstanding at any time. The 2021 Revolver is guaranteed by substantially all of our material domestic subsidiaries and is secured by substantially all of our and such subsidiaries' assets except for ACV Capital Receivables. The interest rate applicable to the 2021 Revolver is, at our option, either (a) SOFR (or a replacement rate established in accordance with the terms of the credit agreement for the 2021 Revolver) (subject to a 0.00% SOFR floor), plus a margin of 2.75% per annum plus an additional credit spread adjustment of 0.11% for daily and one-month terms, 0.26% for three-month terms and 0.43% for six-month terms or (b) the Alternate Base Rate plus a margin of 1.75% per annum. The Alternate Base Rate is the highest of (a) the Wall Street Journal prime rate, (b) the NYFRB rate plus 0.5% and (c)(i) 1.00% plus (ii) the adjusted SOFR rate for a one-month interest period. The 2021 Revolver has a maturity date of August 24, 2026. The 2021 Revolver contains customary covenants that limit our ability to enter into indebtedness, make distributions and make investments, among other restrictions. The 2021 Revolver also contains financial covenants that require us to maintain a minimum liquidity level and achieve specified trailing four quarter revenue targets.

We were in compliance with all such applicable covenants as of March 31, 2024, and believe we are in compliance as of the date of this Quarterly Report on Form 10-Q. As of March 31, 2024, \$125.0 million was drawn under the 2021 Revolver, and there were outstanding letters of credit issued under the 2021 Revolver in the amount of \$3.1 million.

#### **Cash Flows from Operating, Investing, and Financing Activities**

The following table shows a summary of our cash flows for the periods presented:

|   | <b>Three Months Ended March 31,</b> |             |
|---|-------------------------------------|-------------|
|   | <b>2024</b>                         | <b>2023</b> |
| Net cash provided by (used in) operating activities | \$ 42,975                           | \$ 42,980   |
| Net cash provided by (used in) investing activities | (20,940)                            | (23,866)    |
| Net cash provided by (used in) financing activities | 5,288                               | 17,280      |
| Effect of exchange rate changes                     | (49)                                | 3           |
| Net increase (decrease) in cash and equivalents     | \$ 27,274                           | \$ 36,397   |

#### **Operating Activities**

Our largest source of operating cash is cash collection from fees earned on our marketplace. Our primary uses of cash from operating activities are for personnel expenses, marketing expenses and overhead expenses.

In the three months ended March 31, 2024 and 2023, net cash provided by operating activities was \$43.0 million. Net cash provided by operating activities during the three months ended March 31, 2024 and the three months ended March 31, 2023 consisted primarily of an increase in accounts payable to sellers offset by an increase in accounts receivable from buyers. This is due to the timing of collections and disbursements of funds related to auctions completed near period end. Net cash provided by operating activities was consistent during the three months ended March 31, 2024 relative to the three months ended March 31, 2023.

#### **Investing Activities**

In the three months ended March 31, 2024 and 2023, net cash used in investing activities was \$20.9 million and \$23.9 million, respectively. Net cash used in investing activities during the three months ended March 31, 2024 primarily

related to business acquisitions along with capitalized software development partially offset by the sales/maturities of a portion of our marketable securities portfolio to support our business acquisition transactions. Net cash used in investing activities during the three months ended March 31, 2023 was primarily due to the growth of our finance receivables portfolio.

The decrease in net cash used in investing activities during the three months ended March 31, 2024 relative to the three months ended March 31, 2023 was primarily driven by increased cash outflows for business acquisitions and greater cash inflows from maturities and sales of marketable securities.

#### **Financing Activities**

In the three months ended March 31, 2024 and 2023, net cash provided by financing activities was \$5.3 million and \$17.3 million, respectively. Net cash provided by financing activities during the three months ended March 31, 2024 and the three months ended March 31, 2023 related to proceeds, net of repayments, on long term debt partially offset by payments of RSU tax withholdings in exchange for common shares surrendered by RSU holders.

The decrease during the three months ended March 31, 2024 relative to the three months ended March 31, 2023 was primarily the result of lower proceeds from long term debt, net of repayments of long term debt during the period, partially offset by an increase in payments of RSU tax withholdings.

#### **Acquisitions**

The Company completed three acquisitions of businesses during the quarter ended March 31, 2024. Purchase price allocations related to these acquisitions are subject to adjustments as they are finalized over the 12 month measurement period from the respective acquisition dates. Goodwill acquired in connection with these acquisitions will be deductible for tax purposes in the United States and will be amortized on a straight-line basis over 15 years.

On January 30, 2024, we completed the acquisition of all of the ownership interests of Alliance Auto Auctions for estimated cash consideration of \$66.4 million and 639,976 common shares of the Company's Class A common stock. The fair value of the consideration shares of \$8.6 million was determined based upon the closing market price of the Company's Class A common shares on January 30, 2024. The aggregate purchase price was preliminarily allocated to \$39.7 million of goodwill, \$32.7 million of intangible assets, and \$2.6 million of net assets assumed.

On March 8, 2024, we completed the acquisition of all of the ownership interests of a business ("the March 8, 2024 acquisition") for estimated cash consideration of \$26.7 million. The aggregate purchase price was preliminarily allocated to \$8.1 million of goodwill, \$13.0 million of intangible assets, and \$5.6 million of net assets assumed.

On March 13, 2024, we completed the acquisition of all of the ownership interests of a business ("the March 13, 2024 acquisition") for estimated cash consideration of \$19.1 million. The aggregate purchase price was preliminarily allocated to \$18.7 million of goodwill, \$1.0 million of intangible assets, and \$0.6 million of net liabilities assumed.

#### **Seasonality**

The volume of vehicles sold through our auctions generally fluctuates from quarter to quarter. This seasonality is caused by several factors, including holidays, weather, the seasonality of the retail market for used vehicles and the timing of federal tax returns, which affects the demand side of the auction industry. As a result, revenue and operating expenses related to volume will fluctuate accordingly on a quarterly basis. In the fourth quarter, we typically experience lower used vehicle auction volume as well as additional costs associated with the holidays. Seasonally depressed used vehicle auction volume typically continues during the winter months through the first quarter. Typical seasonality trends may not be observed in periods where other external factors more significantly impact the industry.

#### **Critical Accounting Estimates**

Our financial statements are prepared in accordance with GAAP. The preparation of these financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, expenses and related disclosures. We evaluate our estimates and assumptions on an ongoing basis. Our estimates are based on historical experience and various other assumptions that we believe are reasonable under the circumstances, however, our actual results could differ from these estimates.

There have been no material changes to our critical accounting estimates as compared to those disclosed in the Annual Report.

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

We are exposed to market risk in the ordinary course of our business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily the result of fluctuations in interest rates.

**Interest Rate Risk**

We had cash and cash equivalents of \$209.8 million and marketable securities of \$131.6 million as of March 31, 2024, which consisted of interest-bearing investments with maturities of three months or less and investment grade securities respectively. Interest-earning instruments carry a degree of interest rate risk as increases in rates will negatively affect the fair value of our marketable securities. 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. We had borrowings from banks of \$125.0 million as of March 31, 2024. The interest rate paid on these borrowings is variable, indexed to SOFR. Therefore increases in interest rates will increase the interest expense on these borrowings. A hypothetical 100 basis point change in interest rates would not result in a material impact on our condensed consolidated financial statements.

**Item 4. Controls and Procedures.**

**Evaluation of Disclosure Controls and Procedures**

We maintain "disclosure controls and procedures," as defined in Rule 13a-15(e) and Rule 15d-15(e) under the Exchange Act, that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to our management, including our principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures as of March 31, 2024. Based on the evaluation of our disclosure controls and procedures as of March 31, 2024, our Chief Executive Officer and Chief Financial Officer concluded that, as of such date, our disclosure controls and procedures were effective at the reasonable assurance level.

**Changes in Internal Control Over Financial Reporting**

There was no change in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the period covered by this Quarterly Report on Form 10-Q that has materially affected, or is 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, believes that our disclosure controls and procedures and internal control over financial reporting are designed to provide reasonable assurance of achieving their objectives and are effective at the reasonable assurance level. However, management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all errors and fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. 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, within the company have been detected. The design of any system of controls also is 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 the 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.**

From time to time we may become involved in legal proceedings or be subject to claims arising in the ordinary course of our business. The material set forth in [Note 5](#) (pertaining to information regarding legal contingencies) of the Notes of the Condensed Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q is incorporated herein by reference.

### **Item 1A. Risk Factors.**

There have been no material changes to the risk factors previously disclosed in the Annual Report. Refer to the Annual Report for a complete discussion of our potential risks and uncertainties related to our business and on investment in our Class A common stock. The risks and uncertainties described in our Annual Report are not the only ones we face. Additional risks and uncertainties that we are unaware of, or that we currently believe are not material, may also become important factors that adversely affect our business. If any risks not specified in our Annual Report materialize, our business, financial condition and results of operations could be materially and adversely affected. See also "Special Note Regarding Forward-Looking Statements" in this Quarterly Report on Form 10-Q for additional information.

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

#### **(a) Recent Sales of Unregistered Equity Securities**

On March 13, 2024, we issued 132,241 shares of Class A common stock in connection with an acquisition. The issuance was made pursuant to the exemption from the registration requirement of the Securities Act provided by Section 4(a)(2) of the Securities Act as a transaction by an issuer not involving a public offering.

On January 30, 2024, we issued 1,280,834 shares of Class A common stock in connection with an acquisition. The issuance was made pursuant to the exemption from the registration requirement of the Securities Act provided by Section 4(a)(2) of the Securities Act as a transaction by an issuer not involving a public offering.

#### **(b) Use of Proceeds**

Not applicable.

#### **(c) Issuer Purchases of Equity Securities**

Not applicable.

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

Not applicable.

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

Not applicable.

### **Item 5. Other Information.**

On February 28, 2024, Michael Waterman, our Chief Sales Officer, adopted a "Rule 10b5-1 trading arrangement" (as defined in Item 408 of Regulation S-K) (the "Waterman Plan"). The Waterman Plan contemplates the sale of up to 211,752 shares between May 29, 2024 and February 27, 2025, subject to certain volume limitations and excluding specified "No Sale" periods. The Waterman Plan is scheduled to terminate on February 27, 2025.

Other than disclosed above, no other officer or director adopted, modified or terminated a Rule 10b5-1 trading arrangement or "non-Rule 10b5-1 trading arrangement" (as defined in Item 408 of Regulation S-K) during the three months ended March 31, 2024.

**Item 6. Exhibits.**

| Exhibit Number | Description  | Form | File No.  | Exhibit | Filing Date    | Filed Herewith |
|----------------|--|------|-----------|---------|----------------|----------------|
| 3.1            | <a href="#">Amended and Restated Certificate of Incorporation of the Registrant, as currently in effect.</a>   | 8-K  | 001-40256 | 3.1     | March 26, 2021 | X              |
| 3.2            | <a href="#">Amended and Restated Bylaws of the Registrant, as currently in effect.</a>   | 8-K  | 001-40256 | 3.2     | March 26, 2021 |                |
| 10.1+          | <a href="#">Form of Performance Stock Unit Agreement pursuant to the ACV auctions Inc. 2021 Equity Incentive Plan</a>  |      |           |         |                | X              |
| 10.2+          | <a href="#">Form of Restricted Stock Unit Agreement pursuant to the ACV Auctions Inc. 2021 Equity Incentive Plan</a>   |      |           |         |                | X              |
| 10.3           | <a href="#">Fifth Amendment to Lease Agreement, dated as of March 20, 2024, by and between the Registrant and 640 Ellicott Street, LLC</a>   |      |           |         |                | X              |
| 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> |      |           |         |                | X              |
| 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> |      |           |         |                | X              |
| 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>                     |      |           |         |                | X              |
| 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>                     |      |           |         |                | X              |
| 101.INS        | Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because 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 (embedded within the Inline XBRL document) |

\* This certification is deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section, nor shall it be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

**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.

ACV Auctions Inc.

Date: May 8, 2024

By: \_\_\_\_\_ /s/ George Chamoun  
**George Chamoun**  
**Chief Executive Officer and Director**

Date: May 8, 2024

By: \_\_\_\_\_ /s/ William Zerella  
**William Zerella**  
**Chief Financial Officer**

**ACV AUCTIONS INC. PSU AWARD GRANT NOTICE  
(2021 EQUITY INCENTIVE PLAN)**

ACV Auctions Inc. (the “**Company**”) has awarded to you (the “**Participant**”) the number of performance restricted stock units specified and on the terms set forth below (the “**PSU Award**”). Your PSU Award is subject to all of the terms and conditions as set forth herein and in the Company’s 2021 Equity Incentive Plan (the “**Plan**”) and the Award Agreement (including any exhibit or appendix thereto) (the “**Agreement**”), which are attached hereto and incorporated herein in their entirety. Capitalized terms not explicitly defined herein but defined in the Plan or the Agreement shall have the meanings set forth in the Plan or the Agreement.

Participant: \_\_\_\_\_

Date of Grant: \_\_\_\_\_

Vesting Commencement Date: \_\_\_\_\_

Target Number of Performance Restricted Stock Units: \_\_\_\_\_

**Participant Acknowledgements:** By your signature below or by electronic acceptance or authentication in a form authorized by the Company, you understand and agree that:

- The PSU Award is governed by this PSU Award Grant Notice (the “**Grant Notice**”), and the provisions of the Plan and the Agreement, all of which are made a part of this document. Unless otherwise provided in the Plan or in this Grant Notice and the Agreement (together, the “**PSU Award Agreement**”), the PSU Award Agreement may not be modified, amended or revised except in a writing signed by you and a duly authorized officer of the Company.
- You have read and are familiar with the provisions of the Plan, the PSU Award Agreement and the Prospectus. In the event of any conflict between the provisions in the PSU Award Agreement, or the Prospectus and the terms of the Plan, the terms of the Plan shall control.
- The PSU Award Agreement sets forth the entire understanding between you and the Company regarding the acquisition of Common Stock and supersedes all prior oral and written agreements, promises and/or representations on that subject with the exception of: (i) other equity awards previously granted to you (which shall be governed by the award agreement and equity plan applicable to such award), and (ii) any severance agreement, written severance plan or policy, or other written agreement between the Company and you, in each case that specifically provides for terms that govern this PSU Award and provided that such terms have been duly approved by the Board (or a Committee or other permissible delegate under the Plan).

If you have not actively accepted (or declined) the PSU Award within 60 days after the Date of Grant set forth in this Grant Notice, you will be deemed to have accepted the PSU Award, subject to all of the terms and conditions of the PSU Award Agreement.

**ATTACHMENTS :** PSU Award Agreement

**ACV AUCTIONS INC.  
2021 EQUITY INCENTIVE PLAN**

**AWARD AGREEMENT (PSU AWARD)**

As reflected by your Performance Restricted Stock Unit Grant Notice ("**Grant Notice**"), ACV Auctions Inc. (the "**Company**") has granted you a RSU Award under its 2021 Equity Incentive Plan (the "**Plan**") for the target number of performance restricted stock units as indicated in your Grant Notice (the "**PSU Award**"). The terms of your PSU Award as specified in this Award Agreement for your PSU Award (including any exhibit or appendix hereto) (the "**Agreement**") and the Grant Notice constitute your "**PSU Award Agreement**". Defined terms not explicitly defined in this Agreement but defined in the Grant Notice or the Plan shall have the same definitions as in the Grant Notice or Plan, as applicable.

The general terms applicable to your PSU Award are as follows:

1. **Governing Plan Document.** Your PSU Award is subject to all the provisions of the Plan, including but not limited to the provisions in:

Section 5(a) of the Plan as they relate to RSU Awards.

Section 6 of the Plan regarding the impact of a Capitalization Adjustment, dissolution, liquidation, or Corporate Transaction on your PSU Award;

Section 9(e) of the Plan regarding the Company's or any Affiliate's retained rights to terminate your Continuous Service notwithstanding the grant of the PSU Award; provided that the language "at will" in Section 9(e) of the Plan shall be interpreted to mean the Company's or an Affiliate's right to terminate your Continuous Service at any time for any lawful reason; and

Section 8(c) of the Plan regarding the tax consequences of your PSU Award.

Your PSU Award is further subject to all interpretations, amendments, rules and regulations, which may from time to time be promulgated and adopted pursuant to the Plan. In the event of any conflict between the PSU Award Agreement and the provisions of the Plan, the provisions of the Plan shall control.

2. **Grant of the PSU Award.** This PSU Award represents your right to be issued on a future date the number of shares of the Company's Common Stock that is equal to the number of performance restricted stock units that vest according to the vesting conditions set forth herein as modified to reflect any Capitalization Adjustment (the "**Performance Stock Units**"). Any additional Performance Stock Units that become subject to the PSU Award pursuant to Capitalization Adjustments as set forth in the Plan and the provisions of Section 4 below, if any, shall be subject, in a manner determined by the Board, to the same forfeiture restrictions,

restrictions on transferability, and time and manner of delivery as applicable to the other Performance Stock Units covered by your PSU Award.

3. **Vesting.** Your Performance Stock Units will vest, if at all, in accordance with Exhibit A attached hereto, subject to any severance agreement, written severance plan or policy, or other written agreement between the Company and you, in each case that specifically provides for vesting terms that apply to this PSU Award and provided that such terms have been duly approved by the Board. Exhibit A constitutes part of this Agreement.

4. **Dividends.** You may become entitled to receive payments equal to any cash dividends and other distributions paid with respect to a corresponding number of shares of Common Stock to be issued in respect of the Performance Stock Units covered by your PSU Award. Any such dividends or distributions shall be subject to the same forfeiture restrictions as apply to the Performance Stock Units and shall be paid at the same time that the corresponding shares are issued in respect of your vested Performance Stock Units, provided, however that to the extent any such dividends or distributions are paid in shares of Common Stock, then you will automatically be granted a corresponding number of additional Performance Stock Units subject to the PSU Award (the “**Dividend Units**”), and further provided that such Dividend Units shall be subject to the same forfeiture restrictions and restrictions on transferability, and same timing requirements for issuance of shares, as apply to the Performance Stock Units subject to the PSU Award with respect to which the Dividend Units relate.

#### 5. **Responsibility for Taxes.**

You acknowledge that, regardless of any action taken by the Company or, if different, the Employer, the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable or deemed applicable to you (“**Tax-Related Items**”) is and remains your responsibility and may exceed the amount, if any, actually withheld by the Company or the Employer. You further acknowledge that the Company and/or the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of your PSU Award or the underlying shares, including, but not limited to, the grant, vesting or settlement of the PSU Award, the subsequent sale of shares of Common Stock acquired pursuant to such settlement and the receipt of any dividends and/or any dividend equivalents; and (b) do not commit to and are under no obligation to structure the terms of the grant or any aspect of your PSU Award to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. Further, if you are subject to Tax-Related Items in more than one jurisdiction, you acknowledge that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, you agree to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, you authorize the Company and/or the Employer, or their respective agents, at their discretion, to satisfy any applicable withholding obligations or rights with regard to all Tax-Related Items by one or a combination of the following:

- (i) requiring you to make a payment to the Company or the Employer in a form acceptable to the Company; or
- (ii) withholding from your wages or other cash compensation payable to you by the Company or any Affiliate (including the Employer); or
- (iii) withholding from proceeds of the sale of shares of Common Stock acquired upon settlement of the PSU Award either through a voluntary sale or through a mandatory sale arranged by the Company (on your behalf pursuant to this authorization without further consent); or
- (iv) withholding in shares of Common Stock to be issued upon settlement of the PSU Award; or
- (v) any other method of withholding determined by the Company and, to the extent required by applicable law or the Plan, approved by the Committee.

The Company may withhold or account for Tax-Related Items by considering statutory or other withholding rates, including minimum or maximum rates applicable in your jurisdiction(s). In the event the application of the selected rate results in over-withholding, you may receive a refund of any over-withheld amount in cash (with no entitlement to the equivalent in Common Stock), or if not refunded, you may seek a refund from the local tax authorities. In the event the application of the selected rate results in under-withholding, you may be required to pay any additional Tax-Related Items directly to the applicable tax authority or to the Company and/or the Employer. If the obligation for Tax-Related Items is satisfied by withholding in shares of Common Stock, for tax purposes, you will be deemed to have been issued the full number of shares of Common Stock subject to the vested Performance Stock Units, notwithstanding that a number of the shares of Common Stock is held back solely for the purpose of paying the Tax-Related Items.

The Company may refuse to issue or deliver the shares or the proceeds of the sale of shares of Common Stock, if you fail to comply with your obligations in connection with the Tax-Related Items.

## 6. **Date of Issuance.**

The issuance of shares in respect of the Performance Stock Units is intended to comply with Treasury Regulations Section 1.409A-1(b)(4) and will be construed and administered in such a manner. Subject to the satisfaction of the withholding obligation for Tax-Related Items, if any, in the event one or more Performance Stock Units vests, the Company shall issue to you one (1) share of Common Stock for each Performance Stock Unit that vests on the applicable vesting date(s) (subject to any adjustment under Section 4 above, and subject to any different provisions in Exhibit A ). Each issuance date determined by this paragraph is referred to as an "***Original Issuance Date***."

If the Original Issuance Date falls on a date that is not a business day, delivery shall instead occur on the next following business day. In addition, if:

- (i) the Original Issuance Date does not occur (1) during an "open window period" applicable to you, as determined by the Company in accordance with the Company's then-effective policy on trading in Company securities, or (2) on a date when you are otherwise permitted to sell shares of Common Stock on an established stock exchange or stock market (including but not limited to under a previously established written trading plan that meets the requirements of Rule 10b5-1 under the Exchange Act and was entered into in compliance with the Company's policies (a "**10b5-1 Arrangement**")), and
- (ii) either (1) a withholding obligation for Tax-Related Items does not apply, or (2) the Company decides, prior to the Original Issuance Date, (A) not to satisfy the withholding obligation for Tax-Related Items by withholding shares of Common Stock from the shares otherwise due, on the Original Issuance Date, to you under this Award, and (B) not to permit you to enter into a "same day sale" commitment with a broker-dealer (including but not limited to a commitment under a 10b5-1 Arrangement) and (C) not to permit you to pay the withholding obligation for Tax-Related Items in cash,
- (iii) then the shares that would otherwise be issued to you on the Original Issuance Date will not be delivered on such Original Issuance Date and will instead be delivered on the first business day when you are not prohibited from selling shares of the Company's Common Stock in the open public market or on such other date determined by the Company, but in no event later than December 31 of the calendar year in which the Original Issuance Date occurs (that is, the last day of your taxable year in which the Original Issuance Date occurs), or, if and only if permitted in a manner that complies with Treasury Regulations Section 1.409A-1(b)(4), no later than the date that is the 15th day of the third calendar month of the applicable year following the year in which the shares of Common Stock under this Award are no longer subject to a "substantial risk of forfeiture" within the meaning of Treasury Regulations Section 1.409A-1(d).

To the extent the PSU Award is a Non-Exempt Award, the provisions of Section 11 of the Plan shall apply.

7. **Transferability.** Except as otherwise provided in the Plan, your PSU Award is not transferable, except by will or by the applicable laws of descent and distribution.

8. **Corporate Transaction.** Your PSU Award is subject to the terms of any agreement governing a Corporate Transaction involving the Company, including, without limitation, a provision for the appointment of a stockholder representative that is authorized to act on your behalf with respect to any escrow, indemnities and any contingent consideration.

9. **No Liability for Taxes.** As a condition to accepting the PSU Award, you hereby (a) agree to not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates related to tax liabilities arising from the PSU Award or, to the extent applicable and permissible under Applicable Law, other Company compensation and (b) acknowledge that you were advised to consult with your own personal tax, financial and other legal advisors regarding

the tax consequences of the PSU Award and have either done so or knowingly and voluntarily declined to do so.

10. **Severability.** If any part of this Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity will not invalidate any portion of this Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Agreement (or part of such a Section) so declared to be unlawful or invalid will, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

11. **Other Documents.** You hereby acknowledge receipt of or the right to receive a document providing the information required by Rule 428(b)(1) promulgated under the Securities Act, which includes the Prospectus. In addition, you acknowledge receipt of the Company's Trading Policy.

12. **Questions.** If you have questions regarding these or any other terms and conditions applicable to your PSU Award, including a summary of the applicable federal income tax consequences, please see the Prospectus.

13. **Non-U.S. and Country-Specific Provisions.** Your PSU Award and any shares of the Company's Common Stock subject to your PSU Award shall be subject to any terms and conditions set forth in Exhibit B attached hereto. Moreover, if you relocate to one of the countries included in Exhibit B, the terms and conditions for such country will apply to you, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative purposes. Exhibit B constitutes part of this PSU Award Agreement.

14. **Imposition of Other Requirements.** The Company reserves the right to impose other requirements on your participation in the Plan, on your PSU Award and on any shares of Common Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

15. **Callback; Recoupment.** By accepting your PSU Award and as provided in Section 9(i) of the Plan, you acknowledge and agree that the Company will be entitled, to the extent permitted or required by Applicable Law, Company policy and/or the requirements of any securities exchange on which the shares of Common Stock are listed for trading, in each case, as in effect from time to time, to recoup any benefit or proceeds of whatever kind paid to you pursuant to the PSU Award; provided, however, that any recoupment pursuant to this provision will not be considered an event giving rise to your right to voluntarily terminate employment upon a "resignation for good reason," or for a "constructive termination" or any similar term under any plan or agreement with the Company or a subsidiary of the Company. To satisfy any recoupment obligation or right described herein, you expressly and explicitly authorize the Company to issue instructions, on your behalf, to any brokerage firm or stock plan service provider engaged by the Company to hold any shares of Common Stock or other amounts acquired pursuant to the PSU Award to re-convey, transfer or otherwise return such shares of

Common Stock and/or other amounts to the Company upon the Company's enforcement of the recoupment obligation or right.

**ACV AUCTIONS INC. RSU AWARD GRANT NOTICE  
(2021 EQUITY INCENTIVE PLAN)**

ACV Auctions Inc. (the “**Company**”) has awarded to you (the “**Participant**”) the number of restricted stock units specified and on the terms set forth below (the “**RSU Award**”). Your RSU Award is subject to all of the terms and conditions as set forth herein and in the Company’s 2021 Equity Incentive Plan (the “**Plan**”) and the Award Agreement (including any exhibit or appendix thereto) (the “**Agreement**”), which are attached hereto and incorporated herein in their entirety. Capitalized terms not explicitly defined herein but defined in the Plan or the Agreement shall have the meanings set forth in the Plan or the Agreement.

Participant: \_\_\_\_\_

Date of Grant: \_\_\_\_\_

Vesting Commencement Date: \_\_\_\_\_

Number of Restricted Stock Units: \_\_\_\_\_

**Participant Acknowledgements:** By your signature below or by electronic acceptance or authentication in a form authorized by the Company, you understand and agree that:

- The RSU Award is governed by this RSU Award Grant Notice (the “**Grant Notice**”), and the provisions of the Plan and the Agreement, all of which are made a part of this document. Unless otherwise provided in the Plan or in this Grant Notice and the Agreement (together, the “**RSU Award Agreement**”), the RSU Award Agreement may not be modified, amended or revised except in a writing signed by you and a duly authorized officer of the Company.
- You have read and are familiar with the provisions of the Plan, the RSU Award Agreement and the Prospectus. In the event of any conflict between the provisions in the RSU Award Agreement, or the Prospectus and the terms of the Plan, the terms of the Plan shall control.
- The RSU Award Agreement sets forth the entire understanding between you and the Company regarding the acquisition of Common Stock and supersedes all prior oral and written agreements, promises and/or representations on that subject with the exception of: (i) other equity awards previously granted to you (which shall be governed by the award agreement and equity plan applicable to such award), and (ii) any severance agreement, written severance plan or policy, or other written agreement between the Company and you, in each case that specifically provides for terms that govern this RSU Award and provided that such terms have been duly approved by the Board (or a Committee or other permissible delegate under the Plan).

If you have not actively accepted (or declined) the RSU Award within 60 days after the Date of Grant set forth in this Grant Notice, you will be deemed to have accepted the RSU Award, subject to all of the terms and conditions of the RSU Award Agreement.

**ATTACHMENTS :** RSU Award Agreement

**ACV AUCTIONS INC.  
2021 EQUITY INCENTIVE PLAN**

**AWARD AGREEMENT (RSU AWARD)**

As reflected by your Restricted Stock Unit Grant Notice ("**Grant Notice**"), ACV Auctions Inc. (the "**Company**") has granted you a RSU Award under its 2021 Equity Incentive Plan (the "**Plan**") for the number of restricted stock units as indicated in your Grant Notice (the "**RSU Award**"). The terms of your RSU Award as specified in this Award Agreement for your RSU Award (including any exhibit or appendix hereto) (the "**Agreement**") and the Grant Notice constitute your "**RSU Award Agreement**". Defined terms not explicitly defined in this Agreement but defined in the Grant Notice or the Plan shall have the same definitions as in the Grant Notice or Plan, as applicable.

The general terms applicable to your RSU Award are as follows:

1. **Governing Plan Document.** Your RSU Award is subject to all the provisions of the Plan, including but not limited to the provisions in:

Section 6 of the Plan regarding the impact of a Capitalization Adjustment, dissolution, liquidation, or Corporate Transaction on your RSU Award;

Section 9(e) of the Plan regarding the Company's or any Affiliate's retained rights to terminate your Continuous Service notwithstanding the grant of the RSU Award; provided that the language "at will" in Section 9(e) of the Plan shall be interpreted to mean the Company's or an Affiliate's right to terminate your Continuous Service at any time for any lawful reason; and

Section 8(c) of the Plan regarding the tax consequences of your RSU Award.

Your RSU Award is further subject to all interpretations, amendments, rules and regulations, which may from time to time be promulgated and adopted pursuant to the Plan. In the event of any conflict between the RSU Award Agreement and the provisions of the Plan, the provisions of the Plan shall control.

2. **Grant of the RSU Award.** This RSU Award represents your right to be issued on a future date the number of shares of the Company's Common Stock that is equal to the number of restricted stock units indicated in the Grant Notice as modified to reflect any Capitalization Adjustment and subject to your satisfaction of the vesting conditions set forth herein (the "**Restricted Stock Units**"). Any additional Restricted Stock Units that become subject to the RSU Award pursuant to Capitalization Adjustments as set forth in the Plan and the provisions of Section 4 below, if any, shall be subject, in a manner determined by the Board, to the same forfeiture restrictions, restrictions on transferability, and time and manner of delivery as applicable to the other Restricted Stock Units covered by your RSU Award.

3. **Vesting.** Your Restricted Stock Units will vest, if at all, in accordance with Exhibit A attached hereto, subject to any severance agreement, written severance plan or policy, or other

written agreement between the Company and you, in each case that specifically provides for vesting terms that apply to this RSU Award and provided that such terms have been duly approved by the Board. Exhibit A constitutes part of this Agreement.

4. **Dividends.** You may become entitled to receive payments equal to any cash dividends and other distributions paid with respect to a corresponding number of shares of Common Stock to be issued in respect of the Restricted Stock Units covered by your RSU Award. Any such dividends or distributions shall be subject to the same forfeiture restrictions as apply to the Restricted Stock Units and shall be paid at the same time that the corresponding shares are issued in respect of your vested Restricted Stock Units, provided, however that to the extent any such dividends or distributions are paid in shares of Common Stock, then you will automatically be granted a corresponding number of additional Restricted Stock Units subject to the RSU Award (the “**Dividend Units**”), and further provided that such Dividend Units shall be subject to the same forfeiture restrictions and restrictions on transferability, and same timing requirements for issuance of shares, as apply to the Restricted Stock Units subject to the RSU Award with respect to which the Dividend Units relate.

5. **Responsibility for Taxes.**

You acknowledge that, regardless of any action taken by the Company or, if different, the Employer, the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to your participation in the Plan and legally applicable or deemed applicable to you (“**Tax-Related Items**”) is and remains your responsibility and may exceed the amount, if any, actually withheld by the Company or the Employer. You further acknowledge that the Company and/or the Employer (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of your RSU Award or the underlying shares, including, but not limited to, the grant, vesting or settlement of the RSU Award, the subsequent sale of shares of Common Stock acquired pursuant to such settlement and the receipt of any dividends and/or any dividend equivalents; and (b) do not commit to and are under no obligation to structure the terms of the grant or any aspect of your RSU Award to reduce or eliminate your liability for Tax-Related Items or achieve any particular tax result. Further, if you are subject to Tax-Related Items in more than one jurisdiction, you acknowledge that the Company and/or the Employer (or former employer, as applicable) may be required to withhold or account for Tax-Related Items in more than one jurisdiction.

Prior to any relevant taxable or tax withholding event, as applicable, you agree to make adequate arrangements satisfactory to the Company and/or the Employer to satisfy all Tax-Related Items. In this regard, you authorize the Company and/or the Employer, or their respective agents, at their discretion, to satisfy any applicable withholding obligations or rights with regard to all Tax-Related Items by one or a combination of the following:

- (i) requiring you to make a payment to the Company or the Employer in a form acceptable to the Company; or

- (ii) withholding from your wages or other cash compensation payable to you by the Company or any Affiliate (including the Employer); or
- (iii) withholding from proceeds of the sale of shares of Common Stock acquired upon settlement of the RSU Award either through a voluntary sale or through a mandatory sale arranged by the Company (on your behalf pursuant to this authorization without further consent); or
- (iv) withholding in shares of Common Stock to be issued upon settlement of the RSU Award; or
- (v) any other method of withholding determined by the Company and, to the extent required by applicable law or the Plan, approved by the Committee.

The Company may withhold or account for Tax-Related Items by considering statutory or other withholding rates, including minimum or maximum rates applicable in your jurisdiction(s). In the event the application of the selected rate results in over-withholding, you may receive a refund of any over-withheld amount in cash (with no entitlement to the equivalent in Common Stock), or if not refunded, you may seek a refund from the local tax authorities. In the event the application of the selected rate results in under-withholding, you may be required to pay any additional Tax-Related Items directly to the applicable tax authority or to the Company and/or the Employer. If the obligation for Tax-Related Items is satisfied by withholding in shares of Common Stock, for tax purposes, you will be deemed to have been issued the full number of shares of Common Stock subject to the vested Restricted Stock Units, notwithstanding that a number of the shares of Common Stock is held back solely for the purpose of paying the Tax-Related Items.

The Company may refuse to issue or deliver the shares or the proceeds of the sale of shares of Common Stock, if you fail to comply with your obligations in connection with the Tax-Related Items.

## 6. **Date of Issuance.**

The issuance of shares in respect of the Restricted Stock Units is intended to comply with Treasury Regulations Section 1.409A-1(b)(4) and will be construed and administered in such a manner. Subject to the satisfaction of the withholding obligation for Tax-Related Items, if any, in the event one or more Restricted Stock Units vests, the Company shall issue to you one (1) share of Common Stock for each Restricted Stock Unit that vests on the applicable vesting date(s) (subject to any adjustment under Section 4 above, and subject to any different provisions in Exhibit A). Each issuance date determined by this paragraph is referred to as an "***Original Issuance Date***."

If the Original Issuance Date falls on a date that is not a business day, delivery shall instead occur on the next following business day. In addition, if:

(i) the Original Issuance Date does not occur (1) during an "open window period" applicable to you, as determined by the Company in accordance with the Company's then-effective policy on trading in Company securities, or (2) on a date when you are otherwise permitted to sell shares of Common Stock on an established stock exchange or stock market (including but not limited to under a previously established written trading plan that meets the requirements of Rule 10b5-1 under the Exchange Act and was entered into in compliance with the Company's policies (a "**10b5-1 Arrangement** ")), and

(ii) either (1) a withholding obligation for Tax-Related Items does not apply, or (2) the Company decides, prior to the Original Issuance Date, (A) not to satisfy the withholding obligation for Tax-Related Items by withholding shares of Common Stock from the shares otherwise due, on the Original Issuance Date, to you under this Award, and (B) not to permit you to enter into a "same day sale" commitment with a broker-dealer (including but not limited to a commitment under a 10b5-1 Arrangement) and (C) not to permit you to pay the withholding obligation for Tax-Related Items in cash,

(iii) then the shares that would otherwise be issued to you on the Original Issuance Date will not be delivered on such Original Issuance Date and will instead be delivered on the first business day when you are not prohibited from selling shares of the Company's Common Stock in the open public market or on such other date determined by the Company, but in no event later than December 31 of the calendar year in which the Original Issuance Date occurs (that is, the last day of your taxable year in which the Original Issuance Date occurs), or, if and only if permitted in a manner that complies with Treasury Regulations Section 1.409A-1(b)(4), no later than the date that is the 15th day of the third calendar month of the applicable year following the year in which the shares of Common Stock under this Award are no longer subject to a "substantial risk of forfeiture" within the meaning of Treasury Regulations Section 1.409A-1(d).

To the extent the RSU Award is a Non-Exempt Award, the provisions of Section 11 of the Plan shall apply.

7. **Transferability.** Except as otherwise provided in the Plan, your RSU Award is not transferable, except by will or by the applicable laws of descent and distribution.

8. **Corporate Transaction.** Your RSU Award is subject to the terms of any agreement governing a Corporate Transaction involving the Company, including, without limitation, a provision for the appointment of a stockholder representative that is authorized to act on your behalf with respect to any escrow, indemnities and any contingent consideration.

9. **No Liability for Taxes.** As a condition to accepting the RSU Award, you hereby (a) agree to not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates related to tax liabilities arising from the RSU Award or, to the extent applicable and permissible under Applicable Law, other Company compensation and (b) acknowledge that you were advised to consult with your own personal tax, financial and other legal advisors regarding

the tax consequences of the RSU Award and have either done so or knowingly and voluntarily declined to do so.

10. **Severability.** If any part of this Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity will not invalidate any portion of this Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Agreement (or part of such a Section) so declared to be unlawful or invalid will, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

11. **Other Documents.** You hereby acknowledge receipt of or the right to receive a document providing the information required by Rule 428(b)(1) promulgated under the Securities Act, which includes the Prospectus. In addition, you acknowledge receipt of the Company's Trading Policy.

12. **Questions.** If you have questions regarding these or any other terms and conditions applicable to your RSU Award, including a summary of the applicable federal income tax consequences, please see the Prospectus.

13. **Non-U.S. and Country-Specific Provisions.** Your RSU Award and any shares of the Company's Common Stock subject to your RSU Award shall be subject to any terms and conditions set forth in Exhibit B attached hereto. Moreover, if you relocate to one of the countries included in Exhibit B, the terms and conditions for such country will apply to you, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative purposes. Exhibit B constitutes part of this RSU Award Agreement.

14. **Imposition of Other Requirements.** The Company reserves the right to impose other requirements on your participation in the Plan, on your RSU Award and on any shares of Common Stock acquired under the Plan, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require you to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

**FIFTH AMENDMENT TO LEASE AGREEMENT**

**This Fifth Amendment To Lease Agreement** (this "Fifth Amendment") by and between **640 Ellicott Street, LLC**, a New York limited liability company having an address at 640 Ellicott Street, Suite 401, Buffalo New York 14203 (the "Landlord") and **ACV Auctions, Inc.**, a Delaware corporation with offices at 640 Ellicott Street, Buffalo, New York 14203 (the "Tenant") is effective the \_\_\_\_ day of March, 2024 (the "Effective Date").

**WHEREAS**, Landlord and Tenant are parties to a certain lease agreement dated as of November 30, 2017, as amended (the "Lease"); and

**WHEREAS**, Tenant currently leases forty-three thousand one hundred and eight (43,108) rentable square feet (the "Premises") of the building located at 640 Ellicott Street, Buffalo, New York (the "Building"); and

**WHEREAS**, Tenant has agreed to lease from Landlord and Landlord has agreed to lease to Tenant an additional five thousand seven hundred (5,700) rentable square feet of office space located on the fourth floor of the Building, which space is identified as areas "A" and "B" on Exhibit A(3) attached to the Third Amendment to Lease Agreement (the "Third Expansion Space"); and

**WHEREAS**, Landlord has granted to Tenant an option (the "Option") to lease additional space in the Building designated as areas "C" through "F" on Exhibit A(3) (the "Fourth Expansion Space"), totaling an additional eighteen thousand one hundred (18,100) rentable square feet of office space; and

**WHEREAS**, Landlord has granted to Tenant an additional option (the "Additional Option") to lease space in the Building designated as area "G" on Exhibit A(4) attached to the Fourth Amendment to Lease Agreement (the "Fifth Expansion Space"), totaling approximately twenty five thousand (25,000) rentable square feet of office space; and

**WHEREAS**, Landlord and Tenant desire to amend the terms of the Lease to change the Commencement Date for the Third Expansion Space and to extend the Option and Additional Option.

**NOW, THEREFORE**, in consideration of mutual promises contained herein and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, and intending to be bound hereby, the parties hereto agree as follows:

1. All capitalized terms not defined herein shall have the meaning set forth in the Lease.
2. Section 3. of the Fourth Amendment to Lease Agreement shall be replaced in its entirety with the following:

"Base Rent per rentable square foot for the Third Expansion Space shall be the same rate per rentable square foot charged for the Premises. The Commencement Dates and corresponding dates for commencement of the payment of Base Rent for the Third Expansion Space are set forth on the schedule below, with successive installments to be paid on or before the first day of each month thereafter in accordance with the terms of Section 3.1 of the Lease.

| Designation on<br><u>Exhibit A(3)</u> | Rent<br><u>Commencement Date</u> | Rentable<br><u>Commencement</u> | Square Feet |
|---------------------------------------|----------------------------------|---------------------------------|-------------|
| A 5/1/2024                            | 8/1/2024                         | 3,000                           |             |
| B 5/1/2024                            | 8/1/2024                         | 2,700                           |             |

3. Section 5. of the Fourth Amendment to Lease Agreement shall be replaced in its entirety with the following:

"The second sentence of Section 3.2, Payment of Operating Expenses, is hereby deleted in its entirety and replaced with the following:

"Tenant's pro rata share shall be calculated as the percentage of the Building's RSF occupied by Tenant pursuant to this Lease, which is specified below out of the total 110,590 RSF in the Building."

| <u>Effective Date</u> | <u>Tenant's RSF</u> | <u>% of Building RSF</u> |
|-----------------------|---------------------|--------------------------|
| 5/1/2024              | 43,108              | 38.98%                   |

4. Section 7. of the Third Amendment to Lease Agreement is hereby amended to extend the notice deadline and the Option expiration from March 31, 2024 to April 30, 2024.
5. Section 6. of the Fourth Amendment to Lease Agreement is hereby amended to extend the notice deadline and the Additional Option expiration from March 31, 2024 to April 30, 2024. Section 6. of the Fourth Amendment to Lease Agreement is further amended to extend the expiration of Tenant's termination right for the Third Expansion Space from March 31, 2024 to April 30, 2024.
6. In the event of a conflict between any provisions of this Fifth Amendment and the Lease, the terms and conditions of this Fifth Amendment shall govern and control.
7. This Fifth Amendment may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and such counterparts together shall constitute only one original.

**IN WITNESS WHEREOF**, Landlord and Tenant have executed this Fifth Amendment as of the day and year first above written.

**LANDLORD: 640 ELLICOTT STREET, LLC**

By: \_\_\_\_\_  
Buffalo Niagara Medical Campus, Inc., Member, by  
Matthew K. Enstice, Executive Director

**TENANT: ACV AUCTIONS, INC.**

By: \_\_\_\_\_  
Leanne Fitzgerald  
Chief Legal Officer

**CERTIFICATION BY THE CHIEF EXECUTIVE OFFICER PURSUANT TO  
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,  
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, George Chamoun, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of ACV Auctions Inc. (the "Registrant") for the fiscal quarter ended March 31, 2024;
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.

Date: May 8, 2024

By: \_\_\_\_\_ */s/ George Chamoun*  
**George Chamoun**  
**Chief Executive Officer and Director**  
**(Principal Executive Officer)**

**CERTIFICATION BY THE CHIEF FINANCIAL OFFICER PURSUANT TO  
RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,  
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, William Zerella, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of ACV Auctions Inc. (the "Registrant") for the fiscal quarter ended March 31, 2024;
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.

Date: May 8, 2024

By: \_\_\_\_\_ */s/ William Zerella*  
**William Zerella**  
**Chief Financial Officer**  
**(Principal Financial Officer)**

**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**

In connection with the Quarterly Report of ACV Auctions Inc. (the "Company") on Form 10-Q for the period ending March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

: May 8, 2024

By:

/s/ George Chamoun

**George Chamoun**  
Chief Executive Officer  
(Principal Executive Officer)

This certification accompanies the Quarterly Report, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of ACV Auctions Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Quarterly Report on Form 10-Q), irrespective of any general incorporation language contained in such filing.

**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**

In connection with the Quarterly Report of ACV Auctions Inc. (the "Company") on Form 10-Q for the period ending March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: May 8, 2024

By: \_\_\_\_\_ /s/ William Zerella  
**William Zerella**  
Chief Financial Officer  
(Principal Financial Officer)

This certification accompanies the Quarterly Report, is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of ACV Auctions Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Quarterly Report on Form 10-Q), irrespective of any general incorporation language contained in such filing.