

# VROOM, INC.

## FORM 10-Q (Quarterly Report)

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Industry	Consumer Lending
Sector	Financials
Fiscal Year	12/31

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

- QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the quarterly period ended March 31, 2026  
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: 001-39315

**VROOM, INC.**

(Exact Name of Registrant as Specified in Its Charter)

Delaware  
(State or Other Jurisdiction of  
Incorporation or Organization)

901112566  
(I.R.S. Employer  
Identification No.)

4700 Mercantile Dr.  
Fort Worth, TX 76137  
(Address of principal executive offices) (Zip code)  
(518) 535-9125  
(Registrant's telephone number, including area code)

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.001 par value	VRM	Nasdaq Global 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, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes  No

As of May 12, 2026, 5,207,627 shares of the registrant's common stock were 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 (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (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 the impact of macroeconomic and geopolitical factors including tariffs and other trade restrictions, inflation, interest rates, Federal Reserve monetary policy, vehicle depreciation, international conflicts, energy price and supply chain disruptions, our ability to continue as a going concern and the sufficiency of our existing cash, our future results of operations and financial condition, business strategy, and plans and objectives of management for future operations, including our Value Maximization Plan (as defined herein) and the ongoing activities of and potential growth of our UACC and CarStory businesses, our Long-Term Strategic Plan (as defined herein), the amendment and renewal of the Warehouse Credit Facilities (as defined herein), availability and maturity of the Delayed Draw Facility, the Delayed Draw Notes and the 2030 Notes (each as defined herein), the Vroom Automotive Preferred Units (as defined herein), including distributions, conversion rights and redemption, our plans to optimize our dealer network and grow our automotive financing business, including through our Near-Prime Program, our technology initiatives, including our automated underwriting decision engine, custom credit-scoring model, Fast Lane dealer portal and AI-powered servicing tools, regulatory matters, seasonal fluctuations in our results of operations, our ability to reduce operating expenses and achieve profitability at UACC, CarStory revenue expectations, and the timing of any of the foregoing are forward-looking statements. In some cases, forward-looking statements may be identified by words such as "anticipate," "believe," "contemplate," "continue," "could," "design," "estimate," "expect," "intend," "may," "plan," "potentially," "predict," "project," "should," "target," "will," "would," or the negative of these terms or other similar terms or expressions, although not all forward-looking statements contain these identifying words.

The forward-looking statements in this Quarterly Report on Form 10-Q are only predictions. Forward-looking statements are based on our management's beliefs and assumptions and on information currently available. These forward-looking statements are subject to a number of known and unknown risks, uncertainties, assumptions, and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including:

- we emerged from the Prepackaged Chapter 11 Case, which previously consumed a substantial portion of time and attention of our management and could continue to subject us to risks and uncertainties;
- while we have completed the Ecommerce Wind-Down (as defined herein), there remain risks associated with the discontinuance of our ecommerce operations and wind-down of our used vehicle dealership business;
- our Long-Term Strategic Plan may not be successful, and may not lead to growth and enhanced profitability for our UACC or CarStory businesses;
- we may not generate sufficient liquidity to operate our business;
- general business and economic conditions and risks related to the larger automotive ecosystem, including consumer demand;
- we have a history of losses and we may not achieve or maintain profitability in the future;
- our indebtedness and liabilities could limit the cash flow available for our operations, expose us to risks that could adversely affect our business, financial condition, and results of operations and impair our ability to satisfy our debt obligations;
- the geographic concentration of UACC's borrowers or dealerships creates an exposure to local and regional downturns or severe weather or catastrophic occurrences that may materially and adversely affect our business, financial condition and results of operations;
- we may be unable to satisfy a Nasdaq listing rule or that of another national securities exchange;
- UACC may be unable to continue to access or renew funding sources and obtain capital needed to maintain and grow its business;
- UACC may be unable to sell automotive finance receivables and generate gains on sales of those finance receivables, which could harm our business, results of operations, and financial condition;
- UACC's securitizations may expose it to financing and other risks, and there can be no assurance that it will be able to access the securitization market in the future, which may require it to seek more costly financing;

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- UACC is currently experiencing increasing credit losses in interests it holds in automotive finance receivables, and its credit scoring systems may not effectively forecast its automotive receivables loss rates. Higher than anticipated credit losses or prepayments or the inability to effectively forecast loss rates may negatively impact our operating results;
- if UACC loses servicing rights on its automobile contracts, our results of operations would be negatively impacted;
- if we or our third-party providers sustain cyber-attacks or other privacy or data security incidents that result in security breaches, we could suffer a loss of sales and increased costs, exposure to significant liability, reputational harm and other negative consequences;
- we operate in a highly regulated industry and are subject to a wide range of federal, state and local laws and regulations, and failure to comply with these laws and regulations could have a material adverse effect on our business, financial condition and results of operations;
- we are, and may in the future be, subject to legal proceedings in the ordinary course of our business. If the outcomes of these proceedings are adverse to us, it could have a material adverse effect on our business, financial condition and results of operations;
- our actual operating results may differ significantly from our guidance; and
- the risks described in the section titled "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2025.

Other sections of this Quarterly Report on Form 10-Q include additional factors that could harm our business and financial performance. Moreover, we operate in a very competitive and rapidly changing environment. New risk factors emerge from time to time, and it is not possible for our management to predict all risk factors nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ from those contained in, or implied by, any forward-looking statements.

You should not rely upon forward-looking statements as predictions of future events. We cannot assure you that the events and circumstances reflected in the forward-looking statements will be achieved or occur. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee future results, levels of activity, performance or achievements. These forward-looking statements speak only as of the date of this Quarterly Report on Form 10-Q. Except as required by law, we undertake no obligation to update publicly any forward-looking statements for any reason after the date of this report or to conform these statements to actual results or to changes in our expectations. You should read this Quarterly Report on Form 10-Q and the documents that we reference or incorporate by reference in this Quarterly Report on Form 10-Q and have filed as exhibits to this report with the understanding that our actual future results, levels of activity, performance, and achievements may be materially different from what we expect. We qualify all of our forward-looking statements by these cautionary statements.

As used in this Quarterly Report on Form 10-Q, "Prepackaged Chapter 11 Case" refers to our filing of the voluntary proceeding under the Bankruptcy Code to be commenced by us in the United States Bankruptcy Court for the Southern District of Texas.

**PART I – FINANCIAL INFORMATION**

**Item 1. Financial Statements**

**VROOM, INC.**  
**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in thousands, except share and per share amounts)  
(unaudited)

	As of March 31, 2026	As of December 31, 2025
<b>ASSETS</b>		
Cash and cash equivalents	\$ 14,478	\$ 10,384
Restricted cash (including restricted cash of consolidated VIEs of \$59.1 million and \$55.8 million, respectively)	59,221	55,914
Finance receivables at fair value (including finance receivables of consolidated VIEs of \$778.5 million and \$777.0 million, respectively)	804,613	808,636
Interest receivable (including interest receivables of consolidated VIEs of \$11.2 million and \$12.4 million, respectively)	11,527	12,834
Property and equipment, net	7,415	6,744
Intangible assets, net	11,895	12,370
Operating lease right-of-use assets	5,530	5,792
Other assets (including other assets of consolidated VIEs of \$10.1 million and \$9.8 million, respectively)	23,144	24,665
Assets from discontinued operations	—	46
<b>Total assets</b>	<b>\$ 937,823</b>	<b>\$ 937,385</b>
<b>LIABILITIES, MEZZANINE EQUITY AND STOCKHOLDERS' EQUITY (DEFICIT)</b>		
Warehouse credit facilities of consolidated VIEs	\$ 159,483	\$ 318,655
Related party line of credit (Note 19)	18,500	18,500
Long-term debt (including securitization debt of consolidated VIEs of \$551.0 million and \$393.2 million, respectively)	577,968	423,197
Related party note (Note 19)	10,000	10,000
Operating lease liabilities	8,825	9,142
Other liabilities (including other liabilities of consolidated VIEs of \$15.6 million and \$15.7 million, respectively)	43,187	41,149
Liabilities from discontinued operations	223	124
<b>Total liabilities</b>	<b>818,186</b>	<b>820,767</b>
Commitments and contingencies (Note 12)		
<b>Mezzanine equity</b>		
Preferred units, no par value, 15,000 series A units and 7,500 series B units authorized and issued to noncontrolling interests of subsidiary (Note 13)	21,221	—
<b>Stockholders' equity (deficit):</b>		
Common stock, \$0.001 par value; 250,000,000 shares authorized as of March 31, 2026 and December 31, 2025, respectively; 5,206,492 and 5,199,641 shares issued and outstanding as of March 31, 2026 and December 31, 2025, respectively	5	5
Additional paid-in-capital	171,090	169,663
Accumulated deficit	(72,679)	(53,050)
<b>Total stockholders' equity (deficit)</b>	<b>98,416</b>	<b>116,618</b>
<b>Total liabilities, mezzanine equity and stockholders' equity (deficit)</b>	<b>\$ 937,823</b>	<b>\$ 937,385</b>

*See accompanying notes to these unaudited condensed consolidated financial statements.*

**VROOM, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(in thousands, except share and per share amounts)  
(unaudited)

	Successor		Predecessor
	Three months ended March 31,	Period from January 15 through March 31,	Period from January 1 through January 14,
	2026	2025	2025
Interest income	\$ 42,476	\$ 37,157	\$ 7,183
Interest expense:			
Warehouse credit facility	3,439	4,618	1,017
Securitization debt	8,620	6,548	1,178
Total interest expense	12,059	11,166	2,195
Net interest income	30,417	25,991	4,988
Realized and unrealized losses, net of recoveries	24,683	11,100	6,792
Net interest income (loss) after losses and recoveries	5,734	14,891	(1,804)
Noninterest income:			
Servicing income	1,139	1,254	192
Warranties and GAP income (loss), net	2,686	4,079	307
CarStory revenue	1,333	2,392	432
Other income	2,041	2,481	113
Total noninterest income	7,199	10,206	1,044
Expenses:			
Compensation and benefits	19,146	16,067	2,823
Professional fees	4,520	5,347	297
Software and IT costs	3,161	2,402	457
Depreciation and amortization	1,340	575	1,057
Interest expense on corporate debt	1,212	480	176
Impairment charges	—	4,156	—
Other expenses	2,408	2,370	371
Total expenses	31,787	31,397	5,181
Loss from continuing operations before reorganization items and provision for income taxes	(18,854)	(6,300)	(5,941)
Reorganization items, net	—	—	51,036
(Loss) income from continuing operations before provision for income taxes	(18,854)	(6,300)	45,095
Provision for income taxes from continuing operations	192	150	5
Net (loss) income from continuing operations	\$ (19,046)	\$ (6,450)	\$ 45,090
Net (loss) income from discontinued operations	(12)	99	(4)
Net (loss) income	\$ (19,058)	\$ (6,351)	\$ 45,086
Preferred stock dividends attributable to noncontrolling interests of subsidiary	\$ (571)	\$ —	\$ —
Net (loss) income attributable to controlling interest and common shareholders	\$ (19,629)	\$ (6,351)	\$ 45,086

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**VROOM, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (continued)**  
(in thousands, except share and per share amounts)  
(unaudited)

	Successor		Predecessor
	Three months ended March 31, 2026	Period from January 15 through March 31, 2025	Period from January 1 through January 14, 2025
Net (loss) income per share attributable to common stockholders, basic:			
Continuing operations	(3.77)	(1.25)	24.74
Discontinued operations	—	0.02	(0.00)
Basic	<u>\$ (3.77)</u>	<u>\$ (1.23)</u>	<u>\$ 24.74</u>
Net (loss) income per share attributable to common stockholders, diluted:			
Continuing operations	(3.77)	(1.25)	23.89
Discontinued operations	—	0.02	(0.00)
Diluted	<u>\$ (3.77)</u>	<u>\$ (1.23)</u>	<u>\$ 23.89</u>
Weighted-average number of shares outstanding used to compute net (loss) income per share attributable to common stockholders:			
Basic	5,201,905	5,163,109	1,822,541
Diluted	5,201,905	5,163,109	1,887,370

*See accompanying notes to these unaudited condensed consolidated financial statements.*

**VROOM, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN MEZZANINE EQUITY AND STOCKHOLDERS' EQUITY**  
(in thousands, except share amounts)  
(unaudited)

	Mezzanine Equity		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount			
<b>Predecessor:</b>							
Balance at December 31, 2024 (Predecessor)	—	\$ —	1,822,532	\$ 2	\$ 2,094,889	\$ (2,125,836)	\$ (30,945)
Stock-based compensation	—	\$ —	—	\$ —	\$ 144	\$ —	\$ 144
Vesting of restricted stock units	—	—	26	—	—	—	—
Net income	—	—	—	—	—	45,086	45,086
Elimination of Predecessor equity balances	—	—	(1,822,558)	(2)	(2,095,033)	2,080,750	(14,285)
Issuance of successor equity	—	—	5,163,109	5	161,657	—	161,662
Issuance of stock warrants	—	—	—	—	2,825	—	2,825
Balance at January 14, 2025 (Predecessor)	—	\$ —	5,163,109	\$ 5	\$ 164,482	\$ —	\$ 164,487
<b>Successor:</b>							
Balance at January 15, 2025 (Successor)	—	\$ —	5,163,109	\$ 5	\$ 164,482	\$ —	\$ 164,487
Stock-based compensation	—	—	—	—	491	—	491
Vesting of restricted stock units	—	—	19,914	—	—	—	—
Net loss	—	—	—	—	—	(6,351)	(6,351)
Balance at March 31, 2025 (Successor)	—	\$ —	5,183,023	\$ 5	\$ 164,973	\$ (6,351)	\$ 158,627
<b>Successor:</b>							
Balance at December 31, 2025 (Successor)	—	\$ —	5,199,641	\$ 5	\$ 169,663	\$ (53,050)	\$ 116,618
Preferred units issued to noncontrolling interests of subsidiary, net of issuance costs	22,500	\$ 21,221	—	\$ —	\$ —	\$ —	\$ —
Preferred stock dividends attributable to noncontrolling interests of subsidiary	—	—	—	—	—	(571)	(571)
Stock-based compensation	—	—	—	—	1,427	—	1,427
Vesting of restricted stock units	—	—	6,851	—	—	—	—
Net loss	—	—	—	—	—	(19,058)	(19,058)
Balance at March 31, 2026 (Successor)	22,500	21,221	5,206,492	\$ 5	\$ 171,090	\$ (72,679)	\$ 98,416

See accompanying notes to these unaudited condensed consolidated financial statements.

**VROOM, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)  
(unaudited)

	Successor		Predecessor
	Three months ended	Period from January	Period from January
	March 31, 2026	15 through March 31, 2025	1 through January 14, 2025
<b>Operating activities</b>			
Net (loss) income from continuing operations	\$ (19,046)	\$ (6,450)	\$ 45,090
Adjustments to reconcile net (loss) income to net cash used in operating activities:			
Impairment charges	—	4,156	—
Depreciation and amortization	1,340	575	1,057
Losses on finance receivables and securitization debt, net	28,862	17,575	4,762
Losses on Warranties and GAP	1,764	1,780	407
Stock-based compensation expense	1,427	491	144
Amortization of unearned discounts on finance receivables at fair value	—	—	(416)
Non-cash reorganization items, net	—	—	(51,741)
Other, net	88	(652)	193
Changes in operating assets and liabilities:			
<i>Finance receivables, held for sale</i>			
Originations of finance receivables, held for sale	—	—	(14,337)
Principal payments received on finance receivables, held for sale	—	—	6,481
Other	—	—	169
Interest receivable	1,307	1,443	(164)
Other assets	859	(3,575)	5,178
Other liabilities	1,674	1,946	(2,627)
Net cash provided by (used in) operating activities from continuing operations	18,275	17,289	(5,804)
Net cash provided by (used in) operating activities from discontinued operations	133	(452)	(207)
Net cash provided by (used in) operating activities	18,408	16,837	(6,011)
<b>Investing activities</b>			
<i>Finance receivables, held for investment at fair value</i>			
Purchases of finance receivables, held for investment at fair value	(113,495)	(120,528)	—
Principal payments received on finance receivables, held for investment at fair value	85,765	73,217	2,985
Principal payments received on beneficial interests	217	446	147
Purchase of property and equipment	(1,536)	(1,469)	(151)
Net cash (used in) provided by investing activities from continuing operations	(29,049)	(48,334)	2,981
Net cash provided by investing activities from discontinued operations	—	637	—
Net cash (used in) provided by investing activities	(29,049)	(47,697)	2,981
<b>Financing activities</b>			
Proceeds from borrowings under secured financing agreements	225,000	307,780	—
Principal repayment under secured financing agreements	(65,916)	(34,281)	(16,676)
Proceeds from financing of beneficial interests in securitizations	—	16,223	—
Principal repayments of financing of beneficial interests in securitizations	(3,018)	(2,045)	(1,028)
Proceeds from warehouse credit facilities	87,200	88,500	11,900
Repayments of warehouse credit facilities	(246,372)	(338,031)	(8,094)
Proceeds from preferred units issued to noncontrolling interests of subsidiary, net of issuance costs	21,221	—	—
Other financing activities	(73)	(1,159)	—
Net cash provided by (used in) financing activities	18,042	36,987	(13,898)
<b>Net increase (decrease) in cash, cash equivalents and restricted cash</b>	<b>7,401</b>	<b>6,127</b>	<b>(16,928)</b>
Cash, cash equivalents and restricted cash at the beginning of period	66,298	61,441	78,369
<b>Cash, cash equivalents and restricted cash at the end of period</b>	<b>\$ 73,699</b>	<b>\$ 67,568</b>	<b>\$ 61,441</b>

(Continued on following page)

**VROOM, INC.**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (continued)**  
**(in thousands)**  
**(unaudited)**

<b>Supplemental disclosure of cash flow information:</b>			
Cash paid for interest	\$ 13,106	\$ 9,221	\$ 4,534
Cash paid for reorganization items, net	\$ —	\$ —	\$ 1,705
Accrued and unpaid preferred stock dividends attributable to noncontrolling interests of subsidiary	\$ 571	\$ —	\$ —
Cash paid for income taxes, net of (refunds)	\$ (391)	\$ (137)	\$ —

*See accompanying notes to these unaudited condensed consolidated financial statements.*

**VROOM, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**(unaudited)**

**1. Description of Business and Basis of Presentation**

***Description of Business and Organization***

Vroom, Inc. is a holding company that conducts its operations through its subsidiaries. Unless the context otherwise requires, references herein to “Vroom”, the “Company”, “we”, “us” or “our” refer to Vroom and its consolidated subsidiaries.

The Company was incorporated in Delaware on January 31, 2012, under the name BCM Partners III, Corp. On June 25, 2013, the Company changed its name to Auto America, Inc., and on July 9, 2015, the Company changed its name to Vroom, Inc.

In January 2021, the Company completed the acquisition of Vast Holdings, Inc. (d/b/a CarStory) (“CarStory”). In February 2022 (the “Acquisition Date”), the Company completed the acquisition of Unitas Holdings Corp. (now known as Vroom Finance Corporation), including its wholly owned subsidiaries United PanAm Financial Corp. (now known as Vroom Automotive Financial Corporation) and United Auto Credit Corporation (“UACC”).

UACC, a leading automotive finance company, offers vehicle financing to consumers through third-party dealers under the UACC brand, and CarStory, is an AI-powered analytics and digital services platform for automotive retail. The UACC and CarStory businesses continue to serve their third-party customers, with their operations substantially unaffected by the Ecommerce Wind-Down (as defined herein).

The Company previously operated an end-to-end ecommerce platform to buy and sell used vehicles through its subsidiary Vroom Automotive, LLC. On January 22, 2024, the Company announced that its Board of Directors (“Board”) had approved a value maximization plan, pursuant to which the Company wound down its used vehicle dealership business in order to preserve liquidity and enable the Company to maximize stakeholder value through its remaining businesses (the “Value Maximization Plan”). As of March 29, 2024, the Company substantially completed the wind-down of its ecommerce operations and used vehicle dealership business (the “Ecommerce Wind-Down”).

The accounting requirements for reporting the Company’s ecommerce operations and used vehicle dealership business as a discontinued operation were met as of March 29, 2024. Accordingly, the condensed consolidated financial statements and notes to the condensed consolidated financial statements reflect the results of the Company’s ecommerce operations and used vehicle dealership business as a discontinued operation for the periods presented. Refer to Note 5 — Discontinued Operations for further detail. The Company is now organized into two reportable segments: UACC and CarStory. The UACC reportable segment represents UACC’s operations with its network of third-party dealership customers, including the purchase and servicing of vehicle retail installment sales contracts. Prior to the Ecommerce Wind-Down, UACC also offered vehicle financing to Vroom’s customers through its ecommerce platform; the UACC reportable segment also includes the runoff of these previously originated contracts. The CarStory reportable segment represents sales of AI-powered analytics and digital services to automotive dealers, automotive financial services companies and others in the automotive industry. Refer to Note 16 — Segment Information for further details.

***The Prepackaged Chapter 11 Case***

On November 12, 2024, the Company (in the context of the Prepackaged Chapter 11 Case, the “Debtor”) entered into a Restructuring Support Agreement (together with all exhibits and schedules thereto, the “RSA”) with creditors holding the overwhelming majority of the aggregate outstanding principal amount of the unsecured Convertible Senior Notes due 2026 (the “2026 Notes”) and the largest shareholder. The RSA contemplated a comprehensive restructuring of the Company’s debt obligations and capital structure to be implemented through a prepackaged plan of reorganization (the “Plan”) to be implemented through the filing of the Prepackaged Chapter 11 Case (as defined below). Capitalized terms used in this section but not defined herein have the meanings ascribed to them in the RSA.

On November 13, 2024, the Company commenced a voluntary proceeding (the “Prepackaged Chapter 11 Case”) under Chapter 11 of the United States Code, 11 U.S.C. §§ 101-1532, as amended from time to time (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Court”) under the name “In re Vroom, Inc.” Case No. 24-90571 (CML). None of Vroom, Inc.’s subsidiaries were debtors in the Chapter 11 proceedings.

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On January 14, 2025 (the "Effective Date"), the conditions to the effectiveness of the Plan were satisfied or waived and the Plan became effective. The Company emerged from the Prepackaged Chapter 11 Case on January 14, 2025.

***Conversion of Common Stock***

Immediately prior to the Effective Date, there were 1,822,577 outstanding shares of the Company's common stock, \$0.001 par value per share. The Company has adopted an Amended and Restated Certificate of Incorporation (the "Certificate of Incorporation") to, among other changes to the Company's prior amended and restated certificate of incorporation, effect an automatic conversion of the common stock at a ratio of 1-for-5. As a result of the automatic conversion and the issuance of shares of common stock pursuant to the Plan, there were approximately 5,163,109 outstanding shares of newly issued common stock as of the Effective Date (the "Common Stock").

***Warrants to Purchase Common Stock***

On the Effective Date, the Company entered into a warrant agreement (the "Warrant Agreement") with Equiniti Trust Company LLC, as warrant agent. In accordance with the Plan and pursuant to the Warrant Agreement, on the Effective Date, the Company issued warrants (the "Warrants") to purchase an aggregate of 364,516 shares of the Common Stock, at an exercise price of \$60.95 per share, to stockholders of the Predecessor in accordance with the Prepackaged Chapter 11 Case. Each Warrant was immediately exercisable upon the issuance date and will expire five years from the issuance date. On July 7, 2025, the Company's Warrants commenced trading on the OTCQX Best Market under the symbol "VRMWW".

***Basis of Presentation***

The condensed consolidated financial statements of the Company have been prepared in accordance with U.S. generally accepted accounting principles ("U.S. GAAP") and applicable rules and regulations of the U.S. Securities and Exchange Commission regarding interim financial reporting. The consolidated balance sheet as of December 31, 2025, included herein, was derived from the audited consolidated financial statements as of that date. Certain information and note disclosures normally included in the financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to such rules and regulations. Therefore, these condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and notes included in the Annual Report on Form 10-K for the year ended December 31, 2025.

Upon emergence from the Prepackaged Chapter 11 Case, the Company adopted fresh start accounting in accordance with FASB Codification Topic 852, Reorganizations ("ASC 852") and became a new entity for financial reporting purposes. As a result, the condensed consolidated financial statements after the Effective Date are not comparable with the condensed consolidated financial statements on or before that date as indicated by the "black line" division in the financial statements and footnote tables. References to "Successor" relate to the Company's financial position and results of operations after the Effective Date. References to "Predecessor" refer to the Company's financial position and results of operations on or before the Effective Date. Refer to Note 6 — Fresh Start Accounting for further details.

The unaudited condensed consolidated financial statements have been prepared on the same basis as the audited consolidated financial statements, and in management's opinion, include all adjustments, which consist of only normal recurring adjustments necessary for the fair statement of the Company's condensed consolidated balance sheet as of March 31, 2026, and its results of operations for the periods presented. The results for the period from January 1, 2025 to January 14, 2025, and from January 15, 2025 to March 31, 2025, are not necessarily indicative of the results expected for the current fiscal year or any other future periods.

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***Principles of Consolidation***

The accompanying condensed consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

**2. Summary of Significant Accounting Policies**

***Use of Estimates***

The preparation of condensed consolidated financial statements in accordance with U.S. GAAP requires management to make estimates, assumptions and judgments that affect the reported amounts of assets, liabilities, revenue, expenses and related disclosures. On an ongoing basis, the Company evaluates its estimates, including, among others, those related to finance receivables, income taxes, stock-based compensation, contingencies, warranties and GAP (as defined below) income-related reserves, fair value measurements and useful lives of property and equipment and intangible assets. The Company bases its estimates on historical experience, market conditions, and on various other assumptions that are believed to be reasonable. Actual results may differ from these estimates.

***Comprehensive Income and Loss***

The Company did not have any other comprehensive income or loss for the periods presented. Accordingly, net income and loss and comprehensive income and loss are the same for the periods presented.

***Restricted Cash***

Restricted cash primarily includes UACC restricted cash. UACC collects and services finance receivables under the securitization transactions and warehouse credit facilities. These collections are restricted for use until properly remitted each month under the terms of the servicing agreement. UACC also maintains a reserve account for each securitization and warehouse credit facility to provide additional collateral for the borrowings. Refer to Note 10 — Warehouse Credit Facilities of Consolidated VIEs and Note 11 — Long Term Debt for further details.

***Finance Receivables***

Finance receivables consist of retail installment sale contracts purchased or acquired by UACC from its existing network of third-party dealership customers at a discount as well as retail installment sale contracts UACC offered to Vroom's customers through its ecommerce platform prior to the Ecommerce Wind-Down.

The Company's finance receivables are generally secured by the vehicles being financed.

Finance receivables over 90 days delinquent are considered nonaccrual finance receivables. Interest income is subsequently recognized only to the extent cash payments are received until the consumer is able to make periodic interest and principal payments in accordance with the finance receivable terms.

***Finance Receivables at Fair Value***

Finance receivables for which the fair value option was elected under ASC 825 are classified as finance receivables at fair value.

The aggregate principal balance and the fair value of the finance receivables held for investment was \$902.0 million and \$804.6 million, respectively, as of March 31, 2026, and \$909.9 million and \$808.6 million, respectively, as of December 31, 2025.

The Company reassesses the estimate for fair value at each reporting period with any changes reflected as a fair value adjustment and recorded in "Realized and unrealized losses, net of recoveries" in the condensed consolidated statements of operations. For all finance receivables at fair value, the Company recognizes the fees it charges to dealers upon acquisition as other income at the time of issuance of the finance receivables and recognizes the acquisition costs to

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underwrite the finance receivables as an expense in the period incurred. For finance receivables held for investment at fair value, any discounts are amortized over the contractual life of the underlying finance receivables and is recognized in realized and unrealized loss, net of recoveries on the condensed consolidated statement of operations.

Refer to Note 15 — Financial Instruments and Fair Value Measurements for further details.

**Consolidated CFEs**

The Company's securitization transactions are consolidated collateralized financing entities (CFEs) that are VIEs. Refer to Note 4 — Variable Interest Entities and Securitizations for further details. The Company recognized the following revenue and expenses associated with these CFEs in the condensed consolidated statements of operations (in thousands):

	Successor		Predecessor
	Three months ended March 31, 2026	Period from January 15 through March 31, 2025	Period from January 1 through January 14, 2025
Interest income	30,223	\$ 22,315	\$ 3,314
Interest expense	(8,693)	(6,594)	(1,185)
Realized and unrealized losses, net of recoveries	(21,335)	(3,960)	(2,977)
Noninterest income (loss), net	(2,285)	(2,508)	6
Reorganization items, net	—	—	7,964

The assets and liabilities of the CFEs are presented as part of "Restricted cash", "Finance receivables at fair value", "Interest receivable", "Other Assets", "Long term debt", and "Other liabilities", respectively, on the consolidated balance sheets. Refer to Note 4 — Variable Interest Entities and Securitizations and Note 15 — Financial Instruments and Fair Value Measurements for further details.

**Concentration of Credit Risk and Significant Customers**

The Company's principal financial instruments subject to potential concentration of credit risk are cash and cash equivalents and finance receivables. The Company's cash balances are maintained at various large, reputable financial institutions. Deposits held with financial institutions may at times exceed the amount of insurance provided on such deposits. Generally, these deposits may be redeemed upon demand and, therefore, management believes they bear minimal risk. The Company's cash equivalents primarily consist of money market funds that hold investments in highly liquid U.S. government securities. Concentration of credit risk with respect to finance receivables is generally mitigated by a large consumer base.

UACC's customers, in this instance, are the third-party automotive dealers through which it purchases or acquires retail installment sale contracts for consumers. CarStory's customers are dealers, automotive financial services companies and others in the automotive industry who purchase CarStory's digital retailing services. For the periods presented, no customer represented 10% or more of the Company's income and no customer represented more than 10% of the Company's finance receivables as of March 31, 2026, and December 31, 2025.

**Liquidity**

On January 14, 2025, the Company emerged from the Prepackaged Chapter 11 Case, as discussed in Note 1 — Description of Business and Basis of Presentation. On the Effective Date, each holder of the 2026 Notes received a pro rata share of 92.94% of the Common Stock (subject to dilution) and all of the Company's outstanding obligations under the 2026 Notes and the Indenture were deemed fully satisfied and discharged.

As of March 31, 2026, the Company had cash and cash equivalents of \$14.5 million and restricted cash of \$59.2 million. Restricted cash primarily includes restricted cash required under UACC's securitization transactions and Warehouse Credit Facilities (as defined below) of \$59.1 million. The Company has historically had negative cash flows

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and generated losses from operations and the Company's primary source of liquidity has been cash generated through financing activities.

As of March 31, 2026, UACC has three warehouse credit facilities with an aggregate borrowing limit of \$600.0 million and outstanding borrowings of \$159.5 million with excess borrowing capacity of \$14.9 million. The Warehouse Credit Facilities have expiration dates in June 2026, August 2026 and April 2027, respectively. The Company is in ongoing discussions with the warehouse lenders to extend the terms beyond the current expiration dates and expect facilities to be amended and renewed at sufficient borrowing capacity. As of March 31, 2026, the Company was in compliance with all covenants related to the Warehouse Credit Facilities. Refer to Note 10 — Warehouse Credit Facilities and Consolidated VIEs for further details.

Failure to secure warehouse borrowing capacity beyond their expiration or failure to satisfy the covenants therein and or any other requirements contained within the agreements would restrict access to the Warehouse Credit Facilities and would have a material adverse effect on the financial condition, results of operations and liquidity of the Company. Certain breaches of covenants may also result in acceleration of the repayment of borrowings prior to the scheduled maturity. Refer to Note 10 — Warehouse Credit Facilities of Consolidated VIEs for further details.

On March 8, 2025, Vroom, Inc., UACC and its indirect subsidiary Darkwater Funding LLC, as co-borrowers, entered into a credit agreement for a delayed draw term loan facility ("Delayed Draw Facility"), which matures on December 31, 2026, with Mudrick Capital Management, L.P. ("Lender"), who was a 76.5% shareholder of the Company, and as of January 14, 2025, became a related party. On October 9, 2025 the maximum facility amount was amended from \$25.0 million to \$35.0 million effective as of September 30, 2025. As of March 31, 2026, the Company drew \$8.0 million against the Delayed Draw Facility. Refer to Note 19 — Related Party Transactions for further details.

On August 29, 2025, the Company issued \$10.0 million aggregate principal amount of 5.00% unsecured Convertible Notes due 2030 (the "2030 Notes") to Annox Capital, LLC and Robert J. Mylod, Jr., the Managing Partner of Annox Capital, LLC and the Independent Executive Chair of the board of directors of the Company. Refer to Note 19 — Related Party Transactions for further details.

On November 25, 2025, Vroom, Inc. entered into a Note Purchase Agreement with Robert J. Mylod, Jr., the Independent Executive Chair of the board of directors of the Company. Pursuant to the Note Purchase Agreement, the Company issued Senior Secured Delayed Draw Notes due 2026 (the "Delayed Draw Notes") in a maximum aggregate principal commitment amount of \$10.5 million, which mature on November 25, 2026. As of March 31, 2026, the Company drew \$10.5 million against the Delayed Draw Notes. Refer to Note 19 — Related Party Transactions for further details.

The accompanying consolidated financial statements have been prepared on the basis that the Company will continue to operate as a going concern, which contemplates that it will be able to realize assets and settle liabilities and commitments in the normal course of business for twelve months following the issuance date.

The Company's future capital requirements will depend on many factors, including the ability to realize the intended benefits of the Prepackaged Chapter 11 Case and Long-Term Strategic Plan, available advance rates on and the renewal of the Warehouse Credit Facilities and delayed draw facility, the ability to complete additional securitization transactions on terms favorable to the Company, and future credit losses. The Company anticipates that existing cash and cash equivalents, the delayed draw facility, the delayed draw notes, and UACC's Warehouse Credit Facilities will be sufficient to support the Company's ongoing operations and obligations, for at least the next twelve months from the date of issuance of the condensed consolidated financial statements.

***Accounting Standards Adopted***

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which requires disclosure of incremental segment information on an annual and interim basis, primarily through enhanced disclosures of significant segment expenses. The Company adopted the guidance for fiscal year beginning January 1, 2024, on a retroactive basis, which did not have a material impact on the Company's consolidated financial statements and related disclosures. Refer to Note 16 — Segment Information.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax

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Disclosures, which requires disclosure of incremental income tax information within the rate reconciliation and expanded disclosures of income taxes paid, among other disclosure requirements. The Company adopted the guidance for fiscal year beginning January 1, 2025, on a retroactive basis, which did not have a material impact on the Company's consolidated financial statements and related disclosures. Refer to Note 17 — Income Taxes.

**Accounting Standards Issued but Not Yet Adopted**

In November 2024, the FASB issued ASU 2024-03, *Disaggregation of Income Statement Expenses (DISE)*, which requires additional disclosure of the nature of expenses included in the income statement in response to longstanding requests from investors for more information about an entity's expenses. The new standard requires disclosures about specific types of expenses included in the expense captions presented on the face of the income statement as well as disclosures about selling expenses. The guidance will be effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. The requirements will be applied prospectively with the option for retrospective application. Early adoption is permitted. The Company is currently evaluating the impact that the adoption of this guidance will have on its consolidated financial statements and related disclosures.

In September 2025, the FASB issued ASU 2025-06, *Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software*. The amendments modernize the recognition and disclosure framework for internal-use software costs, removing the previous "development stage" model and introducing a more judgment-based approach. ASU 2025-06 is effective for fiscal years beginning after December 15, 2027, and for interim periods within those annual reporting periods, with early adoption permitted. The Company is currently evaluating the impact of ASU 2025-06 on the consolidated financial statements.

In April 2026, the FASB issued ASU 2026-01, *Initial Measurement of Paid-in-Kind Dividends on Equity-Classified Preferred Stock*. The amendments in this update improve GAAP by providing authoritative guidance for the initial measurement of PIK dividends on equity-classified preferred stock. Specifically, the amendments improve the decision usefulness of the financial reporting information provided to investors by (1) enhancing the comparability of financial information reported among entities that issue PIK dividends on equity-classified preferred stock and (2) providing additional information about the liquidation value of the preferred stock, which helps investors to understand the amount and preference of relative claims on an entity. The amendments also provide clear, cost-effective guidance that will reduce complexity. ASU 2026-01 is effective for fiscal years beginning after December 15, 2026, and for interim periods within those annual reporting periods, with early adoption permitted. The Company is currently evaluating the impact of ASU 2026-01 on the consolidated financial statements.

**3. Revenue Recognition**

The Company's revenue is disaggregated within the condensed consolidated statements of operations and is generated from consumers throughout the United States.

**Interest Income**

The Company's interest income is related to finance receivables originated by UACC for its network of third-party dealership customers and vehicle financing UACC offered to Vroom's customers through its ecommerce platform prior to the Ecommerce Wind-down.

Upon emergence from the Prepackaged Chapter 11 Case, and application of fresh start accounting, the Company made an accounting policy election to recognize discount income on finance receivables held for investment at fair value as a component of "Realized and unrealized losses, net of recoveries". In the Predecessor periods discount income on finance receivables held for investment at fair value was recognized as a component of interest income on the Company's condensed consolidated statement of operations. The discount income represents the amortization of unearned acquisition discounts over the contractual life of the underlying finance receivables using the interest method. Interest income on each automotive finance receivable is calculated based on the finance receivable's outstanding principal balance multiplied by the contractual interest rate.

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An account is considered delinquent if a scheduled payment has not been received by the date such payment was contractually due. Interest income deemed uncollectible is reversed at the time the finance receivable is charged off. Finance receivables over 90 days delinquent are considered nonaccrual finance receivables. Income is subsequently recognized only to the extent cash payments are received until the borrower is able to make periodic interest and principal payments in accordance with the finance receivable terms.

***Servicing Income***

Servicing income represents the annual fees earned on the outstanding principal balance of the finance receivables serviced as well as late charges, collection payments, and other fees. Fees are earned monthly at an annual rate of approximately 4%, for the 2022-1 securitization transaction, of the outstanding principal balance of the finance receivables serviced. Late charges and other permitted fees are assessed in accordance with contractual terms and applicable state law, generally at the maximum allowable amounts or as a percentage of overdue finance receivable balances and are recorded on a cash basis. Refer to Note 4 — Variable Interest Entities and Securitizations for further details.

***Warranties and GAP income, net***

Prior to the Ecommerce Wind-Down, the Company offered third-party financing and third-party value-added products such as vehicle service contracts, guaranteed asset protection (“GAP”) and tire and wheel coverage, to its used vehicle customers pursuant to arrangements with the third parties that sell and administer these products and are responsible for their fulfillment.

UACC also offers third-party vehicle service contracts and United Auto Credit GAP to consumers who obtain financing through UACC. United Auto Credit GAP is a debt waiver product that is underwritten directly by UACC. It provides protection for consumers who purchase the product by waiving the difference between the actual cash value of the consumer’s vehicle and the balance of the consumer’s contract, subject to the terms and conditions of the United Auto Credit GAP, in the event of a total loss resulting from collision or theft. The total fees are earned over the contractual life of the related finance receivables on straight-line basis.

The Company concluded that it is an agent for any transactions with third-parties because it does not control the products before they are transferred to the consumer. The Company recognizes revenue on a net basis when the consumer enters into an arrangement for the products.

A portion of the fees earned on third-party financing and value-added products are subject to chargebacks in the event of early termination, default, or prepayment of the contracts by end-customers. The Company’s exposure for these events is limited to the fees that it receives. An estimated refund liability for chargebacks against the revenue recognized from sales of these products is recorded in the period in which the related revenue is recognized and is based primarily on the Company’s historical chargeback experience. The Company updates its estimates at each reporting date. As of March 31, 2026, and December 31, 2025, the Company’s reserve for chargebacks was \$7.2 million and \$7.3 million, respectively, which are included within “Other liabilities.”

The Company also is contractually entitled to receive profit-sharing revenues based on the performance of the vehicle service policies once a required claims period has passed. The Company recognizes profit-sharing revenues to the extent it is probable that it will not result in a significant revenue reversal. The Company estimates the revenue based on historical claims and cancellation data from its customers, as well as other qualitative assumptions. The Company reassesses the estimate at each reporting period with any changes reflected as an adjustment to warranties and GAP income in the period identified. As of March 31, 2026, and December 31, 2025, the Company recognized \$9.7 million and \$9.9 million, respectively, related to cumulative profit-sharing payments to which it expects to be entitled, which are included within “Other assets.”

***CarStory Revenue***

CarStory generates advertiser, publisher and other user service revenue. The Company recognizes revenue when persuasive evidence of an arrangement exists, delivery has occurred or services have been performed, collection of

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the fees is reasonably assured, the fees are fixed or determinable, and no significant obligations by the Company remain. Generally, this results in revenues billed and recorded monthly in the month that services were performed and earned.

Deferred revenue includes advances received from customers in excess of revenue recognized.

The Company may collect sales taxes and other taxes and government fees from customers on behalf of governmental authorities at the time of sale as required. These taxes are accounted for on a net basis and are not included in revenues or cost of sales.

#### **4. Variable Interest Entities and Securitizations**

A VIE is an entity that either (i) has insufficient equity to finance its activities without additional subordinated financial support, or (ii) has equity investors who lack the characteristics of a controlling financial interest. The Company consolidates VIEs for which it is the primary beneficiary. The Company is the primary beneficiary of a VIE when it has both the power to direct the activities that most significantly impact the entity's economic performance and the obligation to absorb losses or the right to receive benefits from the entity that could potentially be significant to the VIE. Assets recognized as a result of consolidating VIEs do not represent additional assets that could be used to satisfy claims against the Company's general assets. Liabilities recognized as a result of consolidating VIEs do not represent additional claims on the Company's general assets, rather they represent claims against the specific assets of the consolidated VIEs.

UACC has the power to direct significant activities of its VIEs when it has the ability to exercise discretion in the servicing of financial assets or control investment decisions. UACC generally retains a portion of the economic interests in UACC-sponsored asset-backed securitization transactions, which could be retained in the form of a portion of the senior interests, the subordinated interests, residual interests, or servicing rights.

UACC has developed a securitization program that involves selling finance receivables to securitization trusts through the private issuance of asset-backed securities which are collateralized by the finance receivables. UACC establishes and sponsors these transactions which create and pass along risks to the variable interest holders, specifically, consumer credit risk and pre-payment risk.

The securitization trusts established in connection with asset-backed securitization transactions are VIEs. For each VIE that UACC establishes in its role as sponsor of securitization transactions, the Company performs an analysis to determine if it is the primary beneficiary of the VIE.

UACC has no obligation to repurchase or replace any securitized asset that subsequently becomes delinquent in payment or otherwise is in default, except when representations and warranties about the eligibility of the securitized assets are breached, or when certain changes are made to the underlying asset contracts. Securitization investors have no recourse to UACC or its other assets and have no right to require UACC to repurchase the investments. UACC has no obligation to provide liquidity or contribute cash or additional assets to the VIEs and does not guarantee any asset-backed securities.

On February 5, 2026, UACC completed the 2026-1 securitization transaction, in which it issued approximately \$225.0 million of rated asset-backed securities in an auto finance receivable securitization transaction from a securitization trust, established and sponsored by UACC for proceeds of \$224.1 million. The trust is collateralized by finance receivables with an aggregate principal balance of \$274.9 million as of February 5, 2026. These finance receivables are serviced by UACC and UACC receives an "at market" servicing fee. UACC retained the residual interests, which required us to account for the 2026-1 securitization as secured borrowings and the assets and liabilities of the trust remain on balance sheet.

During the three months ended March 31, 2025, UACC completed the 2025-1 securitization transaction, in which it sold approximately \$307.8 million of rated asset-backed securities in an auto finance receivable securitization transaction from a securitization trust, established and sponsored by UACC for proceeds of \$306.5 million. The trust is collateralized by finance receivables with an aggregate principal balance of \$382.1 million as of March 12, 2025. These finance receivables are serviced by UACC and UACC receives an "at market" servicing fee. The Company retained the residual interests, which required the Company to account for the 2025-1 securitization as secured borrowings and the assets and liabilities of the trust remain on balance sheet.

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UACC is the primary beneficiary of all securitization trusts, excluding 2022-1, as it has both the power to direct the activities that most significantly impact the entity's economic performance and the obligation to absorb losses or the right to receive benefits from the entity that could potentially be significant to the VIE. UACC also retained a portion of the economic interests in the asset-backed securitization transactions in accordance with Regulation RR of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Risk Retention Rules"). The Risk Retention Rules require the Company to retain at least 5% of the beneficial interests issued by the securitization trusts. Refer to Note 11 — Long Term Debt for further details.

The VIE model allows for a measurement alternative when a reporting entity elects the fair value option and consolidates a collateralized financing entity ("CFE"). This measurement alternative eliminates the accounting mismatch that may arise from measurement differences between the CFE's financial assets and third-party financial liabilities in earnings and attributes those earnings to the controlling equity interest in the condensed consolidated income statement. All of the consolidated securitization trusts meet the definition of a CFE and the Company has elected to apply the measurement alternative when consolidating these VIEs. Refer to Note 15 — Financial Instruments and Fair Value Measurements for further details.

UACC has three senior secured warehouse credit facilities as of March 31, 2026. Through trusts, UACC entered into warehouse facility agreements with certain banking institutions, primarily to finance the purchase and origination of finance receivables as well as to provide funding for general operating activities. These trusts are secured by eligible finance receivables which are pledged as collateral for the warehouse facilities. These trusts are consolidated VIEs. Refer to Note 10 — Warehouse Credit Facilities of Consolidated VIEs for further details.

Creditors or beneficial interest holders of VIEs for which the Company is the primary beneficiary generally have recourse only to the assets and cash flows of the VIEs and do not have recourse to the Company. The following table presents the total assets and total liabilities associated with the Company's variable interests in consolidated VIEs, as classified in the condensed consolidated balance sheets (in thousands):

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	As of March 31, 2026		
	Securitization Vehicles	Warehouse Facilities <sup>1</sup>	Total
<b>Assets:</b>			
Restricted cash	\$ 52,989	\$ 6,151	\$ 59,140
Finance receivables at fair value	601,066	177,440	778,506
Interest receivable	8,933	2,269	11,202
Other assets	8,335	1,726	10,061
<b>Total Assets</b>	<b>\$ 671,323</b>	<b>\$ 187,586</b>	<b>\$ 858,909</b>
<b>Liabilities:</b>			
Securitization debt at fair value	\$ 551,021	\$ —	\$ 551,021
Warehouse credit facilities	—	159,483	159,483
Other liabilities	10,724	4,869	15,593
<b>Total Liabilities</b>	<b>\$ 561,745</b>	<b>\$ 164,352</b>	<b>\$ 726,097</b>

	As of December 31, 2025		
	Securitization Vehicles	Warehouse Facilities <sup>1</sup>	Total
<b>Assets:</b>			
Restricted cash	\$ 39,729	\$ 16,106	\$ 55,835
Finance receivables at fair value	441,084	335,916	777,000
Interest receivable	7,164	5,270	12,434
Other assets	5,991	3,842	9,833
<b>Total Assets</b>	<b>\$ 493,968</b>	<b>\$ 361,134</b>	<b>\$ 855,102</b>
<b>Liabilities:</b>			
Securitization debt at fair value	\$ 393,244	\$ —	\$ 393,244
Warehouse credit facilities	—	318,655	318,655
Other liabilities	5,773	9,917	15,690
<b>Total Liabilities</b>	<b>\$ 399,017</b>	<b>\$ 328,572</b>	<b>\$ 727,589</b>

<sup>1</sup> Refer to Note 10 – Warehouse Credit Facilities of Consolidated VIEs for further details.

**5. Discontinued Operations**

As discussed in Note 1 — Description of Business and Basis of Presentation, the Ecommerce Wind-Down was substantially completed as of March 29, 2024. The Company's ecommerce operations were previously a reportable segment and the exit represents a strategic shift that had a major effect on the Company's operations and financial results. Therefore, in accordance with ASC 205, as of and for the three months ended March 31, 2024, the Company reported the ecommerce operations and used vehicle dealership business as discontinued operations.

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The following table summarizes the major income and expense line items from discontinued operations as reported in the condensed consolidated statements of operations (in thousands):

	<u>Three months ended March 31, 2026</u>	<u>Period from January 15 through March 31, 2025</u>
<b>Revenue:</b>		
Retail vehicle, net	\$ —	\$ —
Wholesale vehicle	—	—
Product, net	—	(11)
Total revenue	—	(11)
<b>Cost of sales:</b>		
Retail vehicle	—	—
Wholesale vehicle	—	(6)
Total cost of sales	—	(6)
Total gross profit (loss)	—	(5)
Selling, general and administrative expenses	12	(234)
Gain (loss) on disposal of long lived assets	—	130
Depreciation and amortization	—	—
Income (loss) from operations	(12)	99
Interest expense	—	—
Interest loss	—	—
Income (loss) before provision for income taxes	(12)	99
Provision for income taxes	—	—
Net income (loss) from discontinued operations	<u>\$ (12)</u>	<u>\$ 99</u>

Net income (loss) from discontinued operations for the period from January 1, 2025, to January 14, 2025, was not material.

The following table summarizes the major classes of assets and liabilities from discontinued operations as reported in the condensed consolidated balance sheets (in thousands):

	<u>As of March 31, 2026</u>	<u>As of December 31, 2025</u>
<b>ASSETS</b>		
Property and equipment, net	\$ —	\$ —
Other assets	—	46
Assets from discontinued operations	<u>\$ —</u>	<u>\$ 46</u>
<b>LIABILITIES</b>		
Accounts payable	\$ —	\$ 82
Accrued expenses	223	42
Liabilities from discontinued operations	<u>\$ 223</u>	<u>\$ 124</u>

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**6. Fresh Start Accounting**

As discussed in Note 1 — Description of Business and Basis of Presentation, on November 13, 2024, the Company commenced the Prepackaged Chapter 11 Case. On January 14, 2025, the Effective Date, the conditions to the effectiveness of the Plan were satisfied or waived and the Plan became effective. On January 14, 2025, the Company emerged from the Prepackaged Chapter 11 Case. On the Effective Date, each holder of the 2026 Notes received a pro rata share of 92.94% of the Common Stock, as defined below, (subject to dilution) and all of the Company's outstanding obligations under the 2026 Notes and the Indenture were deemed fully satisfied and discharged. There were no other creditors of the Company impaired in connection with the Prepackaged Chapter 11 Case.

The Company adopted an Amended and Restated Certificate of Incorporation (the "Certificate of Incorporation") to, among other changes to its prior amended and restated certificate of incorporation, effect an automatic conversion of the Common Stock at a ratio of 1-for-5. As a result of the automatic conversion and the issuance of shares of Common Stock pursuant to the Plan, there were approximately 5,163,109 outstanding shares of newly issued Common Stock as of the Effective Date.

On the Effective Date, the Company entered into a warrant agreement (the "Warrant Agreement") with Equiniti Trust Company LLC, as warrant agent. In accordance with the Plan and pursuant to the Warrant Agreement, on the Effective Date, the Company issued warrants (the "Warrants") to purchase an aggregate of 364,516 shares of the Common Stock, at an exercise price of \$60.95 per share, to stockholders of the Predecessor in accordance with the Prepackaged Chapter 11 Case. Each Warrant was immediately exercisable upon the issuance date and will expire five years from the issuance date.

In connection with the emergence from the Prepackaged Chapter 11 Case and in accordance with ASC Topic 852, the Company qualified for and adopted fresh start accounting on the Effective Date. The Company was required to adopt fresh start accounting because (i) the holders of existing voting shares of the Predecessor received less than 50% of the voting shares of the Successor Company, and (ii) the reorganization value of the assets immediately prior to confirmation of the Plan was less than the post-petition liabilities and allowed claims. In accordance with ASC Topic 852, with the application of fresh start accounting, the Company allocated its equity value to its individual assets and liabilities based on their estimated fair values. As a result of the application of fresh start accounting and the effects of the implementation of the Plan, the condensed consolidated financial statements after January 14, 2025, are not comparable with the condensed consolidated financial statements as of or prior to that date.

***Reorganization Value***

In accordance with ASC Topic 852, with the application of fresh start accounting, the Company will allocate the equity value to its individual assets and liabilities based on their estimated fair values in conformity with ASC Topic 820, Fair Value.

As set forth in the Plan and the disclosure statement, the value of the Successor Company was assigned to its equity and estimated to be between \$115.6 million and \$179.4 million. The Company estimated the enterprise value and corresponding equity value utilizing two valuation methods: a comparable public company analysis, and a discounted cash flow ("DCF") method.

The DCF analysis is a forward-looking enterprise valuation methodology that estimates fair value by calculating the present value of expected future cash flows to be generated plus a present value of the estimated terminal value. The Company established an estimate of future cash flows through December 31, 2029, based on the financial projections and assumptions utilized in the Company's disclosure statement to the Plan, which were derived from earnings forecasts and assumptions regarding growth and profit projections. A terminal value was calculated using the constant growth method based on the projected cash flows for the final year of the forecast period. The cash flow assumptions used in the DCF analysis reflected the Company's best estimates at the time the analysis was prepared.

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The selected public companies analysis is based on the enterprise values of selected publicly traded companies that have operating and financial characteristics comparable in certain respects to the Company. Under this methodology, certain financial multiples that measure financial performance and value are calculated for the selected company. A reference range was determined utilizing such multiples and is applied to certain of the Company's financial metrics to imply an estimated equity value for the business.

Based on the estimates and assumptions discussed below, the Company estimated the Successor's equity value to be \$164.5 million for financial reporting purposes, which is within the range of equity value per the Plan. The following table reconciles the enterprise value to the estimated fair value of the Successor Common Stock as of the Effective Date (in thousands, except per share data):

Enterprise value	\$	832,727
Plus:		
Cash and cash equivalents		35,352
Restricted cash		26,089
Less:		
Warehouse credit facilities of consolidated VIEs		363,718
Long-term debt		365,963
Fair value of Successor Equity	\$	<u>164,487</u>
Less:		
Successor warrants		(2,825)
Fair value of Successor common stock	\$	<u>161,662</u>
Shares issued upon emergence		5,163,109
Per share value	\$	31.31

The reconciliation of the Company's enterprise value to reorganization value as of the Effective Date is as follows: (in thousands):

Enterprise value	\$	832,727
Plus:		
Cash and cash equivalents		35,352
Restricted cash		26,089
Other liabilities		61,536
Reorganization value of Successor assets	\$	<u>955,704</u>

The enterprise value and corresponding equity value are dependent upon achieving the future financial results set forth in the Company's projections, as well as the realization of certain other assumptions. All estimates, assumptions, valuations and financial projections, including the fair value adjustments, the financial projections, the enterprise value and equity value projections, are inherently subject to significant uncertainties and the resolution of contingencies beyond the Company's control. Accordingly, the Company cannot assure that the estimates, assumptions, valuations or financial projections will be realized and actual results could vary materially.

The results of the Company's analysis indicated that the principal assets requiring fair value adjustments on the Effective Date include finance receivables held for sale, identified intangible assets and leased assets. Further detail regarding the valuation process is described below.

***Finance receivables held for sale, net***

As of the Effective Date, the finance receivables held for sale, net were reclassified to finance receivables at fair value, refer to Note 2 — Summary of Significant Accounting Policies for further details. To estimate the fair value of the finance receivables the Company utilized the valuation methodologies which are used to value finance receivables at fair value on a recurring basis. Refer to the Fair Value of Financial Instruments Not Carried at Fair Value section in Note 15 — Financial Instruments and Fair Value Measurements for further details.

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***Intangible Assets***

The identified intangible assets of \$14.2 million, which principally consisted of technology, trade names and trademarks, and customer relationships were estimated based on either the cost approach, relief from royalty or multi-period excess earnings methods. Significant assumptions for identified intangibles included royalty rates, discount rates, margins, attrition rates, revenue growth rates, and economic lives. Such fair value measurement of intangible assets is considered Level 3 of the fair value hierarchy.

For the technology-based intangibles that were valued using the relief from royalty income approach, the royalty rate was estimated to be 5.0% and the discount rate 25%. For the technology-based intangibles that were valued using the cost approach, the margin was estimated to be 8.5%. For trade names and trademarks valued under the relief from royalty income approach, the royalty rate was estimated to be 0.5% and the discount rate 25%. For customer-related intangible assets that were valued using the multi-period excess earnings method, the attrition rate was estimated to be 10% and the discount rate 25%.

***Lease Liabilities and Right of Use Assets***

The present value of lease liabilities was measured as the present value of the remaining lease payments, as if the leases were new leases as of the Effective Date. The Company used its incremental borrowing rate ("IBR") as the discount rate in determining the present value of the remaining lease payments using a fundamental credit rating analysis. Based upon the corresponding lease terms, the IBRs ranged between approximately 6.2% - 7.6%. Right of use asset values were estimated based on the lease liability.

***Consolidated Balance Sheet***

The adjustments set forth in the following condensed consolidated balance sheet as of January 14, 2025 reflect the effects of the transactions contemplated by the Plan and executed on the Effective date (reflected in the column "Reorganization Adjustments"), and fair value and other required accounting adjustments resulting from the adoption of fresh start accounting (reflected in the column "Fresh Start Accounting Adjustments"), (in thousands):

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As of January 14, 2025

	Predecessor	Reorganization Adjustments	Notes	Fresh Start Accounting Adjustments	Notes	Successor
<b>ASSETS</b>						
Cash and cash equivalents	\$ 35,352	\$ —		\$ —		\$ 35,352
Restricted cash	26,089	—		—		26,089
Finance receivables at fair value	505,084	—		319,928	7	825,012
Finance receivables held for sale, net	311,640	—		(311,640)	7	—
Interest receivable	14,230	—		—		14,230
Property and equipment, net	4,175	—		(2,972)	8	1,203
Intangible assets, net	103,852	—		(89,652)	9	14,200
Operating lease right-of-use assets	6,831	—		4,196	10	11,027
Other assets	32,919	(2,037)	1	(3,049)	11	27,833
Assets from discontinued operations	758	—		—		758
<b>Total assets</b>	<b>\$ 1,040,930</b>	<b>\$ (2,037)</b>		<b>\$ (83,189)</b>		<b>\$ 955,704</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>						
Current Liabilities:						
Warehouse credit facilities of consolidated VIEs	\$ 363,718	\$ —		\$ —		\$ 363,718
Long-term debt	361,464	—		4,499	12	365,963
Operating lease liabilities	11,027	—		—		11,027
Other liabilities	46,875	—		—		46,875
Liabilities subject to compromise	291,668	(291,668)	2	—		—
Liabilities from discontinued operations	3,634	—		—		3,634
<b>Total liabilities</b>	<b>1,078,386</b>	<b>(291,668)</b>		<b>4,499</b>		<b>791,217</b>
Stockholders' (deficit) equity:						
Common stock - Predecessor	2	(2)	3	—		—
Common stock - Successor	—	5	4	—		5
Additional paid-in-capital - Predecessor	2,095,033	(2,095,033)	5	—		—
Additional paid-in-capital - Successor	—	161,657	6	—		161,657
Warrants - Successor	—	2,825	6	—		2,825
Accumulated deficit	(2,132,491)	2,220,179	2,13	(87,688)	13	—
<b>Total stockholders' (deficit) equity</b>	<b>(37,456)</b>	<b>289,631</b>		<b>(87,688)</b>		<b>164,487</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 1,040,930</b>	<b>\$ (2,037)</b>		<b>\$ (83,189)</b>		<b>\$ 955,704</b>

*Reorganization adjustments*

1. Represents write-off of prepaid asset related to predecessor directors and officers insurance tail policy.
2. Represents the settlement of the Company's pre-petition Convertible Notes, as of the Effective date, which is calculated as follows (in thousands):

Convertible note	\$ 290,488
Accrued interest on convertible senior note	1,180
Liabilities subject to compromise	291,668
Issuance of 92.94% of Successor common shares to prepetition convertible note holders <sup>(1)</sup>	150,249
Gain on settlement of liabilities subject to compromise	\$ 141,419

<sup>(1)</sup> Note the total issuances of Successor equity in the amount of \$164.4 million was issued to Predecessor note holders in the amount of \$150.2 million and Predecessor equity holders in the amount of \$14.2 million. The total issuance to the Predecessor equity holders of \$14.2 million included warrants of \$2.8 million and 7.06% of Successor common shares totaling \$11.4 million.

3. Represents the cancellation of Predecessor common stock.
4. Represents the issuance of Successor common stock.
5. Represents the cancellation of Predecessor additional paid-in capital.

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6. Represents the fair value of 5,163,109 Successor common shares totaling \$161.7 million and 364,516 Successor warrants totaling \$2.8 million. This results in total Successor equity in the amount of \$164.5 million.

*Fresh Start Adjustments*

7. Represents reclassification of finance receivables held for sale to finance receivables at fair value due to a change in Accounting Policy in accordance with fresh start accounting. Upon reclassification, the finance receivables were adjusted to fair value.

8. Represents a fair value adjustment to property, plant and equipment, net.

9. Represents a fair value adjustment to intangible assets, net.

10. Represents a fair value adjustment to record the initial measurement of the operating lease right-of-use assets to the amount of the operating lease liabilities in accordance with fresh start accounting.

11. Represents a fair value adjustment to other assets, which includes the write-off of debt issuance costs of warehouse credit facilities.

12. Represents an adjustment to long-term debt, which includes the write-off of debt issuance costs of \$2.9 million and an adjustment related to the fair value option election for the 2024-1 securitization debt, which resulted in a fair value adjustment to the securitization debt of \$1.6 million. The fair value of the debt was determined using a non-binding quote from broker dealers.

13. Represents the cumulative impact, as of the Effective Date, to accumulated deficit from the reorganization adjustments and fresh start accounting adjustments. The cumulative impact to accumulated deficit from the reorganization adjustments is calculated, as follows (in thousands):

Adjustment to Predecessor common stock and additional paid-in-capital	\$	2,095,035
Gain on settlement of liabilities subject to compromise		141,419
Warrants and common stock issued to Predecessor equity holders		(14,238)
Reorganization adjustment to total assets		(2,037)
Cumulative impact to accumulated deficit	\$	<u>2,220,179</u>

***Reorganization items, net***

The Company applied ASC 852 in preparing the condensed consolidated financial statements starting on the Prepackaged Chapter 11 Case petition date. ASC 852 requires the financial statements, for the periods subsequent to the petition date and up to and including the Effective Date, to distinguish transactions and events that are directly associated with the reorganization from the ongoing operations of the business. Accordingly, certain charges incurred during the bankruptcy proceedings, such as legal and professional fees incurred directly as a result of the bankruptcy proceeding, the write-off of deferred financing costs and discount on debt subject to compromise and other related charges are recorded as Reorganization items, net in the Condensed Consolidated Statements of Operations.

Certain expenses resulting from and recognized during the Company's bankruptcy proceedings, gains on the settlement of liabilities under the Plan and the net impact of fresh start accounting adjustments are recorded in

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Reorganization items, net in the Company's Condensed Consolidated Statements of Operations. Reorganization items, net consisted of the following (in thousands):

	Predecessor Period from January 1 through January 14, 2025
Net gain on settlement of debt	\$ 141,419
Net loss on fresh start adjustments	(87,688)
Net loss on reorganization adjustment of other assets	(2,037)
Debt valuation adjustments	—
Professional fees	(658)
Total reorganization items, net	\$ 51,036

**7. Property and Equipment, Net**

Property and equipment, net consisted of the following (in thousands):

	March 31, 2026	December 31, 2025
Equipment	\$ 539	\$ 539
Furniture and fixtures	81	82
Leasehold improvements	388	388
Internal-use software	8,572	7,043
Other	122	128
	9,702	8,180
Accumulated depreciation and amortization	(2,287)	(1,436)
Property and equipment, net	\$ 7,415	\$ 6,744

Upon emergence from the Prepackaged Chapter 11 Case, and application of fresh start accounting, the Company recorded property and equipment at fair value as of the Effective Date, as discussed in Note 6 — Fresh Start Accounting for further details.

Depreciation and amortization expense was \$0.9 million for the three months ended March 31, 2026 and \$0.2 million for the period from January 15, 2025 to March 31, 2025. Depreciation and amortization expense for the period from January 1, 2025, to January 14, 2025, was not material.

**8. Intangible Assets, Net**

Intangible assets, net consisted of the following (in thousands):

	March 31, 2026			December 31, 2025		
	Gross Carrying Value	Accumulated Amortization	Carrying Value	Gross Carrying Value	Accumulated Amortization	Carrying Value
Developed and purchased technology	\$ 9,800	\$ (1,697)	\$ 8,103	\$ 9,800	\$ (1,347)	\$ 8,453
Customer relationships	900	(136)	764	900	(108)	792
Trademarks and trade names	3,500	(472)	3,028	3,500	(375)	3,125
Total intangible assets	\$ 14,200	\$ (2,305)	\$ 11,895	\$ 14,200	\$ (1,830)	\$ 12,370

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Amortization expense for intangible assets was \$0.5 million for the three months ended March 31, 2026, \$0.4 million for the period from January 15, 2025 to March 31, 2025, and \$1.0 million for the period from January 1, 2025 to January 14, 2025.

The estimated amortization expense for intangible assets subsequent to March 31, 2026, consists of the following (in thousands):

<b>Year Ending December 31:</b>	
For remainder of 2026	\$ 1,426
2027	1,901
2028	1,901
2029	1,901
Thereafter	4,766
	<u>\$ 11,895</u>

### 9. Other Liabilities

The Company's other liabilities consisted of the following (in thousands):

	<u>March 31,</u> <u>2026</u>	<u>December 31,</u> <u>2025</u>
Warranty and GAP liabilities	\$ 14,755	\$ 14,834
Dealer related liabilities	2,940	3,423
Accrued compensation and benefits	6,822	5,402
Accrued professional services	2,361	3,127
Accrued software and IT costs	281	403
Interest payable	3,096	3,606
Insurance payable	494	447
Other	12,438	9,907
Total other liabilities	<u>\$ 43,187</u>	<u>\$ 41,149</u>

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**10. Warehouse Credit Facilities of Consolidated VIEs**

UACC has three senior secured warehouse facility agreements (the "Warehouse Credit Facilities"), through consolidated VIEs, with banking institutions as of March 31, 2026. The Warehouse Credit Facilities are collateralized by eligible finance receivables and available borrowings are computed based on a percentage of eligible finance receivables. As of March 31, 2026 and December 31, 2025, the Company had excess borrowing capacity of \$14.9 million and \$11.3 million on UACC's Warehouse Credit Facilities, respectively.

The terms of the Warehouse Credit Facilities include the following (in thousands):

	Facility One		Facility Two		Facility Three
Execution date	November 19, 2013		July 11, 2019		November 18, 2022
Commitment termination date	June 2, 2026		August 28, 2026		April 12, 2027
Aggregate borrowings limit	\$ 200,000		\$ 200,000		\$ 200,000
<b>As of March 31, 2026</b>					
Aggregate principal balance of finance receivables pledged as collateral	\$ 4,098		\$ —		\$ 190,050
Outstanding balance	\$ 3,660		\$ —		\$ 155,823
Restricted cash	\$ 378		\$ —		\$ 5,773
<b>As of December 31, 2025</b>					
Aggregate principal balance of finance receivables pledged as collateral	\$ 9,732		\$ 147,269		\$ 224,874
Outstanding balance	\$ 7,739		\$ 111,060		\$ 199,856
Restricted cash	\$ 557		\$ 6,920		\$ 8,629

As of March 31, 2026, and December 31, 2025, the Company's weighted average interest rate on the Warehouse Credit Facilities borrowings was approximately 5.27% and 5.55%, respectively.

During 2025 the Company renewed three of its previous four Warehouse Credit Facilities. The significant terms of the agreements remained unchanged except for certain reductions in advance rates and increases in minimum liquidity and tangible net worth requirements as well as a decrease of the aggregate borrowing limit under one of the facilities from \$225.0 million to \$200.0 million. On July 21, 2025, the remaining fourth Warehouse Credit Facility, which had a borrowing capacity of \$200 million, expired pursuant to its terms and was not extended or renewed. The Company believes that its borrowing capacity from its other Warehouse Credit Facilities is sufficient to support its current operational needs and therefore elected not to renew this commitment.

The Company's ability to utilize its Warehouse Credit Facilities is primarily conditioned on the satisfaction of certain legal, operating, administrative and financial covenants contained within the agreements. These include covenants that require UACC to maintain a minimum tangible net worth, minimum liquidity levels, specified leverage ratios and certain indebtedness levels. Failure to satisfy these or any other requirements contained within the agreements would restrict access to the Warehouse Credit Facilities. Certain breaches of covenants may also result in acceleration of the repayment of borrowings prior to the scheduled maturity. As of March 31, 2026, and December 31, 2025, the Company was in compliance with all covenants related to the Warehouse Credit Facilities.

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**11. Long Term Debt**

Debt instruments, excluding warehouse credit facilities of consolidated VIEs, which are discussed in Note 10 — Warehouse Credit Facilities of Consolidated VIEs, consisted of the following (in thousands):

	<u>March 31,</u> <u>2026</u>	<u>December 31,</u> <u>2025</u>
Securitization debt of consolidated VIEs at fair value	\$ 551,021	\$ 393,244
Financing of beneficial interest in securitizations	16,637	19,643
Junior subordinated debentures	10,310	10,310
Total debt	<u>\$ 577,968</u>	<u>\$ 423,197</u>

**Securitization Debt of Consolidated VIEs**

The securitization debt was issued under UACC's securitization program. The Company elected to account for the securitization debt under the fair value option using the measurement alternative. Fair value adjustments are recorded in "Realized and unrealized losses, net of recoveries" in the condensed consolidated statements of operations. Refer to Note 15 — Financial Instruments and Fair Value Measurements. For all securitization transactions, excluding 2022-1, the Company consolidated the VIEs and accounted for these transactions as secured borrowings. Refer to Note 4 — Variable Interest Entities and Securitizations for further discussion.

UACC retained the residual interests in all securitization transactions, excluding 2022-1 and 2022-2. UACC also retains the servicing rights for all finance receivables that were securitized; therefore, it is responsible for the administration and collection of the amounts owed under the contracts. In the first quarter of 2023, UACC waived its servicing fees related to the 2022-2 securitization and subsequently consolidated the 2022-2 trust. The securitization agreements also require certain funds to be held in restricted cash accounts to provide additional collateral for the borrowings or to be applied to make payments on the securitization debt. Restricted cash under the various agreements totaled approximately \$53.0 million and \$39.7 million as of March 31, 2026, and December 31, 2025, respectively.

Wholly owned bankruptcy remote subsidiaries of UACC were formed to facilitate the above asset-backed financing transactions. Bankruptcy remote refers to a legal structure in which it is expected that the applicable entity would not be included in any bankruptcy filing by its parent or affiliates. All of the assets of these subsidiaries have been pledged as collateral for the related debt. None of the assets of these subsidiaries are available to pay other creditors of the Company or its affiliates.

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The securitization debt issued is included in "Long-term debt" on the condensed consolidated balance sheet. The securitization debt of consolidated VIEs consisted of the following (in thousands):

As of March 31, 2026

<u>Series</u>	<u>Final Scheduled Payment Date</u>	<u>Initial Principal</u>	<u>Contractual Interest Rate</u>	<u>Outstanding Principal</u>	<u>Fair Value</u>
United Auto Credit 2022-2-D	January 10, 2028	\$ 32,889	6.84 %	\$ 6,793	\$ 6,804
United Auto Credit 2022-2-E	April 10, 2029	33,440	10.00 %	28,440	13,350
United Auto Credit 2023-1-D	July 10, 2028	35,653	8.00 %	12,743	12,860
United Auto Credit 2023-1-E	September 10, 2029	23,256	10.98 %	23,256	24,421
United Auto Credit 2024-1-C	October 10, 2029	35,190	7.06 %	6,697	6,701
United Auto Credit 2024-1-D	November 12, 2029	52,160	8.30 %	52,160	52,849
United Auto Credit 2024-1-E	November 12, 2030	37,540	10.45 %	37,540	39,278
United Auto Credit 2025-1-A	June 10, 2027	138,300	4.80 %	9,062	9,063
United Auto Credit 2025-1-B	February 10, 2028	50,450	5.05 %	50,450	50,516
United Auto Credit 2025-1-C	June 10, 2030	32,660	5.15 %	32,660	32,716
United Auto Credit 2025-1-D	July 10, 2030	50,810	5.96 %	50,810	51,013
United Auto Credit 2025-1-E	October 10, 2031	35,560	7.71 %	35,560	35,613
United Auto Credit 2026-1-A	June 12, 2028	100,350	4.41 %	91,681	91,653
United Auto Credit 2026-1-B	May 10, 2029	40,130	4.63 %	40,130	40,034
United Auto Credit 2026-1-C	June 10, 2031	25,970	5.06 %	25,970	25,869
United Auto Credit 2026-1-D	July 10, 2031	40,000	5.65 %	40,000	39,820
United Auto Credit 2026-1-E	December 10, 2032	18,550	7.77 %	18,550	18,461
Total rated notes at fair value		<u>\$ 782,908</u>		<u>\$ 562,502</u>	<u>\$ 551,021</u>

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As of December 31, 2025

Series	Final Scheduled Payment Date	Initial Principal	Contractual Interest Rate	Outstanding Principal	Fair Value
United Auto Credit 2022-2-D	January 10, 2028	\$ 32,889	6.84 %	\$ 11,415	\$ 11,400
United Auto Credit 2022-2-E	April 10, 2029	33,440	10.00 %	28,440	13,011
United Auto Credit 2023-1-D	July 10, 2028	35,653	8.00 %	20,169	20,340
United Auto Credit 2023-1-E	September 10, 2029	23,256	10.98 %	23,256	24,770
United Auto Credit 2024-1-C	October 10, 2029	35,190	7.06 %	23,664	23,721
United Auto Credit 2024-1-D	November 12, 2029	52,160	8.30 %	52,160	52,953
United Auto Credit 2024-1-E	November 12, 2030	37,540	10.45 %	37,540	39,263
United Auto Credit 2025-1-A	June 10, 2027	138,300	4.80 %	37,290	37,324
United Auto Credit 2025-1-B	February 10, 2028	50,450	5.05 %	50,450	50,642
United Auto Credit 2025-1-C	June 10, 2030	32,660	5.15 %	32,660	32,849
United Auto Credit 2025-1-D	July 10, 2030	50,810	5.96 %	50,810	51,166
United Auto Credit 2025-1-E	October 10, 2031	35,560	7.71 %	35,560	35,805
Total rated notes at fair value		<u>\$ 557,908</u>		<u>\$ 403,414</u>	<u>\$ 393,244</u>

The final scheduled payment date represents legal maturity of the remaining balance sheet securitization debt. Securitization debt is expected to become due and to be paid prior to those dates, based on amortization of the finance receivables pledged to the Trusts. Expected payments, which will depend on the performance of such receivables, as to which there can be no assurance, are \$198.1 million in 2026, \$192.1 million in 2027, \$124.0 million in 2028, \$42.0 million in 2029, and \$6.3 million in 2030.

The aggregate principal balance and the net carrying value of finance receivables pledged to the securitization debt consists of the following (in thousands):

	As of March 31,		As of December 31,	
	2026		2025	
	Aggregate Principal Balance	Net Carrying Value	Aggregate Principal Balance	Net Carrying Value
United Auto Credit 2022-2	\$ 22,731	\$ 21,554	\$ 28,924	\$ 25,869
United Auto Credit 2023-1	41,591	34,069	51,291	44,224
United Auto Credit 2024-1	129,109	112,638	152,603	134,903
United Auto Credit 2025-1	220,932	202,227	257,485	236,088
United Auto Credit 2026-1	260,229	230,578	—	—
Total finance receivables of CFEs	<u>\$ 674,592</u>	<u>\$ 601,066</u>	<u>\$ 490,303</u>	<u>\$ 441,084</u>

<sup>(1)</sup> For the Successor period, net carrying value is equal to fair value.

**Financing of Beneficial Interests in Securitizations**

On May 3, 2023, UACC entered into a Risk Retention Financing Facility enabling it to finance a portion of its asset-backed securities issued in its securitization transactions and held by UACC, pursuant to applicable Risk Retention Rules. Under this facility, UACC sells such retained interests and agrees to repurchase them on a future date. As of March 31, 2026, UACC pledged \$27.6 million of its retained beneficial interests as collateral, and the outstanding borrowings related to this risk retention financing facility were \$16.8 million, with expected repurchase dates ranging from June 2027 to October 2031. The securitization trusts will distribute payments related to UACC's pledged beneficial interests in securitizations directly to the lender, which will reduce the beneficial interests in securitizations and the related

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debt balance. Pledged collateral levels are monitored and are generally maintained at an agreed-upon percentage of the fair value of the amounts borrowed during the life of the transactions. In the event of a decline in the fair value of the pledged collateral, UACC may be required to transfer cash or additional securities as pledged under this facility. At the termination of this agreement, UACC is obligated to return the amounts borrowed.

The outstanding balance of this facility, net of unamortized debt issuance costs, was \$16.6 million and \$19.6 million as of March 31, 2026 and December 31, 2025, respectively, and is included in "Long-term debt" on the condensed consolidated balance sheet. As of March 31, 2026 and December 31, 2025, the fair value of the collateral pledged under this facility was \$17.0 million and \$20.0 million, respectively.

***Junior Subordinated Debentures***

On July 31, 2003, UACC issued junior subordinated debentures (trust preferred securities) of \$10.0 million through a subsidiary, UPFC Trust I. The trust issuer is a 100 percent owned finance subsidiary and the securities are fully and unconditionally guaranteed by Vroom Automotive Finance Corporation. The interest is paid quarterly at a variable rate, equal to SOFR + 3.05%. The final maturity of these securities is on October 7, 2033; however, they can be called at par any time at the Company's discretion.

**12. Commitments and Contingencies**

***Litigation***

From time to time, the Company is involved in various claims and legal actions that arise in the ordinary course of business and an unfavorable resolution of any of these matters could materially affect the Company's future results of operations, cash flows or financial position. The Company is also party to various disputes that the Company considers routine and incidental to its business. The Company does not expect the results of any of these routine actions to have a material effect on the Company's business, results of operations, financial condition, or cash flows. The Company accrues a liability when a loss is considered probable and the amount can be reasonably estimated. When a material loss contingency is reasonably possible but not probable, the Company does not record a liability, but instead discloses the nature and the amount of the claim, and an estimate of the loss or range of loss, if such an estimate can be made. Legal fees are expensed as incurred.

As previously disclosed, the Company has been subject to audits, requests for information, investigations and other inquiries from its regulators. These regulatory matters could continue to progress into legal proceedings as well as enforcement actions. The Company has incurred fines in certain states and could continue to incur fines, penalties, restitution, or alterations in the Company's business practices, which in turn, could lead to increased business expenses, additional limitations on the Company's business activities and further reputational damage, although to date such expenses have not had a material adverse effect on the Company's financial condition, cash flows, or results of operations.

***Other Matters***

The Company enters into agreements with third parties in the ordinary course of business that may contain indemnification provisions. In the event that an indemnification claim is asserted, the Company's liability, if any, would be limited by the terms of the applicable agreement. Historically, the Company has not incurred material costs to defend lawsuits or settle claims related to indemnification provisions.

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**13. Preferred Stock and Stockholders' Equity**

***Preferred Stock***

On January 14, 2025, the Company amended its certificate of incorporation to authorize the issuance of up to 5,000,000 shares of Preferred Stock, \$0.001 par value per share.

As of March 31, 2026, and December 31, 2025, there was no preferred stock issued or outstanding. The Vroom Automotive Preferred Units described below are preferred equity interests of a subsidiary classified as mezzanine equity and are not preferred stock of Vroom, Inc.

***Common Stock***

Effective as of January 14, 2025, the Company amended its certificate of incorporation to authorize the issuance of up to 250,000,000 shares of Common Stock, \$0.001 par value per share as well as effect an automatic conversion of the Common Stock at a ratio of 1-for-5.

***Vroom Automotive Redeemable Preferred Stock***

On January 16, 2026, Vroom Automotive, LLC, a Delaware limited liability company and an indirect subsidiary of Vroom, Inc., holding intellectual property licenses and other financial assets, authorized and issued to SPE Holdings 2026-1, a Delaware statutory trust ("SPE Holdings"), 15,000 newly issued Series A preferred units and 7,500 newly issued Series B preferred units (collectively, the "Vroom Automotive Preferred Units") for aggregate gross proceeds of \$22.5 million, pursuant to a Preferred Unit Purchase Agreement by and among the Company, Vroom Automotive, LLC and SPE Holdings. Vroom Automotive's Second Amended and Restated Limited Liability Company Agreement, dated as of January 16, 2026, amends and restates the existing LLC agreement and establishes the terms of the Vroom Automotive Preferred Units.

As a result of the transaction, Vroom Inc. holds 63% ownership interest in Vroom Automotive and SPE Holdings holds 37% ownership interest in Vroom Automotive as of March 31, 2026.

The Vroom Automotive Preferred Units will be entitled to receive a quarterly preferential distribution, equal to the liquidation preference of such Vroom Automotive Preferred Units multiplied by a variable distribution rate, which will reset on each quarterly distribution date in an amount equal to the ninety (90) day average of the Secured Overnight Financing Rate (SOFR) plus a spread of 8.25% for Series A Preferred Units and 9% for Series B Preferred Units. Dividends paid on the Vroom Automotive Preferred Units are deducted from net income attributable to controlling interests to derive net income attributable to common shareholders. For the three months ended March 31, 2026 dividends of \$0.6 million were declared, authorized and paid on April 16, 2026.

The Series B Preferred Units are convertible into common units of Vroom Automotive at the option of the Counterparty at any time. The Series A Preferred Units are not convertible. The Vroom Automotive Preferred Units are redeemable at the holder's option by providing written notice at least ninety days prior to the applicable redemption dates. The Series A Redemption Date is March 16, 2027, and each anniversary thereafter. The Series B Mandatory Redemption Date is January 16, 2031, and each anniversary thereafter. As of March 31, 2026, the carrying value for both Series A and B preferred units was \$21.2 million, which is equal to the redemption value of \$22.5 million less stock issuance costs of \$1.3 million.

The holders of each unit of the Series B Preferred Units are entitled to one vote for each unit of common units into which such preferred stock is convertible at the time of the vote. The Series A preferred units have no voting rights.

In the event of a liquidation, dissolution or winding up of Vroom Automotive LLC, either voluntary or involuntary, or in the event of a deemed liquidation event, Series A Preferred Units are paid their respective full liquidation amount in preference to the holders of Series B Preferred Units or common units. After payment in full of the Liquidation Amount to the holders of Series A Preferred Units, holders of Series B Preferred Units are entitled to receive, in preference to all holders of common units, their respective full liquidation amount. After payment in full of the liquidation preferences of the Vroom Automotive Preferred Units, any remaining assets shall be distributed ratably to the holders of common units.

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The Company classifies the Vroom Automotive Preferred Units as mezzanine equity within the Company's consolidated balance sheets because the instruments contain redemption rights and liquidation features, including a liquidation preference in the event of a deemed liquidation event, that are not solely within the Company's control.

**14. Stock-based Compensation**

On May 28, 2020, the Company adopted the 2020 Incentive Award Plan (the "2020 Plan"), which authorized the issuance of (i) up to 37,739 shares of the Company's common stock, (ii) an annual increase on the first day of each year beginning on January 1, 2022 and ending on January 1, 2030 of up to 4% of the shares of common stock outstanding on an as-converted basis on the last day of the immediately preceding fiscal year, and (iii) any shares of the Company's common stock subject to awards under the 2014 Plan which are forfeited or lapse unexercised and which following the effective date are not issued under the 2014 Plan. Awards may be issued in the form of restricted stock units, restricted stock, stock appreciation rights, and stock options. Effective as of June 13, 2024, the stockholders approved an amendment to the 2020 Plan to increase the number of authorized shares by 350,000 shares.

Pursuant to the Plan, the 2020 Plan was further amended on January 14, 2025, to increase the number of shares reserved for issuance under the 2020 Plan to account for the proposed post-emergence management incentive program, which accounts for 15% of the fully-diluted shares of Common Stock as of immediately following the Effective Date, inclusive of the Warrants, the management incentive program and the converted existing equity awards: 10% will be allocated for awards of restricted stock units and 5% will be allocated for awards of stock options. The amended and restated 2020 Plan authorizes the issuance of: (i) 1,166,880 shares of common stock, (ii) any shares which are subject to awards under the 2014 Plan or any other prior plans which are forfeited or lapse unexercised and are not issued under the prior plans; and (iii) an annual increase on the first day of each calendar year beginning on January 1, 2022, and ending on and including January 1, 2030, equal to the lesser of (A) 4% of the shares outstanding (on an as-converted basis) on the last day of the immediately preceding fiscal year and (B) such smaller number of shares as determined by the Board of Directors or the Compensation Committee. As of March 31, 2026, there were 259,569 shares available for future issuance under the 2020 Plan.

On May 20, 2022, the Company adopted the 2022 Inducement Award Plan (the "Inducement Award Plan"). Awards under the Inducement Award Plan may only be granted to a newly hired employee who has not previously been an employee or a member of the Board or an employee who is being rehired following a bona fide period of non-employment by the Company, in each case as a material inducement to the employee's entering into employment. An aggregate of 7,500 shares of the Company's common stock are reserved for issuance under the Inducement Award Plan. The Inducement Award Plan continues to govern awards granted and outstanding under that plan but no new awards may be granted under that plan.

**Stock Options**

The stock-based compensation expense related to stock options was \$0.2 million and \$0.1 million for the three months ended March 31, 2026 and the period from January 15, 2025 to March 31, 2025, respectively. Stock-based compensation expense for the period from January 1, 2025 to January 14, 2025 was not material. As of March 31, 2026, the Company had \$2.5 million of unrecognized stock-based compensation expense related to stock options that is expected to be recognized over a weighted-average period of 2.8 years. As of December 31, 2025, the Company had \$2.7 million of unrecognized stock-based compensation expense related to stock options that is expected to be recognized over a weighted-average period of 3.0 years.

On March 12, 2025, 259,400 stock options were granted to the CEO whereby 129,700 have a fair value of \$11.25 per share and an exercise price of \$45.70 per share, and the remaining 129,700 have a fair value of \$9.62 per share and an exercise price of \$60.95 per share. Additionally, on March 12, 2025, an aggregate of 65,000 stock options were granted to certain members of key management whereby 32,500 have a fair value of \$11.25 per share and an exercise price of \$45.70 per share, and the remaining 32,500 have a fair value of \$9.62 per share and an exercise price of \$60.95 per share. The stock options vest ratably over a four-year period subject to continued employment through each applicable vesting date.

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**RSUs**

The stock-based compensation expense related to RSUs was \$1.2 million, \$0.4 million, and \$0.1 million for the three months ended March 31, 2026, the period from January 15, 2025 to March 31, 2025, and the period from January 1, 2025 to January 14, 2025, respectively. As of March 31, 2026, the Company had \$11.9 million of unrecognized stock-based compensation expense that is expected to be recognized over a weighted-average period of 2.8 years. As of December 31, 2025, the Company had \$13.2 million of unrecognized stock-based compensation expense that is expected to be recognized over a weighted-average period of 3.0 years.

Certain of the Company's RSU grants are subject to acceleration upon a change of control and termination within 12 months, and upon death, disability and certain other "good leaver" circumstances.

**15. Financial Instruments and Fair Value Measurements**

U.S. GAAP defines fair value as the price that would be received from selling an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants at the measurement date. These estimates are subjective in nature and involve uncertainties and matters of judgment and therefore cannot be determined with precision. U.S. GAAP establishes a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value and establishes the following three levels of inputs that may be used to measure fair value:

Level 1—Quoted prices in active markets for identical assets or liabilities

Level 2—Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted market prices in markets that are not active; or model-derived valuations or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities

Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities

***Items Measured at Fair Value on a Recurring Basis***

The Company holds certain financial assets that are required to be measured at fair value on a recurring basis. Additionally, the Company elected the fair value option for the financial assets and liabilities of UACC's consolidated CFEs, beneficial interests in the 2022-1 securitization transaction and certain other finance receivables. Upon emergence from the Prepackaged Chapter 11 Case, and application of fresh start accounting, the Company made an accounting policy election to elect the fair value option for all finance receivables on a prospective basis. Under the fair value option allowable under ASC 825, "Financial Instruments" ("ASC 825"), the Company may elect to measure at fair value financial assets and liabilities that are not otherwise required to be carried at fair value. Subsequent changes in fair value for designated items are reported in earnings.

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The following tables present the Company's financial assets and liabilities measured at fair value on a recurring basis (in thousands):

	As of March 31, 2026			Total
	Level 1	Level 2	Level 3	
<b>Financial Assets</b>				
Cash and cash equivalents:				
Money market funds	\$ 4,338	\$ —	\$ —	\$ 4,338
CFE assets:				
Finance receivables at fair value	—	—	601,066	601,066
Finance receivables at fair value	—	—	203,547	203,547
Other assets (beneficial interests in securitizations)	—	737	—	737
Total financial assets	<u>\$ 4,338</u>	<u>\$ 737</u>	<u>\$ 804,613</u>	<u>\$ 809,688</u>
<b>Financial Liabilities</b>				
CFE liabilities:				
Securitization debt of consolidated VIEs	—	537,671	13,350	551,021
Total financial liabilities	<u>\$ —</u>	<u>\$ 537,671</u>	<u>\$ 13,350</u>	<u>\$ 551,021</u>

	As of December 31, 2025			Total
	Level 1	Level 2	Level 3	
<b>Financial Assets</b>				
Cash and cash equivalents:				
Money market funds	\$ 2,534	\$ —	\$ —	\$ 2,534
CFE assets:				
Finance receivables at fair value	—	—	441,084	441,084
Finance receivables at fair value	—	—	367,552	367,552
Other assets (beneficial interests in securitizations)	—	946	—	946
Total financial assets	<u>\$ 2,534</u>	<u>\$ 946</u>	<u>\$ 808,636</u>	<u>\$ 812,116</u>
<b>Financial Liabilities</b>				
CFE liabilities:				
Securitization debt of consolidated VIEs	—	393,244	—	393,244
Total financial liabilities	<u>\$ —</u>	<u>\$ 393,244</u>	<u>\$ —</u>	<u>\$ 393,244</u>

**Valuation Methodologies of Financial Instruments Measured at Fair Value on a Recurring Basis**

The following is a description of the valuation methodologies used for financial instruments carried at fair value. These methodologies are applied to financial assets and liabilities across the fair value levels discussed above, and it is the observability of the inputs used that determines the appropriate level in the fair value hierarchy for the respective asset or liability.

*Money Market Funds:* Money market funds primarily consist of investments in highly liquid U.S. treasury securities, with original maturities of three months or less and are classified as Level 1. The Company determines the fair value of cash equivalents based on quoted prices in active markets.

*Financial assets and liabilities of CFEs:* In accordance with ASC 825, the Company has elected the fair value option, for the eligible financial assets and liabilities of the consolidated CFEs in order to mitigate potential accounting mismatches between the carrying value of the financial assets and liabilities. To eliminate potential measurement differences, the Company elected the measurement alternative included in ASC 810-30, allowing the Company to measure both the financial assets and liabilities of a qualifying CFE using the fair value of either the CFE's financial assets or liabilities, whichever is more observable. Under the measurement alternative prescribed by ASC 810-30, the Company recognizes changes in the CFE's net assets, including changes in fair value adjustments and net interest earned, in its condensed consolidated statements of operations.

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The Company is required to determine whether the fair value of the financial assets or the fair value of the financial liabilities of the eligible CFEs are more observable, but in either case, the methodology results in the fair value of the financial assets of the securitization trust being equal to the fair value of their liabilities. The Company determined that the fair value of the liabilities of the securitization CFEs are more observable, since market prices of their liabilities are based on non-binding quoted prices provided by broker dealers who make markets in similar financial instruments. The assets of the securitization CFEs are not readily marketable, and their fair value measurement requires information that may be limited in availability.

In determining the fair value of the securitization debt of consolidated CFEs, the broker dealers consider contractual cash payments and yields expected by market participants. Broker dealers also incorporate common market pricing methods, including a spread measurement to the treasury curve or interest rate swap curve as well as underlying characteristics of the particular security including ratings, coupon, collateral type and seasoning or age of the security. When the Company obtains prices from multiple broker dealers for the same security and has a consensus among them, it deems these fair values to be based on observable valuation inputs and classified as Level 2 of the fair value hierarchy. Where a third-party broker dealer quote is not available, an internal model is utilized using unobservable inputs or if the Company has multiple quotes that are not within determined range, it classifies the securitization debt as Level 3 of the fair value hierarchy.

The financial assets of the consolidated CFEs are an aggregate value derived from the fair value of the CFEs liabilities. The Company determined that CFEs finance receivables in their entirety should be classified as Level 3 of the fair value hierarchy.

*Finance receivables at fair value:* Finance receivables at fair value represent finance receivables for which the Company elected the fair value option in accordance with ASC 825. The Company estimates the fair value of these receivables using a discounted cash flow model and incorporates key inputs that include prepayment speed, default rate, recovery rate, as well as certain macroeconomics events the Company believes market participants would consider relevant.

**Changes in Level 3 Recurring Fair Value Measurements**

The following table presents a reconciliation of the financial assets, which were measured at fair value on a recurring basis using Level 3 inputs (in thousands):

<b>Successor</b>	<b>Finance Receivables of Consolidated CFEs</b>	<b>Finance Receivables at Fair Value</b>	<b>Securitization Debt of Consolidated CFEs</b>
Fair value as of January 1, 2026	\$ 441,084	\$ 367,552	\$ —
Transfer within Level 3 categories	247,092	(247,092)	—
Transfers into Level 3	—	—	13,011
Losses included in realized and unrealized losses	(23,716)	(4,453)	339
Losses included in Warranties and GAP	(884)	(880)	—
Issuances, net of discount	—	113,495	—
Paydowns	(61,837)	(23,928)	—
Other	(673)	(1,147)	—
Fair value as of March 31, 2026	<u>\$ 601,066</u>	<u>\$ 203,547</u>	<u>\$ 13,350</u>

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<b>Successor</b>	Finance Receivables of Consolidated CFEs	Finance Receivables at Fair Value	Securitization Debt of Consolidated CFEs
Fair value as of January 15, 2025	\$ 387,444	\$ 437,568	\$ 14,934
Transfer within Level 3 categories	349,623	(349,623)	—
Losses included in realized and unrealized losses	(13,991)	3,176	273
Losses included in Warranties and GAP	(804)	(976)	—
Issuances, net of discount	—	120,532	—
Paydowns	(44,268)	(28,949)	—
Other	(404)	(1,128)	—
Fair value as of March 31, 2025	<u>\$ 677,600</u>	<u>\$ 180,600</u>	<u>\$ 15,207</u>
<b>Predecessor</b>	Finance Receivables of Consolidated CFEs	Finance Receivables at Fair Value	Securitization Debt of Consolidated CFEs
Fair value as of January 1, 2025	\$ 214,420	\$ 289,428	\$ 16,922
Reclassification of finance receivables due to a change in Accounting Policy	180,883	139,052	—
Transfer within Level 3 categories	(439)	439	—
Losses included in realized and unrealized losses	(4,707)	(2,265)	(1,988)
Losses included in Warranties and GAP	(52)	(188)	—
Issuances, net of discount	—	14,337	—
Paydowns	(2,947)	(2,992)	—
Other	286	(243)	—
Fair value as of January 14, 2025	<u>\$ 387,444</u>	<u>\$ 437,568</u>	<u>\$ 14,934</u>

The Company's transfers between levels of the fair value hierarchy are assumed to have occurred at the beginning of the reporting period on a quarterly basis. During the three months ended March 31, 2026, transfers into Level 3 liabilities related to not achieving consensus pricing from third-party broker dealers on the 2022-2 E rated notes related to the securitization debt of consolidated CFEs.

**Other Relevant Data for Financial Assets and Liabilities for which FVO Was Elected**

The following table presents the gains or losses recorded in "Realized and unrealized losses, net of recoveries" in the condensed consolidated statements of operations related to the eligible financial instruments for which the fair value option was elected (in thousands):

	Successor		Predecessor
	Three months ended March 31,	Period from January 15 through March 31,	Period from January 1 through January 14,
	2026	2025	2025
Finance receivables at fair value	\$ 28,340	\$ 12,047	\$ 6,451
Finance receivables held for sale, net	—	—	2,737
Debt of securitized VIEs at fair value	(1,312)	1,952	(2,267)
Collection expenses	2,974	2,638	492
Recoveries	(5,356)	(5,542)	(683)
Other	37	5	62
Total net loss included in "Realized and unrealized losses, net of recoveries"	<u>\$ 24,683</u>	<u>\$ 11,100</u>	<u>\$ 6,792</u>

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The following table presents other relevant data related to the finance receivables carried at fair value (in thousands):

<b>As of March 31, 2026</b>	<b>Finance Receivables of CFEs at Fair Value</b>	<b>Finance Receivables at Fair Value</b>
Aggregate unpaid principal balance included within finance receivables that are reported at fair value	\$ 674,592	\$ 227,415
Aggregate fair value of finance receivables that are reported at fair value	\$ 601,066	\$ 203,547
Unpaid principal balance of receivables within finance receivables that are reported at fair value and are on nonaccrual status (90 days or more past due)	\$ 6,276	\$ 4,400
Aggregate fair value of receivables carried at fair value that are on nonaccrual status (90 days or more past due)	\$ 5,607	\$ 2,896
<b>As of December 31, 2025</b>		
Aggregate unpaid principal balance included within finance receivables that are reported at fair value	\$ 490,303	\$ 419,632
Aggregate fair value of finance receivables that are reported at fair value	\$ 441,084	\$ 367,552
Unpaid principal balance of receivables within finance receivables that are reported at fair value and are on nonaccrual status (90 days or more past due)	\$ 8,315	\$ 5,824
Aggregate fair value of receivables carried at fair value that are on nonaccrual status (90 days or more past due)	\$ 7,460	\$ 4,050

All finance receivables of CFEs are pledged to the CFEs trusts.

The following table presents other relevant data related to securitization debt of consolidated VIEs carried at fair value (in thousands):

<b>As of March 31, 2026</b>	<b>Securitization debt of consolidated VIEs at Fair Value</b>
Aggregate unpaid principal balance of rated notes of securitized VIEs	\$ 562,502
Aggregate fair value of rated notes of securitized VIEs	\$ 551,021
<b>As of December 31, 2025</b>	
Aggregate unpaid principal balance of rated notes of securitized VIEs	\$ 403,414
Aggregate fair value of rated notes of securitized VIEs	\$ 393,244

**Fair Value of Financial Instruments Not Carried at Fair Value**

The carrying amounts of restricted cash and other liabilities approximate fair value due to their short-term nature. The carrying value of the Warehouse Credit Facilities, Financing of Beneficial Interests in Securitizations, and related party lines of credit were determined to approximate fair value due to its short-term duration and variable interest rates that approximate prevailing interest rates as of each reporting period.

*Junior Subordinated Debentures:* The fair value of the junior subordinated debentures, which are not carried at fair value on the Company's condensed consolidated balance sheets, approximated their carrying value as of March 31, 2026 and December 31, 2025 and are classified within Level 3 of the fair value hierarchy.

*Convertible Senior Notes:* The fair value of the 2030 Notes, which are not carried at fair value on the Company's consolidated balance sheets, approximated their carrying value as of March 31, 2026 and December 31, 2025.

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*Fresh start accounting:* In accordance with ASC Topic 852, with the application of fresh start accounting, the Company allocated the reorganization value to its individual assets and liabilities based on their estimated fair values in conformity with ASC Topic 805, Business Combinations. Refer to Note 6 — Fresh Start Accounting for further details.

**16. Segment Information**

The Company is organized into two reportable segments: UACC and CarStory. Corporate activities are presented in "corporate" and do not constitute a reportable segment. These activities include costs not directly attributable to the segments and are primarily related to costs associated with corporate and governance functions, including executive functions, corporate finance, legal, human resources, information technology, cyber security and other shared costs. Certain shared costs, including corporate administration, are allocated to segments based upon specific allocation of expenses. Corporate activities also include the runoff of legacy Vroom third party vehicle service and GAP policies sold prior to the Ecommerce Wind-Down. No operating segments have been aggregated to form the reportable segments.

The Company determined its operating segments based on how the chief operating decision maker ("CODM") reviews the Company's operating results in assessing performance and allocating resources. The Company's CODM is the chief executive officer ("CEO"). During the period from January 15, 2025, to March 31, 2025, the CODM changed the profitability measure reviewed for the Company's segment from Adjusted EBITDA to Adjusted net income (loss). The CODM reviews Adjusted net income (loss) for each of the reportable segments. Adjusted net income (loss) is defined as net income (loss) from continuing operations less preferred stock dividends attributable to noncontrolling interests of subsidiary adjusted for stock compensation expense, severance expense, bankruptcy costs (which represent professional fees incurred related to the bankruptcy prior to filing of the petition and post-emergence), reorganization items, net (which relate to certain charges incurred during the bankruptcy proceedings, such as legal and professional fees incurred directly as a result of the bankruptcy proceeding, the write-off of deferred financing costs and discount on debt subject to compromise and other related charges), operating lease right-of-use assets impairment and long-lived asset impairment charges incurred by segment. All expense categories on the condensed consolidated statement of operations are significant and there are no other significant segment expenses that would require disclosure. There are no intra-entity sales and no significant expense categories regularly provided to the CODM beyond those disclosed in the consolidated statement of operations. The CODM manages the business using consolidated expense information, adjusted for items that are non-recurring or not core to the Company's operating business as disclosed above, as well as regularly provided budgeted or forecasted expense information for each operating segment. The CODM does not evaluate operating segments using asset information as these are managed on an enterprise-wide group basis. Accordingly, the Company does not report segment asset information. As of March 31, 2026 and December 31, 2025, long-lived assets were predominantly located in the United States.

The UACC reportable segment represents UACC's operations with its network of third-party dealership customers, including the purchases and servicing of vehicle installment contracts. The segment also includes the runoff portfolio of retail installment sale contracts originated for Vroom or purchased from Vroom prior to the Ecommerce Wind-Down.

The CarStory reportable segment represents sales of AI-powered analytics and digital services to automotive dealers, automotive financial services companies and others in the automotive industry.

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**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
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Information about the Company's reportable segments and corporate activities are as follows (in thousands):

	Successor							
	Three months ended March 31,				Period from January 15 through March 31,			
	2026				2025			
	UACC	CarStory	Corporate	Total	UACC	CarStory	Corporate	Total
Interest income	\$ 42,476	\$ —	\$ —	\$ 42,476	\$ 37,157	\$ —	\$ —	\$ 37,157
Interest expense:								
Warehouse credit facility	3,439	—	—	3,439	4,618	—	—	4,618
Securitization debt	8,620	—	—	8,620	6,548	—	—	6,548
Total interest expense	12,059	—	—	12,059	11,166	—	—	11,166
Net interest income	30,417	—	—	30,417	25,991	—	—	25,991
Realized and unrealized losses, net of recoveries	24,823	—	(140)	24,683	12,691	—	(1,591)	11,100
Net interest income after losses and recoveries	5,594	—	140	5,734	13,300	—	1,591	14,891
Noninterest (loss) income:								
Servicing income	1,139	—	—	1,139	1,254	—	—	1,254
Warranties and GAP income (loss), net	2,765	—	(79)	2,686	3,571	—	508	4,079
CarStory revenue	—	1,333	—	1,333	—	2,392	—	2,392
Other income	2,007	34	—	2,041	2,235	62	184	2,481
Total noninterest (loss) income	5,911	1,367	(79)	7,199	7,060	2,454	692	10,206
Expenses:								
Compensation and benefits	16,737	1,243	1,166	19,146	13,694	1,360	1,013	16,067
Professional fees	3,364	52	1,104	4,520	3,069	—	2,278	5,347
Software and IT costs	2,965	2	194	3,161	2,086	—	316	2,402
Depreciation and amortization	1,235	105	—	1,340	479	96	—	575
Interest expense on corporate debt	761	—	451	1,212	480	—	—	480
Impairment charges	—	—	—	—	3,479	—	677	4,156
Other expenses	1,967	93	348	2,408	1,670	138	562	2,370
Total expenses	27,029	1,495	3,263	31,787	24,957	1,594	4,846	31,397
Provision for income taxes from continuing operations	—	26	166	192	39	16	95	150
Preferred stock dividends attributable to noncontrolling interests of subsidiary	(571)	—	—	(571)	—	—	—	—
Adjusted net income (loss)	\$ (14,976)	\$ (130)			\$ (834)	\$ 839		

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	Predecessor			
	Period from January 1 through January 14,			
	2025			
	UACC	CarStory	Corporate	Total
Interest income (expense)	7,254	\$ —	\$ (71)	\$ 7,183
Interest expense:				
Warehouse credit facility	1,017	—	—	1,017
Securitization debt	1,178	—	—	1,178
Total interest expense	2,195	—	—	2,195
Net interest income (loss)	5,059	—	(71)	4,988
Realized and unrealized losses, net of recoveries	7,647	—	(855)	6,792
Net interest income (loss) after losses and recoveries	(2,588)	—	784	(1,804)
Noninterest (loss) income:				
Servicing income	192	—	—	192
Warranties and GAP income (loss), net	390	—	(83)	307
CarStory revenue	—	432	—	432
Other income	66	13	34	113
Total noninterest (loss) income	648	445	(49)	1,044
Expenses:				
Compensation and benefits	2,398	326	99	2,823
Professional fees	172	13	112	297
Software and IT costs	367	2	88	457
Depreciation and amortization	817	240	—	1,057
Interest expense on corporate debt	85	—	91	176
Impairment charges	—	—	—	—
Other expenses	262	20	89	371
Total expenses	4,101	601	479	5,181
Provision for income taxes from continuing operations	—	5	—	5
Preferred stock dividends attributable to noncontrolling interests of subsidiary	—	—	—	—
Adjusted net loss	\$ (5,910)	\$ (153)		

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The reconciliation between reportable segment Adjusted net (loss) income to consolidated loss from continuing operations as follows (in thousands):

	Successor		Predecessor
	Three months ended March 31, 2026	Period from January 15 through March 31, 2025	Period from January 1 through January 14, 2025
Adjusted net income (loss)			
UACC	\$ (14,976)	\$ (834)	\$ (5,910)
CarStory	(130)	839	(153)
Total	<u>\$ (15,106)</u>	<u>\$ 5</u>	<u>\$ (6,063)</u>
Stock compensation expense	(1,142)	(297)	(134)
Severance expense	—	(21)	(4)
Impairment charges	—	(3,479)	—
Corporate income (loss) from continuing operations	(3,369)	(2,658)	256
Reorganization items	—	—	51,036
Preferred stock dividends attributable to noncontrolling interests of subsidiary	571	—	—
Net (loss) income from continuing operations	<u>\$ (19,046)</u>	<u>\$ (6,450)</u>	<u>\$ 45,090</u>

## 17. Income Taxes

The Company computes income taxes using the liability method. This method requires recognition of deferred tax assets and liabilities, measured by enacted rates, attributable to temporary differences between the financial statements and the income tax basis of assets and liabilities. In assessing the realizability of deferred tax assets, the Company considers whether it is more likely than not that certain deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income in those specific jurisdictions prior to the dates on which such net operating losses expire. The Company maintained a full valuation allowance against its net deferred tax assets because the Company has determined that it is more likely than not that these assets will not be fully realized based on a current evaluation of expected future taxable income and the Company being in a cumulative 3-year loss position.

On July 4, 2025, the One Big Beautiful Bill Act (the "OBBBA") was signed into law. The OBBBA includes, among other provisions, changes affecting (i) the deductibility and/or amortization of domestic research or experimental expenditures for taxable years beginning after December 31, 2024, (ii) the timing and availability of certain clean energy tax incentives (including an accelerated phase-out for certain credits for projects beginning after June 30, 2026), and (iii) certain international tax rules impacting foreign income and the calculation of Foreign-Derived Intangible Income ("FDII"), among other cross-border considerations. The Company evaluated the relevant provisions of the OBBBA and determined that the OBBBA did not have a material impact on the Company's consolidated financial statements.

The Company's effective tax rate from continuing operations was (1.0)% for the three months ended March 31, 2026, and 0.4% for the three months ended March 31, 2025.

The Company is subject to tax in the United States and many state and local jurisdictions. The Company, with certain exceptions, is no longer subject to income tax examinations by U.S. federal, state and local for tax years 2019 and prior. The Company is not currently under audit for any U.S. federal or state income tax audits.

The Company has not identified any uncertain tax positions as of March 31, 2026, or December 31, 2025. Any interest and penalties related to uncertain tax positions shall be recorded as a component of income tax expense. To date, no interest or penalties have been accrued in relation to uncertain tax positions.

The Internal Revenue Code ("IRC") Section 382 provides for a limitation of the annual use of net operating loss and tax credit carryforwards following certain ownership changes (as defined by the IRC Section 382). The Company completed a Section 382 study and determined that the Company has undergone five ownership changes, the most

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recent of which occurred on the Effective Date. The IRC Section 382 limitations arising as a result of these ownership changes generally limit the use of the net operating losses generated before the applicable ownership change. However, an exception to the IRC Section 382 limitation applies when, among other requirements, so-called “qualified creditors” and shareholders of a corporation in a title 11 Case receive, in respect of their claims and interests, as applicable, at least 50% of the vote and value of the stock of the corporation pursuant to a confirmed chapter 11 plan (the “382(l)(5) Exception”). The Company expects that the 382(l)(5) Exception applied to the ownership change occurring on the Effective Date and, accordingly, that the Company may not have any limitation on its utilization of federal NOL carryforwards generated prior to emergence from the Prepackaged Chapter 11 Case (other than limitations which existed before the commencement of the Prepackaged Chapter 11 Case). However, the Company may be limited in its utilization of its federal NOL carryforwards generated before the Effective Date if it triggers another ownership change within two years after the Effective Date.

On the Effective Date, the Company consummated its Prepackaged Chapter 11 Case. For U.S. tax purposes the Company would be required to recognize cancellation of debt income (“CODI”) in the amount equal to the excess of the adjusted issue price of the debt discharged over the value of any new debt or equity that was issued. However, IRC Section 108 provides that CODI may be excluded from gross income to the extent that the debt is discharged in a title 11 Case. In lieu of recognizing CODI, IRC Section 108 requires the Company to reduce its tax attributes, including net operating losses, capital losses, tax credits, depreciable assets, investment in subsidiaries and other investments, in the amount of the CODI that is excluded from gross income.

**18. Net Income (Loss) Per Share**

The following table sets forth the computation of basic and diluted net income (loss) per share attributable to common stockholders:

	Successor		Predecessor
	Three months ended March 31, 2026	Period from January 15 through March 31, 2025	Period from January 1 through January 14, 2025
<i>(in thousands, except share and per share amounts)</i>			
Net (loss) income from continuing operations	\$ (19,046)	\$ (6,450)	\$ 45,090
Net income (loss) from discontinued operations	\$ (12)	\$ 99	\$ (4)
Net (loss) income	\$ (19,058)	\$ (6,351)	\$ 45,086
Preferred stock dividends attributable to noncontrolling interests of subsidiary	\$ (571)	\$ —	\$ —
Net (loss) income attributable to controlling interest and common shareholders	\$ (19,629)	\$ (6,351)	\$ 45,086
Net (loss) income per share attributable to common stockholders, basic:			
Continuing operations	(3.77)	(1.25)	24.74
Discontinued operations	—	0.02	(0.00)
Basic	<u>\$ (3.77)</u>	<u>\$ (1.23)</u>	<u>\$ 24.74</u>
Net (loss) income per share attributable to common stockholders, diluted:			
Continuing operations	(3.77)	(1.25)	23.89
Discontinued operations	—	0.02	(0.00)
Diluted	<u>\$ (3.77)</u>	<u>\$ (1.23)</u>	<u>\$ 23.89</u>
Weighted-average number of shares outstanding used to compute net (loss) income per share attributable to common stockholders:			
Basic	5,201,905	5,163,109	1,822,541
Diluted	5,201,905	5,163,109	1,887,370

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The following potentially dilutive shares were not included in the calculation of diluted shares outstanding for the periods presented as the effect would have been anti-dilutive:

	Successor		Predecessor
	As of March 31,		As of January 14,
	2026	2025	2025
Convertible notes	285,714	—	—
Stock options	328,233	328,960	23,214
Restricted stock units	689,812	703,549	131,422
Total	1,303,759	1,032,509	154,636

The following table sets forth a reconciliation from basic to diluted weighted-average number of shares outstanding used to compute net (loss) income per share attributable to common stockholders:

	Predecessor Period from January 1 through January 14, 2025
Weighted-average number of shares outstanding used to compute net (loss) income per share attributable to common stockholders:	
Basic	1,822,541
Convertible 2026 Notes	64,829
Diluted	1,887,370

Potentially dilutive common shares assumed conversion of debt using the if-converted method.

**19. Related Party Transactions**

*Related Party Line of Credit*

On March 8, 2025, Vroom, Inc., UACC and its indirect subsidiary Darkwater Funding LLC, as co-borrowers, entered into a credit agreement for a \$25.0 million Delayed Draw Facility with Mudrick Capital Management, L.P. (“Lender”), who was a 76.5% shareholder of the Company and as of January 14, 2025 became a related party. On October 9, 2025 the maximum facility amount was amended from \$25.0 million to \$35.0 million effective as of September 30, 2025. The Delayed Draw Facility allows for multiple drawdowns by each co-borrower, subject to satisfaction of usual and customary conditions precedent. The Delayed Draw Facility bears interest at a rate of Term SOFR +850 bps, payable quarterly in arrears, with a full payment-in-kind option. Interest is also payable upon any payment of principal. The co-borrowers’ obligations under the Delayed Draw Facility will be collateralized by asset backed residual certificates in certain UACC securitization trusts. The Delayed Draw Facility matures on December 31, 2026; however, borrowings can be prepaid at any time, in whole or in part, without penalty or premium. Once amounts are repaid they may not be reborrowed. The Delayed Draw Facility includes certain usual and customary covenants with respect to the co-borrowers’ activities and the collateral. As of March 31, 2026, the Company drew \$8.0 million against the Delayed Draw Facility.

On November 25, 2025, Vroom, Inc. entered into a Note Purchase Agreement with Robert J. Mylod, Jr., the Independent Executive Chair of the board of directors of the Company. Pursuant to the Note Purchase Agreement, the Company issued the Delayed Draw Notes in a maximum aggregate principal commitment amount of \$10.5 million. The Delayed Draw Notes bear interest, payable quarterly in arrears, at a per annum rate equal to Term SOFR (three-month tenor) plus 7.50%, and contain customary covenants, events of default, and conditions for subsequent note issuance. The Delayed Draw Notes are secured by the assets of the Company under the security agreement issued by the Company. The Notes mature on November 25, 2026; however, the Notes may be prepaid at any time, in whole or in part, without penalty or premium. As of March 31, 2026, the Company drew \$10.5 million against the Delayed Draw Notes.

*Related Party Convertible Notes due 2030*

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On August 29, 2025, the Company issued the 2030 Notes. The 2030 Notes were issued pursuant to a Note Purchase Agreement with Annox Capital, LLC and Robert J. Mylod, Jr, the Managing Partner of Annox Capital, LLC and the Independent Executive Chair of the board of directors of the Company.

The 2030 Notes bear interest at a rate of 5.0% per annum, payable quarterly in arrears on January 1, April 1, July 1, and October 1 of each year, commencing on October 1, 2025. The 2030 Notes will mature on October 1, 2030, unless earlier converted.

Each \$1,000 principal amount of the 2030 Notes will initially be convertible into 28.5714 shares of the Company's common stock, which is equivalent to an initial conversion price of approximately \$35.00 per share, subject to adjustment upon the occurrence of specified events. The 2030 Notes are convertible at the option of the noteholders given the following:

- A noteholder may elect to convert at the market price conversion rate (as defined within the Note Purchase Agreement) any time prior to the close of business on the second scheduled trading day immediately preceding the maturity date; provided that the aggregate conversion shares (as defined within the Note Purchase Agreement) issued under any 2030 Notes shall not exceed 20% of the Company's outstanding Common Stock as of the issuance date unless shareholder approval is obtained or is not required under the relevant exchange rules for issuance in excess of the 20% cap;
- A noteholder may convert its 2030 Notes at any time from, and including, July 1, 2030 until the close of business on the second scheduled trading day immediately before the maturity date;
- The 2030 Notes will be automatically converted if for thirty consecutive trading days, (i) the last reported sale price is above \$50 per share and (ii) the average daily trading volume per trading day is at least 25,000 shares and (iii) an effective registration statement is available with respect to the shares received upon conversion; or
- Upon the occurrence of specific corporate events such as a change in control or certain beneficial distributions to common stockholders (as set forth in the Note Purchase Agreement).

The Company may settle conversions by paying or delivering, as applicable, cash, shares of its common stock or a combination of cash and shares of its common stock, at the Company's election.

If the Company undergoes a fundamental change (as defined in the Note Purchase Agreement), subject to certain conditions, holders of the 2030 Notes may require the Company to repurchase for cash all or any portion of the 2030 Notes at a repurchase price equal to the principal amount of the 2030 Notes plus any accrued and unpaid interest. In addition, if specific corporate events occur prior to the maturity date or if the Company issues a notice of redemption, the Company will increase the conversion rate by pre-defined amounts for a holder who elects to convert their 2030 Notes in connection with such a corporate event.

The Company accounts for the 2030 Notes as a single liability-classified instrument measured at amortized cost. As of March 31, 2026 and December 31, 2025, the net carrying value was \$10.0 million.

The 2030 Notes were issued at par value and fees associated with the issuance of these 2030 Notes were immaterial. The interest expense was \$0.1 million for the three months ended March 31, 2026. The effective interest rate of the 2030 Notes is 5%.

## **19. Subsequent Event**

On May 14, 2026, the Company entered into an Exchange and Subscription Agreement (the "Exchange Agreement") with the investors party thereto and a collateral agent, pursuant to which the Company agreed to co-issue, as joint and several obligations, up to \$50.0 million aggregate principal amount of Senior Secured Delayed Draw Convertible Notes due 2032 (the "Notes"). At the closing, certain investors will exchange \$28.5 million aggregate principal amount of outstanding notes of the Company, together with accrued and unpaid interest thereon through the closing date, for Notes to be issued by the Company, leaving \$21.5 million of remaining delayed draw commitments under the facility.

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The outstanding notes to be exchanged consist of \$10.0 million of 5.000% Convertible Senior Notes due 2030, \$10.5 million of Senior Secured Delayed Draw Notes due 2026 and \$8.0 million of notes outstanding under the delayed draw term loan facility with Mudrick Capital Management, L.P. Upon delivery for cancellation at the closing, the outstanding notes will be cancelled and the liens securing such notes will be released, discharged and terminated.

The Notes bear interest at 5.0% per annum, payable quarterly, and mature on June 30, 2032. The Notes are secured by a first priority lien on substantially all assets of the Company, subject to permitted liens, and rank senior in right of payment to all unsecured indebtedness and junior lien indebtedness of each Issuer.

The Exchange Agreement and the Notes provide for a delayed draw facility under which Additional Notes may be issued from time to time up to the remaining commitment amount, subject to specified funding conditions. The Company, on behalf of the Company, or the investors may elect to fund under the facility, with subsequent draws funded pro rata by the holders and evidenced by separate Additional Notes. The proceeds of any Additional Notes issued after the closing are required to be used for working capital and other general corporate purposes of the Company.

The conversion price for each Note will equal 120% of the applicable reference price, determined at signing for Notes issued at the closing and at the applicable funding notice date for any Additional Notes. Subject to specified limitations, holders may convert their Notes on and after April 1, 2032, and the Notes may also become convertible in connection with certain specified corporate events. The Company may settle conversions in shares of common stock, cash or a combination thereof.

Upon a fundamental change, holders may require the Company to repurchase their Notes for the principal amount to be repurchased plus accrued and unpaid interest. The Notes also require mandatory ratable redemption in specified circumstances, including certain non-permitted asset sales, casualty or condemnation events, debt issuances and liens, subject to the exceptions and limitations set forth in the Notes.

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

*The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our condensed consolidated financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q. As discussed in the section titled "Special Note Regarding Forward-Looking Statements," the following discussion and analysis contains forward-looking statements that involve risks and uncertainties, as well as assumptions that, if they never materialize or prove incorrect, could cause our results to differ materially from those expressed or implied by such forward-looking statements. Factors that could cause or contribute to these differences include, but are not limited to, those identified below and in the section titled "Risk Factors" in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2025 (the "Annual Report"), as updated by reference into the section titled "Risk Factors" in Part II, Item 1A of this Quarterly Report on Form 10-Q. Additionally, our historical results are not necessarily indicative of the results that may be expected for any period in the future.*

### Recent Events

#### Exchange Agreement

On May 14, 2026, the Company entered into an Exchange and Subscription Agreement (the "Exchange Agreement") with the investors party thereto and a collateral agent, pursuant to which the Company agreed to co-issue, as joint and several obligations, up to \$50.0 million aggregate principal amount of Senior Secured Delayed Draw Convertible Notes due 2032 (the "Notes"). At the closing, certain investors will exchange \$28.5 million aggregate principal amount of outstanding notes of the Company, together with accrued and unpaid interest thereon through the closing date, for Notes to be issued by the Company, leaving \$21.5 million of remaining delayed draw commitments under the facility. The outstanding notes to be exchanged consist of \$10.0 million of 5.000% Convertible Senior Notes due 2030, \$10.5 million of Senior Secured Delayed Draw Notes due 2026 and \$8.0 million of notes outstanding under the delayed draw term loan facility with Mudrick Capital Management, L.P. Upon delivery for cancellation at the closing, the outstanding notes will be cancelled and the liens securing such notes will be released, discharged and terminated.

The Notes bear interest at 5.0% per annum, payable quarterly, and mature on June 30, 2032. The Notes are secured by a first priority lien on substantially all assets of the Company, subject to permitted liens, and rank senior in right of payment to all unsecured indebtedness and junior lien indebtedness of each Issuer.

The Exchange Agreement and the Notes provide for a delayed draw facility under which Additional Notes may be issued from time to time up to the remaining commitment amount, subject to specified funding conditions. The Company, on behalf of the Company, or the investors may elect to fund under the facility, with subsequent draws funded pro rata by the holders and evidenced by separate Additional Notes. The proceeds of any Additional Notes issued after the closing are required to be used for working capital and other general corporate purposes of the Company.

The conversion price for each Note will equal 120% of the applicable reference price, determined at signing for Notes issued at the closing and at the applicable funding notice date for any Additional Notes. Subject to specified limitations, holders may convert their Notes on and after April 1, 2032, and the Notes may also become convertible in connection with certain specified corporate events. The Company may settle conversions in shares of common stock, cash or a combination thereof.

Upon a fundamental change, holders may require the Company to repurchase their Notes for the principal amount to be repurchased plus accrued and unpaid interest. The Notes also require mandatory ratable redemption in specified circumstances, including certain non-permitted asset sales, casualty or condemnation events, debt issuances and liens, subject to the exceptions and limitations set forth in the Notes.

#### Issuance of Preferred Stock Units

On January 16, 2026, Vroom Automotive, LLC, a Delaware limited liability company and an indirect subsidiary of Vroom Inc. issued to SPE Holdings 2026-1, a Delaware statutory trust ("SPE Holdings"), 15,000 newly issued Series A preferred units and 7,500 newly issued Series B preferred units (collectively, the "Vroom Automotive Preferred Units") for aggregate gross proceeds of \$22.5 million, pursuant to a Preferred Unit Purchase Agreement.

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The Vroom Automotive Preferred Units will be entitled to receive a quarterly preferential distribution, equal to the liquidation preference of such Vroom Automotive Preferred Units multiplied by a variable distribution rate, which will reset on each quarterly distribution date in an amount equal to the ninety (90) day average of the Secured Overnight Financing Rate (SOFR) plus a spread of 8.25% for Series A Preferred Units and 9% for Series B Preferred Units. The Series B Preferred Units are convertible into common units of Vroom Automotive at the option of the Counterparty at any time. The Series A Preferred Units are not convertible.

### **Going Concern**

The accompanying unaudited condensed consolidated financial statements have been prepared on the basis that we will continue to operate as a going concern, which contemplates that we will be able to realize assets and settle liabilities and commitments in the normal course of business for twelve months following the issuance date.

### **Overview**

Vroom owns United Auto Credit Corporation, a leading automotive finance company that offers vehicle financing to consumers through third-party dealers under the UACC brand, and the CarStory business, a leader in AI-powered analytics and digital services supporting the automotive industry.

### **UACC**

UACC is an indirect lender that offers vehicle financing to consumers through a network of motor vehicle dealers under the UACC brand, focusing primarily on the non-prime market. Our non-prime credit programs aim to broaden access to vehicle ownership for individuals who would not otherwise qualify for financing. UACC's financing is intended to help consumers build credit and ultimately be eligible for more traditional sources of financing. Prior to the Ecommerce Wind-Down, UACC also offered vehicle financing to Vroom's customers through its ecommerce platform.

UACC, which has been engaged in automotive finance since 1996, currently offers financing services to a nationwide network of thousands of independent motor vehicle dealers and manufacturer-franchised dealers in 49 states, and we seek to optimize that network over time. UACC enables these dealers to finance their customers' purchases of automobiles, medium and light duty trucks and vans with competitive financing terms. The credit programs offered by UACC are primarily designed to serve consumers who have limited access to traditional motor vehicle financing.

In addition to its financing expertise, the UACC platform brings with it extensive application processing, underwriting, and servicing capabilities. UACC services the retail installment sales contracts it originates or purchases and will continue to service the contracts it originated or purchased for customers of Vroom's former ecommerce business. Because UACC focuses primarily on the non-prime market, it generally sustains a higher level of delinquencies and credit losses than that experienced by traditional motor vehicle financing sources. As of March 31, 2026, UACC serviced a portfolio of approximately 76,000 retail installment sales contracts with an aggregate principal outstanding balance of approximately \$930.0 million.

### **CarStory**

CarStory offers AI-powered analytics and digital services to dealers, automotive financial services companies and others in the automotive industry, which use CarStory's solutions to enhance their customer experience and drive increased vehicle purchases.

Leveraging computer vision and AI, CarStory has curated a comprehensive used vehicle information database, including over 258 million vehicle identification numbers ("VINs"), 204 million window stickers, 4.2 billion vehicle photos and 415 million sales cycles, along with price and price elasticity models. CarStory receives data for over 4.1 million unique VINs listed for sale every day, resulting in CarStory having data for an estimated 80% of U.S. consumer vehicles. This data is aggregated with demand insights from millions of consumer sessions and data from CarStory's proprietary VIN database to generate more accurate vehicle valuations.

CarStory helps dealers optimize their pricing by leveraging data science models for retail pricing that provide predictive pricing for marketing, buying, selling and VIN-level features. Unlike simple averages, we believe CarStory's

patented neural-net algorithm can provide a highly accurate market price (the “CarStory Real Market Price”) for vehicle valuations by accounting for factors that averages often miss, such as local market dynamics and dealer performance.

In addition to its data analytics and AI-based pricing solutions, CarStory creates and powers digital experiences for end consumers, including automotive marketplaces, vehicle market reports, and trade-in and appraisal products. CarStory’s digital experiences are designed with user behavior data to engage consumers and drive more consumers to vehicle purchase decisions.

### **Long-Term Strategic Plan**

Since announcing the Value Maximization Plan in January 2024, the Company has pivoted to executing a long-term strategic plan (“Long-Term Strategic Plan”) that leverages our core assets, including Vroom and CarStory technology, to improve the profitability of the business through four strategic initiatives:

- ***Build a world class lending program by focusing on using advanced models and analytics to better predict losses and drive profitable growth at UACC.*** We modernized our lending infrastructure by launching a proprietary automated underwriting decision engine in June 2025. This technology greatly accelerates application processing. In September 2025, we launched our redeveloped custom credit-scoring model, which we believe should better evaluate segments of risk and enhance our risk precision. We expect to continue making improvements to our advanced models and analytics in furtherance of this initiative.
- ***Build a world class sales and marketing program by attracting and retaining the best dealers and driving deeper dealer engagement to enable growth.*** In 2025, our technology teams made substantial progress towards modernizing our infrastructure to drive speed and scalability. This included a complete overhaul of Fast Lane, UACC’s online dealer portal. Launched in early 2026, this upgraded platform leverages direct dealer feedback to minimize friction, increase application volume, and streamline the user experience.
- ***Build operational excellence in originations by enhancing systemic capabilities and decisioning for a more efficient process.*** In 2025, we drove operational efficiency by integrating Vroom’s patented AI agent into certain aspects of UACC’s funding process. This integration helped automate verification and is intended to reduce fraud and lower the cost-per-funded contract.
- ***Build operational excellence in servicing by utilizing data science, advanced analytics and technology to enable an improved approach to servicing effectiveness.*** We are transforming servicing effectiveness through a digital-first strategy. The launch of our native mobile apps, for iOS and Android, in 2024 and redesigned website in 2025 drove digital adoption among accountholders. These platforms empower accountholders with self-service options, reducing manual service burden. We expect to continue making targeted improvements to the mobile app, website and other components of servicing based on our data science and advanced analytics.

We remain focused on returning the UACC business to profitability by improving cumulative net loss (“CNL”), origination cost per funded contract, servicing cost per contract, and fixed costs.

### **Non-GAAP Financial Measures**

In addition to our results determined in accordance with U.S. GAAP, we believe certain non-GAAP financial measures are useful in evaluating our operating performance.

Adjusted net income (loss) is a supplemental performance measure that our management uses to assess our operating performance and the operating leverage in our business. Adjusted net income (loss) facilitates internal comparisons of our historical operating performance on a more consistent basis, therefore we use this measure for business planning purposes.

Adjusted net income (loss) has limitations as an analytical tool because it does not reflect all of the amounts associated with our results of operations as determined in accordance with U.S. GAAP. Additionally, it may not be comparable to similarly titled measures of other companies. Other companies, including companies in our industry, may calculate non-GAAP financial measures differently than we do, limiting the usefulness of those measures for those

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comparative purposes. Because of these limitations, this non-GAAP financial measure should be considered along with other operating and financial performance measures presented in accordance with U.S. GAAP. The presentation of this non-GAAP financial measure is not intended to be considered in isolation or as a substitute for, or superior to, financial information prepared and presented in accordance with U.S. GAAP. We have reconciled this non-GAAP financial measure with the most directly comparable U.S. GAAP financial measure below.

**Adjusted net loss**

We calculate Adjusted net loss as net income (loss) from continuing operations less preferred stock dividends attributable to noncontrolling interests of subsidiary, adjusted for stock compensation expense, severance expense, bankruptcy costs (which represent professional fees incurred related to the bankruptcy prior to filing of the petition and post-emergence), reorganization items, net (which relate to certain charges incurred during the bankruptcy proceedings, such as legal and professional fees incurred directly as a result of the bankruptcy proceeding, the write-off of deferred financing costs and discount on debt subject to compromise and other related charges), operating lease right-of-use assets impairment and long-lived asset impairment charges.

The following table presents a reconciliation of Adjusted net loss to net income (loss) from continuing operations, which is the most directly comparable U.S. GAAP measure (in thousands):

	Successor		Predecessor
	Three months ended March 31, 2026	Period from January 15 through March 31, 2025	Period from January 1 through January 14, 2025
	(in thousands)		
Net (loss) income from continuing operations	\$ (19,046)	\$ (6,450)	\$ 45,090
Preferred stock dividends attributable to noncontrolling interests of subsidiary	(571)	—	—
Adjusted to exclude the following:			
Stock compensation expense	1,427	491	144
Severance expense	—	21	4
Bankruptcy costs (prepetition filing and post-emergence)	—	913	—
Reorganization items, net	—	—	(51,036)
Impairment charges	—	4,156	—
Adjusted net loss	\$ (18,190)	\$ (869)	\$ (5,798)

### **Non-GAAP Combined Three Months Ended March 31, 2025**

Our financial results for the periods from January 1, 2025 through January 14, 2025 are referred to as those of the “Predecessor” period. Our financial results for the periods from January 15, 2025 through March 31, 2025 are referred to as those of the “Successor” periods. Our results of operations as reported in our Consolidated Financial Statements for these periods are prepared in accordance with U.S. GAAP. Although U.S. GAAP requires that we report our results for the period from January 1, 2025 through January 14, 2025 and the period from January 15, 2025 through March 31, 2025 separately, management views our operating results for the three months ended March 31, 2025 by combining the results of the applicable Predecessor and Successor periods because such presentation provides the most meaningful comparison of our results to other periods. We believe we cannot adequately benchmark the operating results of the period from January 15, 2025 through March 31, 2025 against any of the previous periods reported in our Condensed Consolidated Financial Statements without combining it with the period from January 1, 2025 through January 14, 2025, and do not believe that reviewing the results of this period in isolation would be useful in identifying trends in or reaching conclusions regarding our overall operating performance. Management believes that the key performance metrics for the Successor period when combined with the Predecessor period provide more meaningful comparisons to other periods and are useful in identifying current business trends. Accordingly, in addition to presenting our results of operations as reported in our Condensed Consolidated Financial Statements in accordance with U.S. GAAP, the tables and discussion below also present the combined results for the three months ended March 31, 2025. The combined results for the three months ended March 31, 2025 represent the sum of the reported amounts for the Predecessor period from January 1, 2025 through January 14, 2025 and the Successor period from January 15, 2025 through March 31, 2025. These combined results are not considered to be prepared in accordance with U.S. GAAP and have not been prepared as pro forma results per applicable regulations. The combined operating results do not reflect the actual results we would have achieved absent our emergence from the Prepackaged Chapter 11 Case and are not necessarily indicative of future results. Accordingly, the results for the combined three months ended March 31, 2025 (prepared on a Non-GAAP basis) and three months ended March 31, 2026 (prepared on a GAAP basis) may not be comparable, particularly for statement of operations line items significantly impacted by the Reorganization transactions and the impact of fresh start accounting.

### **Key Factors and Trends Affecting our Operating Results**

Our financial condition and results of operations have been, and will continue to be, affected by a number of factors and trends, including the following:

#### ***Fresh Start Accounting***

Upon emergence from the Prepackaged Chapter 11 Case, we adopted fresh start accounting in accordance with FASB Codification Topic 852, Reorganizations (“ASC 852”) and became a new entity for financial reporting purposes. As a result, the consolidated financial statements after the Effective Date are not comparable with the consolidated financial statements on or before that date as indicated by the “black line” division in the financial statements and footnote tables, which emphasizes the lack of comparability between amounts presented. References to “Successor” relate to our financial position and results of operations after the Effective Date. References to “Predecessor” refer to our financial position and results of operations on or before the Effective Date. For further information on comparability of Predecessor and Successor periods, see discussion within Results of Operations section below.

#### ***Ability to manage credit losses***

While credit losses are inherent in the automotive finance receivables business, several variables have negatively affected UACC’s recent loss and delinquency rates, including higher interest rates, the current inflationary environment and vehicle depreciation, which has negatively impacted the fair value of our finance receivables and the losses recognized. While we expect long term improvements in our finance receivable portfolio, we expect some downward trends to continue to negatively impact our business into 2026. UACC primarily operates in the non-prime sector of the market which tends to have more volatility. In 2020 and 2021, COVID related stimulus and used vehicle appreciation resulted in significantly lower delinquencies and subsequent losses. In late 2022 and 2023, delinquencies and loss rates rose as a result of the aforementioned factors and, in response, we implemented changes to tighten our credit program. We initially saw some improvements with the 2023 and 2024 vintages as a result of these changes. Subsequently, macroeconomic factors have negatively impacted these vintages. This unfavorable loan performance continued on 2025 originations, resulting in us making further refinements to our credit program in order to improve performance. We also intend to leverage CarStory data to improve VIN-level valuations to support underwriting decisions and servicing

operations. Certain advance rates available to UACC on borrowings from the Warehouse Credit Facilities have decreased and any future decreases on available advance rates may have an adverse impact on our liquidity.

***Enhance profitability at UACC***

In addition to higher credit losses, UACC's ability to achieve profitability has been negatively affected by increased operating expenses and productivity challenges. Also, we have identified vulnerabilities in certain IT systems and determined additional investment will be needed to update and secure those systems. We are undertaking a number of initiatives designed to reduce operating expenses, introduce improved processes, and reporting metrics across UACC's operations, invest in IT systems, improve origination and servicing productivity, and leverage CarStory data to improve underwriting and servicing performance. We intend to grow UACC's business profitably by reducing credit losses, increasing UACC's market share, and streamlining its operations.

***Ability to continue to access capital***

UACC has three senior secured warehouse credit facility agreements (the "Warehouse Credit Facilities"), which are primarily used to finance the origination of finance receivables as well as to provide funding for general operating activities. UACC has also developed a securitization program that involves selling finance receivables to securitization trusts through the private issuance of asset-backed securities which are collateralized by the finance receivables. There can be no assurance that UACC will be able to complete additional securitizations in the future, particularly if the securitization markets become constrained.

The success of UACC's business is highly dependent on the ability to continue to access capital through both its warehousing arrangements and securitization program. As a result of fluctuating interest rates, the current inflationary environment and vehicle depreciation in the used automotive industry, UACC is experiencing higher loss severity. Certain advance rates available to UACC on borrowings from UACC's Warehouse Credit Facilities have decreased and any future decreases on available advance rates may have an adverse impact on our liquidity. Events in our industry or in industries adjacent to ours could make it more difficult for UACC to obtain financing. For example, in September 2025, an unrelated subprime auto lender declared bankruptcy. Subsequently, federal authorities alleged that the bankruptcy was due to fraudulent activity. We continue to evaluate our controls to ensure appropriate pledging of collateral balances continues to be effective.

As of March 31, 2026, we had three of our Warehouse Credit Facilities, with an aggregate borrowing capacity of \$600 million, expiring in June 2026, August 2026 and April 2027, respectively. We are in ongoing discussions with the warehouse lenders to extend the terms beyond the current expiration dates and expect facilities to be amended and renewed at sufficient borrowing capacity. However, there can be no assurance that adequate additional financing will be available to us on acceptable terms, or at all.

See "Part I, Item 1A. Risk Factors—Risks Related to Our Financial Conditions, Results of Operations, Liquidity and Indebtedness—We may not generate sufficient liquidity to operate our business." in our Annual Report on Form 10-K for the year ended December 31, 2025.

***Ability to optimize our dealer network to increase vehicle finance offerings***

We intend to moderately grow our automotive financing business while focusing on achieving profitability. UACC intends to optimize its dealer network over time. UACC provides funding that allows independent motor vehicle dealers and manufacturer-franchised dealers to finance vehicles for their customers. Currently, UACC serves a nationwide network of thousands of dealers in 49 states. UACC's credit programs are primarily designed to serve consumers in the non-prime market, who have limited access to traditional vehicle financing. In mid-2024, we began indirectly offering competitive vehicle financing services to consumers with slightly higher, or "near-prime," credit scores compared to our historical customer base. The Near-Prime Program is still in its early stages and a small percentage of our portfolio. We also intend to drive dealer and customer engagement through technology innovations.

***Seasonality***

Used vehicle sales have historically been seasonal. The used vehicle industry typically experiences an increase in sales early in the calendar year and reaches its highest point late in the first quarter and early in the second quarter. Vehicle sales then level off through the rest of the year, with the lowest level of sales in the fourth quarter. This

seasonality has historically corresponded with the timing of income tax refunds, which are an important source of funding for vehicle purchases. Consistent with market trends, UACC generally experiences increased funding activity during the first quarter through tax season. Delinquencies also tend to be lower during the first quarter through tax season and higher during the latter half of the year. See “Part I, Item 1A. Risk Factors—Risks Related to Our Financial Condition, Results of Operations, Liquidity and Indebtedness—We may experience seasonal and other fluctuations in our quarterly results of operations, which may not fully reflect the underlying performance of our business,” in our Annual Report on Form 10-K for the year ended December 31, 2025.

### **Macroeconomic Factors**

The United States and global economies have recently and are continuing to experience a sustained inflationary environment. The Federal Reserve’s efforts to tame inflation have led to increased interest rates, which affect automotive finance rates and our borrowing rates, thereby reducing discretionary spending and impacting consumer sentiment and making vehicle financing more costly and less accessible or desirable to many consumers. While interest rates were cut slightly in 2025, based on the March 2026 meeting, the Federal Reserve officials voted to keep interest rates steady. We are not able to predict if, when, and to what degree rates may change and the impact it may have on the economy and our business.

In addition, the current U.S. Presidential administration has implemented significant tariffs on imports to the United States, including tariffs on automobiles, auto parts, steel, and aluminum. Although a February 2026 Supreme Court ruling struck down certain tariffs imposed under the International Emergency Economic Powers Act, the administration has moved to reimpose and maintain tariffs under alternative legal authorities. While the U.S. has reached trade agreements with certain countries that reduced tariff rates on some automotive goods, tariffs on imports from other countries, including Canada and Mexico, remain elevated. Many countries have imposed retaliatory tariffs as well as other trade restrictions and retaliatory measures. Such significant tariffs, restrictions or other retaliatory measures have had, and could continue to have a major impact on the United States automotive industry, which depends heavily on cross border trade. Should additional tariffs be implemented and sustained by the United States and other countries for an extended period of time, they would have a significant adverse effect, including financial, on the automotive industry. Further, any additional restrictions by the United States or other governments would exacerbate the impact, as could the uncertainty regarding the magnitude or duration of these measures. Additionally, fragility in the supply chain exacerbated by tariffs and other industry concerns, such as restrictions related to rare earth minerals, increases the risk of production disruptions in the automotive industry. Steps taken by governments to implement tariffs or other restrictions on raw materials (including steel, aluminum and rare earth minerals), automobiles, parts, and other products and materials have disrupted existing supply chains and imposed additional costs on businesses in the automotive industry in the United States and globally. While negotiations regarding tariffs and other restrictions are ongoing and changing rapidly, the resulting environment of tariffs and other trade restrictions or barriers have increased automobile prices in the U.S. and caused volatility, this could lead to negative consumer sentiment and in turn, decreased consumer demand for automobiles, and in turn, decreased demand for motor vehicle contracts financed through UACC, which has negatively impacted and could continue to negatively impact our results of operations, cash flows, and financial condition.

Moreover, events in our industry or in industries adjacent to ours could make it more difficult for UACC to obtain financing. For example, in September 2025, an unrelated subprime auto lender declared bankruptcy. Subsequently, federal authorities alleged that the bankruptcy was due to fraudulent activity. We continue to evaluate our controls to ensure appropriate pledging of collateral balances continues to be effective.

Further, geopolitical conflicts and war, including those in Europe and the ongoing conflict in the Middle East, have increased global economic and political uncertainty, which has caused dramatic fluctuations in global financial markets. Ongoing economic and political disruption, or a significant escalation or expansion of such disruption could continue to impact consumer sentiment and spending, broaden inflationary costs, and could have a material adverse effect on our results of operations. For example, recent escalations of conflict have caused oil and gasoline inflation, and may reduce consumer purchasing power, and increase default rates within the UACC portfolio, while heightening the risk of cyberattacks. We will continue to actively monitor and develop responses to these disruptions, including the developing role that geopolitical, climate, and labor concerns are playing in trade relations, but depending on the duration and severity of such events, these trends could continue to negatively impact our business.

## **Results of Operations**

The Company is organized into two reportable segments: UACC and CarStory.

Corporate activities are presented in "corporate" and do not constitute a reportable segment. These activities include costs not directly attributable to the segments and are primarily related to costs associated with corporate and governance functions, including executive functions, corporate finance, legal, human resources, information technology, cyber security and other shared costs. Certain shared costs, including corporate administration, are allocated to segments based upon specific allocation of expenses. Corporate activities also include the runoff of legacy Vroom third party vehicle service and GAP policies sold prior to the Ecommerce Wind-Down.

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The following table presents our consolidated results of operations for the periods indicated:

	Successor		Predecessor Period from January 1 through January 14, 2025	Non-GAAP Combined	Non-GAAP	Non-GAAP
	Three months ended March 31, 2026	Period from January 15 through March 31, 2025  (in thousands)		Three months ended March 31, 2025	\$ Change	% Change
Interest income	\$ 42,476	\$ 37,157	\$ 7,183	\$ 44,340	\$ (1,864)	(4.2)%
Interest expense:						
Warehouse credit facility	3,439	4,618	1,017	5,635	(2,196)	(39.0)%
Securitization debt	8,620	6,548	1,178	7,726	894	11.6%
Total interest expense	12,059	11,166	2,195	13,361	(1,302)	(9.7)%
Net interest income	30,417	25,991	4,988	30,979	(562)	(1.8)%
Realized and unrealized losses, net of recoveries	24,683	11,100	6,792	17,892	6,791	38.0%
Net interest income (loss) after losses and recoveries	5,734	14,891	(1,804)	13,087	(7,353)	(56.2)%
Noninterest income:						
Servicing income	1,139	1,254	192	1,446	(307)	(21.2)%
Warranties and GAP income, net	2,686	4,079	307	4,386	(1,700)	(38.8)%
CarStory revenue	1,333	2,392	432	2,824	(1,491)	(52.8)%
Other income	2,041	2,481	113	2,594	(553)	(21.3)%
Total noninterest income	7,199	10,206	1,044	11,250	(4,051)	(36.0)%
Expenses:						
Compensation and benefits	19,146	16,067	2,823	18,890	256	1.4%
Professional fees	4,520	5,347	297	5,644	(1,124)	(19.9)%
Software and IT costs	3,161	2,402	457	2,859	302	10.6%
Depreciation and amortization	1,340	575	1,057	1,632	(292)	(17.9)%
Interest expense on corporate debt	1,212	480	176	656	556	84.8%
Impairment charges	—	4,156	—	4,156	(4,156)	(100.0)%
Other expenses	2,408	2,370	371	2,741	(333)	(12.1)%
Total expenses	31,787	31,397	5,181	36,578	(4,791)	(13.1)%
Loss from continuing operations before reorganization items and provision for income taxes	(18,854)	(6,300)	(5,941)	(12,241)	(6,613)	54.0%
Reorganization items, net	—	—	51,036	51,036	(51,036)	(100.0)%
(Loss) income from continuing operations before provision for income taxes	(18,854)	(6,300)	45,095	38,795	(57,649)	(148.6)%
Provision for income taxes from continuing operations	192	150	5	155	37	23.9%
Net (loss) income from continuing operations	\$ (19,046)	\$ (6,450)	\$ 45,090	\$ 38,640	\$ (57,686)	(149.3)%
Net (loss) income from discontinued operations	\$ (12)	\$ 99	\$ (4)	\$ 95	\$ (107)	(112.6)%
Net (loss) income	\$ (19,058)	\$ (6,351)	\$ 45,086	\$ 38,735	\$ (57,793)	(149.2)%
Preferred stock dividends attributable to noncontrolling interests of subsidiary	(571)	—	—	—	(571)	100.0%
Net (loss) income attributable to controlling interest and common shareholders	\$ (19,629)	\$ (6,351)	\$ 45,086	\$ 38,735	\$ (58,364)	(150.7)%

**Segments**

- **UACC:** The UACC reportable segment represents UACC's operations with its network of third-party dealership customers, including the purchases and servicing of vehicle retail installment sales contracts. The segment also includes the runoff portfolio of retail installment sale contracts originated for Vroom or purchased from Vroom prior to the Ecommerce Wind-Down.
- **CarStory:** The CarStory reportable segment represents sales of AI-powered analytics and digital services to automotive dealers, automotive financial services companies and others in the automotive industry.

**Non-GAAP Combined Three Months Ended March 31, 2025**

The Successor Period and the Predecessor Periods are distinct reporting periods as a result of our emergence from the Prepackaged Chapter 11 Case on January 14, 2025. References in these results of operations to the change and the percentage change combine the period from January 1, 2025, to January 14, 2025 (Predecessor) with the period from January 15, 2025 to March 31, 2025 (Successor) Period, which we refer to as the three months ended March 31, 2025, in order to provide some comparability of such information to the three months ended March 31, 2026. See "Non-GAAP Financial Measures" above.

**Three Months Ended March 31, 2026 and 2025**
**UACC**

	Successor		Predecessor Period from January 1 through January 14, 2025	Non-GAAP Combined Three months ended March 31, 2025	Non-GAAP Change	Non-GAAP % Change
	Three months ended March 31, 2026	Period from January 15 through March 31, 2025				
	(in thousands)					
Interest income	\$ 42,476	\$ 37,157	\$ 7,254	\$ 44,411	\$ (1,935)	(4.4)%
Interest expense:						
Warehouse credit facility	3,439	4,618	1,017	5,635	(2,196)	(39.0)%
Securitization debt	8,620	6,548	1,178	7,726	894	11.6%
Total interest expense	12,059	11,166	2,195	13,361	(1,302)	(9.7)%
Net interest income	30,417	25,991	5,059	31,050	(633)	(2.0)%
Realized and unrealized losses, net of recoveries	24,823	12,691	7,647	20,338	4,485	22.1%
Net interest income (loss) after losses and recoveries	5,594	13,300	(2,588)	10,712	(5,118)	(47.8)%
Noninterest income:						
Servicing income	1,139	1,254	192	1,446	(307)	(21.2)%
Warranties and GAP income, net	2,765	3,571	390	3,961	(1,196)	(30.2)%
Other income	2,007	2,235	66	2,301	(294)	(12.8)%
Total noninterest income	5,911	7,060	648	7,708	(1,797)	(23.3)%
Expenses:						
Compensation and benefits	16,737	13,694	2,398	16,092	645	4.0%
Professional fees	3,364	3,069	172	3,241	123	3.8%
Software and IT costs	2,965	2,086	367	2,453	512	20.9%
Depreciation and amortization	1,235	479	817	1,296	(61)	(4.7)%
Interest expense on corporate debt	761	480	85	565	196	34.7%
Impairment charges	—	3,479	—	3,479	(3,479)	(100.0)%
Other expenses	1,967	1,670	262	1,932	35	1.8%
Total expenses	27,029	24,957	4,101	29,058	(2,029)	(7.0)%
Provision for income taxes from continuing operations	—	39	—	39	(39)	(100.0)%
Preferred stock dividends attributable to noncontrolling interests of subsidiary	(571)	—	—	—	(571)	100.0%
Adjusted net loss	\$ (14,976)	\$ (834)	\$ (5,910)	\$ (6,744)	\$ (8,232)	122.1%
Stock compensation expense	\$ 1,118	\$ 302	\$ 127	\$ 429	\$ 689	160.7%
Severance	\$ —	\$ 21	\$ 4	\$ 25	\$ (25)	(100.0)%

***Interest income***

UACC acquires and services finance receivables from its network of third-party dealership customers and generates interest income. Prior to our Prepackaged Chapter 11 Case this consisted of discount income and interest income. However, upon emergence and on the Effective Date, we made an accounting policy election to recognize discount income as a component of 'Realized and unrealized losses, net of recoveries' on a prospective basis. Discount income represents the amortization of unearned discounts over the contractual life of the underlying finance receivables held for investment at fair value. We also made an accounting policy election to elect the fair value option on all finance

receivables and classify them as held for investment. Discounts on the finance receivables held-for-sale were previously deferred until they were sold.

For securitization transactions that are accounted for as secured borrowings, we recognize interest income in accordance with the terms of the related retail installment sale contracts. Interest income also includes the runoff portfolio of retail installment sale contracts originated for Vroom or purchased from Vroom prior to the Ecommerce Wind-Down.

Interest income decreased \$1.9 million, or 4.4%, to \$42.5 million for the three months ended March 31, 2026 from \$44.4 million for the three months ended March 31, 2025. This decrease was primarily a result of lower finance receivable balances. The loan portfolio decreased to \$804.6 million as of March 31, 2026, from \$858.2 million as of March 31, 2025.

#### ***Interest expense***

Interest expense primarily includes interest expense on UACC's Warehouse Credit Facilities, interest expense incurred on securitization debt, and interest expense on financing of beneficial interests in securitizations.

Interest expense decreased \$1.3 million or 9.7% to \$12.1 million for the three months ended March 31, 2026 from \$13.4 million for the three months ended March 31, 2025. The decrease was a result of lower interest expense incurred on the Warehouse Credit Facilities, which decreased \$2.2 million to \$3.4 million for the three months ended March 31, 2026 from \$5.6 million for the three months ended March 31, 2025. The decrease was a result of a decrease in the weighted average interest rate to 5.27% for the three months ended March 31, 2026 from 5.95% for the three months ended March 31, 2025 as well as a lower average outstanding balance during in Q1 2026 as compared to Q1 2025 given the timing of the paydown of the warehouse credit facilities post completion of the securitization transaction, which occurred in the beginning of February 2026 as compared to the middle of March 2025. The decrease in interest expense was partially offset by higher interest expense incurred on securitization debt, which increased \$0.9 million to \$8.6 million for the three months ended March 31, 2026 from \$7.7 million for the three months ended March 31, 2025, as a result of higher average interest rates on the securitization debt.

#### ***Realized and unrealized losses, net of recoveries***

Upon emergence from the Prepackaged Chapter 11 Case, and application of fresh start accounting, we made an accounting policy election to report discount income as a component of "Realized and unrealized losses, net of recoveries". We also made an accounting policy election to elect the fair value option for all finance receivables held for sale on a prospective basis. Realized and unrealized losses, net of recoveries, represents changes in the fair value of finance receivables for which the fair value option was selected, changes in the fair value of securitization debt, changes in the fair value of beneficial interests, as well as collection expenses related to servicing finance receivables. Prior to emergence from the Prepackaged Chapter 11 Case, realized and unrealized losses, net of recoveries also represented charge-offs of finance receivables held for sale and changes in the valuation allowance on the held for sale portfolio.

Realized and unrealized losses, net of recoveries, increased \$4.5 million or 22.1% to \$24.8 million for the three months ended March 31, 2026 from \$20.3 million for the three months ended March 31, 2025, primarily driven by higher than expected defaults leading to an increase in realized and unrealized losses in the period.

#### ***Servicing income***

Servicing income primarily represents the annual fees earned as a percentage of the outstanding principal balance of the finance receivables sold that were accounted for as off-balance sheet securitizations. When our securitizations are accounted for as secured borrowings, the servicing income we receive is eliminated in consolidation. In addition, we also earn other income generated from servicing our finance receivables portfolio, including late and other fees.

Servicing income decreased \$0.3 million or 21.2% to \$1.1 million for the three months ended March 31, 2026 from \$1.4 million for the three months ended March 31, 2025.

#### ***Warranties and GAP income***

UACC earns fees by selling third-party value-added products, such as vehicle service contracts. UACC is also contractually entitled to receive profit-sharing based on the performance of the vehicle service contract policies once a

required claims period has passed. UACC recognizes a profit-share to the extent it is probable that it will not result in a significant revenue reversal. The Company estimates the revenue based on historical claims and cancellation data from its consumers, as well as other qualitative assumptions.

United Auto Credit GAP is a debt waiver product that provides protection for consumers who purchase the product by waiving the difference between the actual cash value of the consumer's vehicle and the balance of the consumer's finance receivable, subject to the terms and conditions of the United Auto Credit GAP, in the event of a total loss resulting from collision or theft. The total fees are earned over the contractual life of the related financial receivables on straight-line basis.

Warranties and GAP income decreased \$1.2 million or 30.2% to \$2.8 million for the three months ended March 31, 2026 from \$4.0 million for the three months ended March 31, 2025, primarily as a result of higher GAP cancellation and claim losses and lower warranty and GAP premium volumes due to a decrease in contracts funded in the current year period.

***Other Income***

Other income decreased \$0.3 million or 12.8% to \$2.0 million for the three months ended March 31, 2026 from \$2.3 million for the three months ended March 31, 2025.

***Compensation and benefits***

Compensation and benefits increased \$0.6 million or 4.0% to \$16.7 million for the three months ended March 31, 2026 from \$16.1 million for the three months ended March 31, 2025. The increase was primarily a result of allocation of incremental data and technology departments' time to UACC as a result of a shift in focus of the business.

***Professional fees***

Professional fees increased \$0.2 million or 3.8% to \$3.4 million for the three months ended March 31, 2026 from \$3.2 million for the three months ended March 31, 2025.

***Software and IT costs***

Software and IT costs increased \$0.5 million or 20.9% to \$3.0 million for the three months ended March 31, 2026 from \$2.5 million for the three months ended March 31, 2025, primarily as a result of an increase in software subscription fees and web services.

***Depreciation and amortization***

Depreciation and amortization decreased \$0.1 million or 4.7% to \$1.2 million for the three months ended March 31, 2026 from \$1.3 million for the three months ended March 31, 2025.

***Interest expense on corporate debt***

Interest expense on corporate debt increased \$0.2 million or 34.7% to \$0.8 million for the three months ended March 31, 2026 from \$0.6 million for the three months ended March 31, 2025.

***Impairment charges***

Impairment charges decreased \$3.5 million related to lease impairment charges incurred during the three months ended March 31, 2025.

***Other expenses***

Other expenses increased \$0.1 million or 1.8% to \$2.0 million for the three months ended March 31, 2026 from \$1.9 million for the three months ended March 31, 2025.

**Adjusted net loss**

Adjusted net loss increased \$8.3 million to \$15.0 million for the three months ended March 31, 2026 from \$6.7 million for the three months ended March 31, 2025, primarily due to lower net interest income after losses and recoveries, lower warranties and GAP income, net, higher compensation and benefit expense and higher software and IT costs, as discussed above.

**CarStory**

	Successor		Predecessor Period from January 1 through January 14, 2025	Non-GAAP Combined Three months ended March 31, 2025	Non-GAAP Change	Non-GAAP % Change
	Three months ended March 31, 2026	Period from January 15 through March 31, 2025 (in thousands)				
<b>Noninterest income:</b>						
CarStory revenue	\$ 1,333	\$ 2,392	\$ 432	\$ 2,824	\$ (1,491)	(52.8)%
Other income	34	62	13	75	(41)	(54.7)%
Total noninterest income	1,367	2,454	445	2,899	(1,532)	(52.8)%
<b>Expenses:</b>						
Compensation and benefits	1,243	1,360	326	1,686	(443)	(26.3)%
Professional fees	52	—	13	13	39	300.0%
Software and IT costs	2	—	2	2	—	0.0%
Depreciation and amortization	105	96	240	336	(231)	(68.8)%
Other expenses	93	138	20	158	(65)	(41.1)%
Total expenses	1,495	1,594	601	2,195	(700)	(31.9)%
Provision for income taxes from continuing operations	26	16	5	21	5	23.8%
Adjusted net income (loss)	\$ (130)	\$ 839	\$ (153)	\$ 686	\$ (816)	(119.0)%
Stock compensation expense	\$ 24	\$ (5)	\$ 8	\$ 3	\$ 21	698.8%

**CarStory revenue**

CarStory generates advertiser, publisher and other user service revenue by offering its AI-powered analytics and digital retailing services to dealers, automotive financial services companies and others in the automotive industry.

CarStory revenue decreased \$1.5 million or 52.8% to \$1.3 million for the three months ended March 31, 2026 from \$2.8 million for the three months ended March 31, 2025, primarily as a result of a change in the scope of service and data provided to our customers and the loss of a major customer.

**Compensation and benefits**

Compensation and benefits decreased \$0.5 million or 26.3% to \$1.2 million for the three months ended March 31, 2026 from \$1.7 million for the three months ended March 31, 2025. The decrease was primarily a result of an increase in the allocation of CarStory resources to UACC.

### Depreciation and amortization

Depreciation and amortization decreased \$0.2 million or 68.8% to \$0.1 million for the three months ended March 31, 2026 from \$0.3 million for the three months ended March 31, 2025.

### Adjusted net (loss) income

Adjusted net (loss) income changed \$0.8 million or 119.0% to \$0.1 million loss for the three months ended March 31, 2026 as compared to \$0.7 million income for the three months ended March 31, 2025 primarily due to a decrease in revenue, partially offset by lower compensation and benefit expense, as discussed above.

### Corporate

	Successor		Predecessor	Non-GAAP	Non-GAAP	Non-GAAP
	Three months ended March 31, 2026	Period from January 15 through March 31, 2025 (in thousands)	Period from January 1 through January 14, 2025	Combined Three months ended March 31, 2025	Change	% Change
Interest income (expense)	\$ —	\$ —	\$ (71)	\$ (71)	\$ 71	100.0%
Realized and unrealized losses (gains), net of recoveries	(140)	(1,591)	(855)	(2,446)	2,306	94.3%
Net interest income after losses and recoveries	140	1,591	784	2,375	(2,235)	(94.1)%
Noninterest (loss) income:						
Warranties and GAP income (loss), net	(79)	508	(83)	425	(504)	(118.6)%
Other income	—	184	34	218	(218)	(100.0)%
Total noninterest (loss) income	(79)	692	(49)	643	(722)	(112.3)%
Expenses:						
Compensation and benefits	1,166	1,013	99	1,112	54	4.9%
Professional fees	1,104	2,278	112	2,390	(1,286)	(53.8)%
Software and IT costs	194	316	88	404	(210)	(52.0)%
Interest expense on corporate debt	451	—	91	91	360	395.6%
Impairment charges	—	677	—	677	(677)	(100.0)%
Other expenses	348	562	89	651	(303)	(46.5)%
Total expenses	3,263	4,846	479	5,325	(2,062)	(38.7)%
Provision for income taxes from continuing operations	166	95	—	95	71	74.7%

Corporate activities do not constitute a reportable segment. These activities include costs not directly attributable to the segments and are primarily related to costs associated with corporate and governance functions, including executive functions, corporate finance, legal, human resources, information technology, cyber security and other shared costs. Certain shared costs, including corporate administration, are allocated to segments based upon a specific allocation of expenses. Corporate activities also include the runoff of legacy Vroom warranty and GAP policies sold prior to the Ecommerce Wind-Down as well as certain Vroom contracts, primarily Software and IT related, that have been renegotiated and right-sized to account for reduced headcount following the Ecommerce Wind-Down.

### Warranties and GAP (loss) income, net

Prior to the Ecommerce Wind-Down, we offered value-added products to our customers pursuant to arrangements with the third parties that sell and administer these products as well as estimated profit-sharing amounts to which we are entitled based on the performance of third-party protection products once a required claims period has passed. A portion of the fees we received are subject to chargeback in the event of early termination, default, or

prepayment of the contracts by our customers. Warranties and GAP income, net, recorded within Corporate, relates to the runoff of policies sold prior to the Ecommerce Wind-Down.

See “Note 3—Revenue Recognition” to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

Warranties and GAP (loss) income, net, changed \$0.5 million to a loss of \$0.1 million for the three months ended March 31, 2026 from income of \$0.4 million for the three months ended March 31, 2025, primarily as a result of a decrease in profit-sharing income as the legacy Vroom policies continue to runoff.

#### **Compensation and benefits**

Compensation and benefits expense increased \$0.1 million or 4.9% to \$1.2 million for the three months ended March 31, 2026 from \$1.1 million for the three months ended March 31, 2025.

#### **Professional fees**

Professional fees decreased \$1.3 million or 53.8% to \$1.1 million for the three months ended March 31, 2026 from \$2.4 million for the three months ended March 31, 2025, primarily as a result of consulting and legal fees incurred during the three months ended March 31, 2025 associated with fresh-start accounting and bankruptcy related items.

#### **Software and IT costs**

Software and IT costs decreased \$0.2 million or 52.0% to \$0.4 million for the three months ended March 31, 2026 from \$0.4 million for the three months ended March 31, 2025.

#### **Interest expense on corporate debt**

Interest expense on corporate debt increased \$0.4 million to \$0.5 million for the three months ended March 31, 2026 from \$0.1 million for the three months ended March 31, 2025.

#### **Other expenses**

Other expenses decreased \$0.4 million or 46.5% to \$0.3 million for the three months ended March 31, 2026 from \$0.7 million for the three months ended March 31, 2025.

### **Liquidity and Capital Resources**

On January 14, 2025, we emerged from the Prepackaged Chapter 11 Case. On the Effective Date, each holder of the 2026 Notes received a pro rata share of 92.94% of the Common Stock (subject to dilution) and all of the Company's outstanding obligations under the 2026 Notes and the Indenture were deemed fully satisfied and discharged.

As of March 31, 2026, we had cash and cash equivalents of \$14.5 million and restricted cash of \$59.2 million. Restricted cash primarily includes restricted cash required under UACC's securitization transactions and Warehouse Credit Facilities of \$59.1 million. Additionally, we had excess borrowing capacity of \$14.9 million under UACC's Warehouse Credit Facilities as of March 31, 2026 and \$27.0 million available under our Delayed Draw Facility (as defined below). We have historically had negative cash flows and generated losses from operations and our primary source of liquidity has been cash generated through financing activities.

UACC relies on borrowings under the Warehouse Credit Facilities to finance the origination of finance receivables as well as to provide funding for general operating activities. The terms of those facilities generally mature within one to two years and we typically renew those facilities in the ordinary course. As of March 31, 2026, we had three Warehouse Credit Facilities, with an aggregate borrowing capacity of \$600.0 million and outstanding borrowings of \$159.5 million, expiring in June 2026, August 2026 and April 2027, respectively. We are in ongoing discussions with the warehouse lenders to extend the terms beyond the current expiration dates and expect facilities to be amended and renewed at sufficient borrowing capacity. However, there can be no assurance that adequate additional financing will be available to us on acceptable terms, or at all. Refer to Note 10 — Warehouse Credit Facilities and Consolidated VIEs to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q. Failure to retain

sufficient warehouse borrowing capacity would have a material adverse effect on our ability to finance UACC's lending operations and our results of operations and liquidity.

On March 8, 2025, Vroom, Inc., UACC and its indirect subsidiary Darkwater Funding LLC, as co-borrowers, entered into a credit agreement with Mudrick Capital Management, L.P. ("Lender"), who as of January 14, 2025 was a 76.5% shareholder of the Company, for a \$25.0 million delayed draw term loan facility ("Delayed Draw Facility"). On October 9, 2025 the maximum facility amount was amended from \$25.0 million to \$35.0 million effective as of September 30, 2025. The Delayed Draw Facility matures on December 31, 2026. As of March 31, 2026, we have drawn \$8.0 million against the Delayed Draw Facility. Refer to Note 19 — Related Party Transactions to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

On August 29, 2025, we issued \$10.0 million aggregate principal amount of 2030 Notes to support our long-term business strategy. The 2030 Notes were issued pursuant to a Note Purchase Agreement with Annox Capital, LLC and Robert J. Mylod, Jr., the Managing Partner of Annox Capital, LLC and the Independent Executive Chair of the board of directors of the Company. Refer to Note 19 — Related Party Transactions to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q, for further discussion.

On November 25, 2025, Vroom, Inc. entered into a Note Purchase Agreement with Robert J. Mylod, Jr., the Independent Executive Chair of the board of directors of the Company. Pursuant to the Note Purchase Agreement, the Company issued Senior Secured Delayed Draw Notes due 2026 (the "Delayed Draw Notes") in a maximum aggregate principal commitment amount of \$10.5 million, which matures on November 25, 2026. As of March 31, 2026, the Company drew \$10.5 million against the Delayed Draw Notes. Refer to Note 19 — Related Party Transactions to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

On January 16, 2026, Vroom Automotive, LLC issued to SPE Holdings 15,000 newly issued Series A preferred units and 7,500 newly issued Series B preferred units for aggregate gross proceeds of \$22.5 million.

The accompanying unaudited condensed consolidated financial statements have been prepared on the basis that we will continue to operate as a going concern, which contemplates that we will be able to realize assets and settle liabilities and commitments in the normal course of business for twelve months following the issuance date.

Our future capital requirements will depend on many factors, including our ability to realize the intended benefits of the Prepackaged Chapter 11 Case and our Long-Term Strategic Plan, available advance rates on the Warehouse Credit Facilities, our ability to complete additional securitization transactions on favorable terms, and future credit losses. We anticipate that our existing cash and cash equivalents, the delayed draw facility, the delayed draw notes, and UACC's Warehouse Credit Facilities will be sufficient to support our ongoing operations and obligations for at least the next twelve months from the issuance date of this Quarterly Report on Form 10-Q.

### **Securitization Transactions**

Subject to market conditions, we plan to sell finance receivables originated by UACC through asset-backed securitization transactions. On February 5, 2026, UACC completed the 2026-1 securitization transaction, in which it issued approximately \$225.0 million of rated asset-backed securities in an auto finance receivable securitization transaction from a securitization trust, established and sponsored by UACC for proceeds of \$224.1 million. The trust is collateralized by finance receivables with an aggregate principal balance of \$274.9 million as of February 5, 2026. These finance receivables are serviced by UACC and UACC receives an "at market" servicing fee. UACC retained the residual interests, which required us to account for the 2026-1 securitization as secured borrowings and the assets and liabilities of the trust remain on balance sheet.

During the first quarter of 2025, UACC completed the 2025-1 securitization transaction, in which it issued approximately \$307.8 million of rated asset-backed securities in an auto finance receivable securitization transaction from a securitization trust, established and sponsored by UACC for proceeds of \$306.5 million. The trust is collateralized by finance receivables with an aggregate principal balance of \$382.1 million as of March 12, 2025. These finance receivables are serviced by UACC and UACC receives an "at market" servicing fee. UACC retained the residual interests, which required us to account for the 2025-1 securitization as secured borrowings and the assets and liabilities of the trust remain on balance sheet.

Finance receivables are serviced by UACC. UACC retains at least 5% of the notes and residual certificates sold as required by applicable risk retention rules and generally uses the proceeds of the securitization transactions to pay down outstanding debt under its Warehouse Credit Facilities.

Refer to Note 4 — Variable Interest Entities and Securitizations to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q, for further discussion.

### ***Risk Retention Financing Facility***

On May 3, 2023, UACC entered into a Risk Retention Financing Facility enabling it to finance a portion of the asset-backed securities issued in its securitization transactions and held by UACC pursuant to applicable risk retention rules. Under this facility, UACC sells such retained interests and agrees to repurchase them at fair value on a future date. As of March 31, 2026, UACC pledged \$27.6 million of its retained beneficial interests as collateral, and the outstanding borrowings related to this risk retention financing facility were \$16.8 million with expected repurchase dates ranging from June 2027 to October 2031. The securitization trusts will distribute payments related to UACC's pledged beneficial interests in securitizations directly to the lenders, which will reduce the beneficial interests in securitizations and the related debt balance.

### ***Warehouse Credit Facilities***

UACC has three senior secured warehouse credit facility agreements the (“Warehouse Credit Facilities”) with banking institutions. The Warehouse Credit Facilities are collateralized by eligible finance receivables and available borrowings are computed based on a percentage of eligible finance receivables.

During 2025 we renewed three of our previous four Warehouse Credit Facilities. The significant terms of the agreements remained unchanged except for certain reductions in advance rates and increases in minimum liquidity and tangible net worth requirements as well as a decrease of the aggregate borrowing limit under one of the facilities from \$225.0 million to \$200.0 million. On July 21, 2025, the remaining Warehouse Credit Facility, which had a borrowing capacity of \$200 million, expired pursuant to its terms and was not extended or renewed. We believe that our borrowing capacity from our other Warehouse Credit Facilities is sufficient to support our current operational needs and therefore elected not to renew this commitment. The remaining Warehouse Credit Facilities expire in June 2026, August 2026 and April 2027, respectively. We are in ongoing discussions with the warehouse lenders to extend the terms beyond the current expiration dates and expect facilities to be amended and renewed at sufficient borrowing capacity. However, there can be no assurance that adequate additional financing will be available to us on acceptable terms, or at all.

The aggregate borrowing limit under the Warehouse Credit Facilities as of March 31, 2026 was \$600.0 million. Our ability to utilize the Warehouse Credit Facilities is primarily conditioned on the satisfaction of certain legal, operating, administrative and financial covenants contained within the agreements. These include covenants that require UACC to maintain a minimum tangible net worth, minimum liquidity levels, and specified leverage ratios. Failure to satisfy these and or any other requirements contained within the agreements would restrict access to or cause us to be in default of the terms of the Warehouse Credit Facilities and could have a material adverse effect on our financial condition, results of operations and liquidity. Certain breaches of covenants or events of default may also result in acceleration of the repayment of borrowings prior to the scheduled maturity. As of March 31, 2026, outstanding borrowings related to the Warehouse Credit Facilities were \$159.5 million and we were in compliance with all covenants under the terms of the Warehouse Credit Facilities. Refer to Note 10 — Warehouse Credit Facilities of Consolidated VIEs to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q, for further discussion.

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

The following table summarizes our cash flows for the three months ended March 31, 2026 and 2025:

	Successor		Predecessor	Non-GAAP Combined
	Three months ended March 31,	Period from January 15 through March 31,	Period from January 1 through January 14,	Three months ended March 31,
	2026	2025	2025	2025
	(in thousands)			
Net cash provided by (used in) operating activities from continuing operations	\$ 18,275	\$ 17,289	\$ (5,804)	\$ 11,485
Net cash (used in) provided by investing activities from continuing operations	(29,049)	(48,334)	2,981	(45,353)
Net cash provided by (used in) financing activities from continuing operations	18,042	36,987	(13,898)	23,089
Net cash provided by (used in) operating activities from discontinued operations	133	(452)	(207)	(659)
Net cash provided by investing activities from discontinued operations	—	637	—	637
Net increase (decrease) in cash, cash equivalents and restricted cash	7,401	6,127	(16,928)	(10,801)
Cash and cash equivalents and restricted cash at beginning of period	66,298	61,441	78,369	78,369
Cash and cash equivalents and restricted cash at end of period	\$ 73,699	\$ 67,568	\$ 61,441	\$ 67,568

#### Operating Activities

Net cash flows provided by operating activities from continuing operations increased by \$6.8 million, from \$11.5 million for the three months ended March 31, 2025 to \$18.3 million for the three months ended March 31, 2026. The increase was primarily due to a \$14.3 million decrease in originations of finance receivables held for sale. As a result of emerging from the Prepackaged Chapter 11 Case and applying fresh start accounting, our finance receivables are originated and accounted for as held for investment at fair value and are classified as investing activities prospectively. The increase in net cash flows provided by operating activities was also due to a \$1.3 million change in working capital, partially offset by a decrease in principal payments received on finance receivables held for sale of \$6.5 million and a \$2.4 million decrease in net (loss) income from continuing operations after reconciling adjustments.

#### Investing Activities

Net cash flows used in investing activities from continuing operations decreased \$16.4 million, from \$45.4 million for the three months ended March 31, 2025 to \$29.0 million for the three months ended March 31, 2026. The decrease was primarily due to a \$9.6 million increase in principal payments received on finance receivables at fair value as well as a \$7.0 million decrease in originations of finance receivables held for investment.

#### Financing Activities

Net cash flows provided by financing activities from continuing operations decreased \$5.1 million, from \$23.1 million for the three months ended March 31, 2025 to \$18.0 million for the three months ended March 31, 2026. The decrease was primarily related to a \$97.7 million decrease in net cash flows from secured financing agreements and a \$16.2 million decrease in net cash flows from financing of beneficial interests in securitizations. These decreases were partially offset by a \$86.6 million increase in net cash flows from the borrowings under our Warehouse Credit Facilities and a \$21.2 million increase related to the issuance of Vroom Automotive Preferred Units.

### **Critical Accounting Policies and Estimates**

Our condensed consolidated financial statements are prepared in accordance with GAAP. The preparation of consolidated financial statements requires us to make estimates, assumptions and judgments that affect the reported amounts of assets, liabilities, revenue, and expenses and related disclosures. On an ongoing basis, we evaluate our estimates, including, among others, those related to finance receivables, income taxes, stock-based compensation, contingencies, warranties and GAP income-related reserves, fair value measurements and useful lives of property and equipment and intangible assets. We base our estimates on historical experience, market conditions and on various other assumptions that are believed to be reasonable. Actual results may differ from these estimates.

The critical accounting policies that reflect our more significant judgments and estimates used in the preparation of our condensed consolidated financial statements include those described in Note 2—Summary of Significant Accounting Policies and Note 3—Revenue Recognition to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

There have been no material changes to our critical accounting policies and estimates as compared to the critical accounting policies and estimates disclosed in our Annual Report on Form 10-K for the year ended December 31, 2025.

### **Recently Issued and Adopted Accounting Pronouncements**

Refer to “Note 2—Summary of Significant Accounting Policies” to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q for a discussion about new accounting pronouncements adopted and not yet adopted as of the date of this report.

### **Item 3. Quantitative and Qualitative Disclosure About Market Risk**

We are a smaller reporting company as defined in Rule 12b-2 of the Exchange Act and are not required to provide the information otherwise required under this Item 3.

### **Item 4. Controls and Procedures**

#### **Limitations on effectiveness of controls and procedures**

In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

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

Our management, with the participation of our Principal Executive Officer and Principal Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of March 31, 2026.

Based on that evaluation, our Principal Executive Officer and Principal Financial Officer have concluded that, as of March 31, 2026, our disclosure controls and procedures were effective at the reasonable assurance level.

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

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the quarterly period ended March 31, 2026, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

## PART II - OTHER INFORMATION

### Item 1. Legal Proceedings

From time to time, we are subject to legal proceedings in the normal course of operating our business and an unfavorable resolution of any of these matters could materially affect the Company's future results of operations, cash flows or financial position. The outcome of litigation, regardless of the merits, is inherently uncertain.

The Company is also party to various disputes that the Company considers routine and incidental to its business. The Company does not expect the results of any of these routine actions to have a material effect on the Company's business, results of operations, financial condition, or cash flows. The Company accrues a liability when a loss is considered probable and the amount can be reasonably estimated. When a material loss contingency is reasonably possible but not probable, the Company does not record a liability, but instead discloses the nature and the amount of the claim, and an estimate of the loss or range of loss, if such an estimate can be made. Legal fees are expensed as incurred.

As previously disclosed, the Company has been subject to audits, requests for information, investigations and other inquiries from its regulators. These regulatory matters could continue to progress into legal proceedings as well as enforcement actions. The Company has incurred fines in certain states and could continue to incur fines, penalties, restitution, or alterations in the Company's business practices, which in turn, could lead to increased business expenses, additional limitations on the Company's business activities and further reputational damage, although to date such expenses have not had a material adverse effect on the Company's financial condition, cash flows, or results of operations.

### Item 1A. Risk Factors

Our operations and financial results are subject to various risks and uncertainties including those disclosed under "Item 1A. Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2025. There have been no material changes to our risk factors described in our Annual Report, other than as described below. If any of those risks or others not specified materialize, our business, financial condition and results of operations could be materially and adversely affected. In that case, the trading price of our common stock could decline and you could lose all or part of your investment in our common stock.

***General business and economic conditions, and risks related to the larger automotive ecosystem, including consumer demand, could reduce our sales and profitability, which could have a material adverse effect on our business, financial condition and results of operations.***

Our business is affected by general business and economic conditions. The global economy often experiences periods of instability, and this volatility may lead to high unemployment and a lack of available credit, which may in turn lead to increased delinquencies, defaults, repossessions and losses on motor vehicle contracts financed through UACC and could materially and adversely affect our business, financial condition and results of operations. For example, in 2025, the non-prime automotive financing industry faced challenges relating to increasing delinquencies and defaults, lowered recoveries, and other factors, leading some of UACC's competitors to cease new loan originations, file bankruptcy, or otherwise significantly alter their operations.

Purchases of new and used vehicles are typically discretionary for consumers and have been, and may continue to be, affected by negative trends in the economy and other factors, including inflation and fluctuating interest rates, the impact of tariffs (as described further below), the cost of energy and gasoline, the availability and cost of consumer credit, reductions in consumer confidence and fears of recession, stock market volatility, increases or changes in regulation and unemployment levels. The current inflationary environment has led to both overall price increases and pronounced price increases in certain sectors, including gasoline prices. Moreover, the Federal Reserve's efforts to tame inflation have led to, and may continue to lead to, increased interest rates, which affects automotive finance rates, making vehicle financing more costly and less accessible to many consumers. Additionally, increased environmental regulation has made, and may in the future make, used vehicles more expensive and less desirable for consumers.

Our business may be impacted by the imposition of tariffs and other trade barriers, which make it more costly for automobile manufacturers and sellers to export and import vehicles and raw materials, and increase the price consumers in the U.S. pay for vehicles. In recent years, the U.S. government has renegotiated or terminated certain existing bilateral

or multi-lateral trade agreements. In addition, the Presidential administration has implemented significant tariffs on imports to the United States from various countries, including those from the European Union, Japan, China, Canada and Mexico. While the U.S. has reached trade agreements with certain countries that reduced tariff rates on some automotive goods, tariffs on imports from other countries, including Canada and Mexico, remain elevated. Such significant tariffs and other restrictions have had, and may continue to have, a major impact on the United States automotive industry, which depends heavily on cross border trade. These tariffs have had a significant adverse effect, including financial, on the automotive industry. Further, any additional tariffs in the United States or retaliatory tariffs imposed by other governments could exacerbate the impact, as could the uncertainty regarding the magnitude or duration of these measures. Steps taken by governments to implement tariffs on raw materials (including steel), automobiles, parts, and other products and materials have disrupted existing supply chains and imposed additional costs on businesses in the automotive industry in the United States and globally. While negotiations regarding tariffs are ongoing and changing rapidly, the resulting environment of retaliatory trade or other practices of additional trade restrictions or barriers increase automobile prices in the U.S. and caused volatility, which has led to, and could continue to lead to, further decreased consumer demand for automobiles, and in turn, decreased demand for motor vehicle contracts financed through UACC, which would negatively impact our results of operations, cash flows, and financial condition. In addition, geopolitical conflicts and armed hostilities have further heightened macroeconomic uncertainty and could compound the adverse effects described above.

In February 2026, the United States and Israel launched coordinated military strikes against Iran, which retaliated with missile attacks across the region. Although we do not have material operations in the Middle East, the ongoing conflict and any further escalation, has and could continue to lead to significant disruption of global energy supplies and increases in global energy prices, which could reduce consumer demand for used vehicles and apply downward pressure on average vehicle values, particularly given the seasonal nature of our business. The conflict could also heighten inflationary pressures on our operating costs and the broader supply chain, adversely affect global supply chains, energy markets, commodity prices, currency exchange rates, interest rates, financial markets and overall macroeconomic conditions. Such disruptions could increase our borrowing costs under UACC's variable-rate Warehouse Credit Facilities and other variable-rate obligations, including our junior subordinated debentures, reduce the availability or increase the cost of debt financing through UACC's securitization program and warehouse facilities, and adversely impact consumer spending patterns in markets in which we operate. While the impacts of the conflict between the United States, Israel and Iran may have an adverse effect on our business, financial condition and results of operations, we are unable to predict the extent or nature of these impacts at this time.

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

There were no sales of unregistered securities during the period covered by this Quarterly Report on Form 10-Q.

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

None.

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

Not applicable.

## **Item 5. Other Information**

### **(a) Disclosure in lieu of reporting on a Current Report on Form 8-K.**

#### **Exchange and Subscription Agreement**

On May 14, 2026, the Company entered into an Exchange and Subscription Agreement (the "Exchange Agreement") with the investors party thereto and a collateral agent, pursuant to which the Company agreed to co-issue, as joint and several obligations, up to \$50.0 million aggregate principal amount of Senior Secured Delayed Draw Convertible Notes due 2032 (the "Notes"). At the closing, certain investors will exchange \$28.5 million aggregate principal amount of outstanding notes of the Company, together with accrued and unpaid interest thereon through the closing date, for Notes to be issued by the Company, leaving \$21.5 million of remaining delayed draw commitments under the facility. The outstanding notes to be exchanged consist of \$10.0 million of 5.000% Convertible Senior Notes due 2030, \$10.5 million of Senior Secured Delayed Draw Notes due 2026 and \$8.0 million of notes outstanding under the delayed draw

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term loan facility with Mudrick Capital Management, L.P. Upon delivery for cancellation at the closing, the outstanding notes will be cancelled and the liens securing such notes will be released, discharged and terminated.

The Notes bear interest at 5.0% per annum, payable quarterly, and mature on June 30, 2032. The Notes are secured by a first priority lien on substantially all assets of the Company, subject to permitted liens, and rank senior in right of payment to all unsecured indebtedness and junior lien indebtedness of each Issuer.

The Exchange Agreement and the Notes provide for a delayed draw facility under which Additional Notes may be issued from time to time up to the remaining commitment amount, subject to specified funding conditions. The Company, on behalf of the Company, or the investors may elect to fund under the facility, with subsequent draws funded pro rata by the holders and evidenced by separate Additional Notes. The proceeds of any Additional Notes issued after the closing are required to be used for working capital and other general corporate purposes of the Company.

The conversion price for each Note will equal 120% of the applicable reference price, determined at signing for Notes issued at the closing and at the applicable funding notice date for any Additional Notes. Subject to specified limitations, holders may convert their Notes on and after April 1, 2032, and the Notes may also become convertible in connection with certain specified corporate events. The Company may settle conversions in shares of common stock, cash or a combination thereof.

Upon a fundamental change, holders may require the Company to repurchase their Notes for the principal amount to be repurchased plus accrued and unpaid interest. The Notes also require mandatory ratable redemption in specified circumstances, including certain non-permitted asset sales, casualty or condemnation events, debt issuances and liens, subject to the exceptions and limitations set forth in the Notes.

### **(b) Material changes to the procedures by which security holders may recommend nominees to the board of directors**

None.

### **(c) Insider Trading Arrangements and Policies**

During the three months ended March 31, 2026, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

## **Item 6. Exhibits**

### **INDEX TO EXHIBITS**

<b>Exhibit Number</b>	<b>Exhibit Description</b>	<b>Form</b>	<b>File No.</b>	<b>Exhibit</b>	<b>Filing Date</b>	<b>Filed Herewith</b>	<b>Furnished Herewith</b>
2.1	<a href="#">Agreement and Plan of Merger, dated as of October 11, 2021, by and among Vroom, Inc., Vroom Finance Corporation, Unitas Holdings Corp. and Fortis Advisors LLC, solely in its capacity as the equityholders' representative</a>	8-K	001-39315	2.1	October 12, 2021		
2.2	<a href="#">Prepackaged Plan of Reorganization for Vroom, Inc. Under Chapter 11 of the Bankruptcy Code</a>	8-K	001-39315	2.1	January 15, 2025		
3.1	<a href="#">Restated Certificate of Incorporation of Vroom, Inc.</a>	10-K	001-39315	3.2	March 11, 2025		

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3.2	<a href="#"><u>Certificate of Change of Registered Agent and/or Registered Office.</u></a>	10-K	001-39315	3.1	March 11, 2025	
3.3	<a href="#"><u>Amended and Restated Bylaws of Vroom, Inc.</u></a>	8-K	001-39315	3.2	January 15, 2025	
4.1	<a href="#"><u>Eighth Amended and Restated Investors' Rights Agreement, dated as of November 21, 2019, by and among Vroom, Inc. and certain holders of its capital stock</u></a>	S-1/A	333-238482	4.2	May 18, 2020	
10.1#	<a href="#"><u>Preferred Unit Purchase Agreement, dated as of January 16, 2026 by and among the Company, Vroom Automotive LLC and SPE Holdings 2026-1</u></a>	8-K	001-39315	10.1	January 21, 2026	
10.2#	<a href="#"><u>Second Amended and Restated Limited Liability Company Agreement of Vroom Automotive LLC, dated as of January 16, 2026</u></a>	8-K	001-39315	10.2	January 21, 2026	
10.3#	<a href="#"><u>Custodian Agreement by and between United Auto Credit Corporation, as custodian, and an indenture trustee, dated as of January 31, 2026</u></a>	10-K	001-39315	10.53	March 26, 2026	
10.4#	<a href="#"><u>Indenture, dated as of January 31, 2026, by and between United Auto Credit Securitization Trust 2026-1 and the Indenture Trustee</u></a>	10-K	001-39315	10.54	March 26, 2026	
10.5#	<a href="#"><u>Purchase Agreement by and between United Auto Credit Financing LLC, as purchaser and United Auto Credit Corporation as seller, dated as of January 31, 2026</u></a>	10-K	001-39315	10.55	March 26, 2026	
10.6#	<a href="#"><u>Amended and Restated Trust Agreement by and among United Auto Financing LLC, as depositor, a certificate registrar and certificate paying agent, and an owner trustee, dated as of January 31, 2026</u></a>	10-K	001-39315	10.56	March 26, 2026	
10.7#	<a href="#"><u>Sale and Servicing Agreement by and between United Auto Credit Corporation, as custodian and an indenture trustee, dated as of January 31, 2026</u></a>	10-K	001-39315	10.57	March 26, 2026	
10.8	<a href="#"><u>Exchange and Subscription Agreement by and between Vroom, Inc. and the Investors, dated as of May 14, 2026</u></a>					X

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31.1	<a href="#">Certification of Principal 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</a>	X	
31.2	<a href="#">Certification of Principal 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</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.IN S	Inline XBRL Instance Document	X	
101.S CH	Inline XBRL Taxonomy Extension Schema Document	X	
101.C AL	Inline XBRL Taxonomy Extension Calculation Linkbase Document	X	
101.D EF	Inline XBRL Taxonomy Extension Definition Linkbase Document	X	
101.LA B	Inline XBRL Taxonomy Extension Label Linkbase Document	X	
101.P RE	Inline XBRL Taxonomy Extension Presentation Linkbase Document	X	
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)	X	

# Certain portions of this exhibit (indicated by "[\*\*\*]") have been omitted pursuant to Regulation S-K, Item (601)(b)(10).

**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.

Vroom, Inc.

Date: May 14, 2026

By: \_\_\_\_\_ /s/ Thomas H. Shortt  
Thomas H. Shortt  
Chief Executive Officer  
*(principal executive officer)*

Date: May 14, 2026

By: \_\_\_\_\_ /s/ Jonathan R. Sandison  
Jonathan R. Sandison  
Chief Financial Officer  
*(principal financial officer)*

## EXCHANGE AND SUBSCRIPTION AGREEMENT

This **EXCHANGE AND SUBSCRIPTION AGREEMENT** (this “**Agreement**”) is dated as of May 14, 2026, by and among Vroom, Inc., a Delaware corporation (the “**Company**”), the investors listed on Schedule I hereto (each an “**Investor**” and collectively, the “**Investors**”) and Annox Capital Management, LLC, as the Collateral Agent (as defined below).

**WHEREAS**, the Company and the Investors are executing and delivering this Agreement in reliance upon the exemption from securities registration afforded by Section 4(a)(2) of the Securities Act and Rule 506 of Regulation D promulgated under the Securities Act, and each Investor is an “accredited investor” as defined in Rule 501(a) of Regulation D;

**WHEREAS**, the Company has previously issued the following notes to the Investors (collectively, the “**Existing Notes**”): (i) \$10,000,000 in aggregate principal amount of 5.000% Convertible Senior Notes due 2030, issued on August 29, 2025 (the “**2030 Notes**”); (ii) \$10,500,000 in aggregate principal amount of Senior Secured Delayed Draw Notes due 2026, issued on November 25, 2025 (the “**2026 Notes**”); and (iii) \$8,000,000 in aggregate principal amount of notes outstanding under the delayed draw term loan facility (with Mudrick Capital Management, L.P. established on March 8, 2025 (the “**Mudrick Facility**” and such notes, the “**Mudrick Notes**”), collectively representing an aggregate principal amount of \$28,500,000 in Existing Notes across all series;

**WHEREAS**, the 2026 Notes are secured by liens on certain assets of the Company, and such liens will be terminated and released in connection with the exchange contemplated hereby and replaced by the security interests granted under the Collateral Documents (as defined herein) in favor of the Collateral Agent for the benefit of the Investors;

**WHEREAS**, the Company has authorized the issuance of the Vroom, Inc. Senior Secured Delayed Draw Convertible Notes due 2032 (the “**Notes**”), in the form attached hereto as Exhibit A, with a Maximum Commitment Amount of \$50,000,000, to be issued from time to time in one or more tranches in accordance herewith (including the Notes initially issued hereunder (the “**New Notes**”) and any Additional Notes subsequently issued), bearing interest at 5.000% per annum, payable quarterly, maturing on June 30, 2032, convertible into shares of Common Stock of the Company at a conversion price equal to 120% of the applicable Reference Price for such Notes, and secured by a first priority lien on substantially all assets of the Company pursuant to the Collateral Documents;

**WHEREAS**, following the initial exchange and issuance, Additional Notes may be issued from time to time up to the Maximum Commitment Amount upon the election of the Company or any Investor, in each case subject to the terms and conditions set forth herein and in the Notes, including satisfaction of certain conditions precedent to each subsequent funding;

**WHEREAS**, the Investors have agreed to appoint a Collateral Agent to hold the security interests in the Collateral for the ratable benefit of all Investors, and the Company, the Investors, and the Collateral Agent have agreed to enter into the Collateral Documents in connection with the Closing to grant and perfect a first priority security interest (subject to Permitted Liens) in the Collateral securing the Obligations under the Notes;

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**WHEREAS**, certain of the Investors wish to exchange, and the Company wishes to accept for cancellation, the aggregate principal amount of Existing Notes set forth opposite such Investor's name on Schedule I hereto under the heading "Aggregate Principal Amount of Existing Notes Exchanged," in exchange for the New Notes, on the terms and subject to the conditions contained in this Agreement, and the parties further desire to set forth the terms upon which Additional Notes may be subscribed for and issued following the Closing, in each case in a transaction exempt from registration under the Securities Act (as defined below); and

**WHEREAS**, the exchange of the Existing Notes for the New Notes contemplated hereby and the issuance of the New Notes will result in the consolidation of the Company's outstanding note obligations to the Investors into a single instrument with uniform terms, thereby simplifying the Company's capital structure and providing additional financing capacity through the delayed draw feature hereunder.

**NOW THEREFORE**, in consideration of the mutual agreements, representations, warranties and covenants herein contained, the Company and the Investors agree as follows:

1. **Definitions.** As used in this Agreement, the following terms shall have the meanings set forth in this Section 1. Capitalized terms used but not defined in this Agreement shall have the meaning set forth in the Notes.

**"Additional Notes"** means any Notes issued pursuant to the terms of Section 2.3 on any date following the date the New Notes are issued.

**"Affiliate"** means, with respect to any Person, any other Person that, directly or indirectly through one or more intermediaries, controls, is controlled by or is under common control with such Person.

**"Aggregate Exchange Consideration"** has the meaning set forth in Section 2.2.

**"Agreement"** has the meaning set forth in the recitals.

**"Amended and Restated Bylaws"** means the Amended and Restated Bylaws of the Company, as currently in effect.

**"Bankruptcy Code"** means the United States Bankruptcy Code (Title 11 of the United States Code).

**"Board of Directors"** means the board of directors of the Company.

**"Business Day"** means any day except any Saturday, any Sunday, any day which is a federal legal holiday in the United States or any day on which banking institutions in the State of New York are authorized or required by law or other governmental action to close.

**"Collateral Agent"** means Annox Capital Management, LLC, in its capacity as collateral agent for the Investors under the Collateral Documents, or any successor collateral agent appointed in accordance with the terms of this Agreement.

“**Collateral Documents**” means, collectively, the Security Agreement, the Perfection Certificate, any other security agreements, pledge agreements, intercreditor agreements, intellectual property security agreements, mortgages, deeds of trust, control agreements, and other agreements, instruments and documents executed and delivered pursuant to this Agreement or the Notes, in each case granting, maintaining or perfecting a lien on the Collateral in favor of the Collateral Agent for the benefit of the Investors.

“**Closing**” has the meaning set forth in Section 2.2.

“**Closing Date**” has the meaning set forth in Section 2.2.

“**Code**” means the U.S. Internal Revenue Code of 1986, as amended.

“**Common Stock**” has the meaning set forth in the recitals of the New Notes.

“**Company**” has the meaning set forth in the preamble.

“**Debtor Relief Laws**” shall mean the Bankruptcy Code and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

“**Disclosure Document**” has the meaning set forth in Section 5.3(a).

“**Exchange Act**” means the U.S. Securities Exchange Act of 1934, as amended, and all of the rules and regulations promulgated thereunder.

“**Existing Notes**” has the meaning set forth in the recitals.

“**Financial Statements**” has the meaning set forth in Section 3.1.

“**Fundamental Representations**” means the representations and warranties made by the Company in Sections 3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 3.7, 3.8, 3.9, 3.11, 3.12, 3.13 and 3.14.

“**Indemnified Persons**” has the meaning set forth in Section 5.5(a).

“**Investor**” and “**Investors**” have the meanings set forth in the preamble.

“**Investment Company Act**” means the Investment Company Act of 1940, as amended.

“**Material Adverse Effect**” has the meaning set forth in Section 3.1.

“**Mudrick Facility**” has the meaning set forth in the recitals.

“**Mudrick Notes**” has the meaning set forth in the recitals.

“**Nasdaq**” means the Nasdaq Stock Market LLC.

“**National Exchange**” means any of the following markets or exchanges on which the Common Stock is listed or quoted for trading on the date in question, together with any successor thereto: the NYSE American, The New York Stock Exchange, the Nasdaq Global Market, the Nasdaq Global Select Market and the Nasdaq Capital Market.

“**New Notes**” has the meaning set forth in the recitals.

“**Note**” or “**Notes**” means the New Notes and any Additional Notes issued from time to time pursuant to this Agreement and the New Notes.

“**OFAC**” means the Office of Foreign Assets Control of the U.S. Department of the Treasury.

“**Perfection Certificate**” means a perfection certificate (in form and substance acceptable to the Collateral Agent) with respect to the Collateral executed by the Company and delivered to the Collateral Agent in accordance with the terms of the Notes.

“**Permitted Liens**” means (a) liens in favor of the Collateral Agent under the Collateral Documents; (b) liens existing on the Closing Date and disclosed by the Company in writing to the Collateral Agent and the Investors prior to the Closing Date (including liens securing the Mudrick Facility as in effect on the Closing Date); (c) non-exclusive licenses and leases in the ordinary course; (d) liens for taxes not yet due or being contested in good faith with adequate reserves; (e) purchase money and equipment financings liens securing an aggregate principal amount not to exceed \$1,000,000; and (f) other liens consented to by the Investors in writing.

“**Person**” means an individual, partnership, corporation, limited liability company, business trust, joint stock company, trust, unincorporated association, joint venture or any other entity or organization.

“**Reference Price**” means, with respect to the New Notes, a price that is the lower of: (i) the Nasdaq Official Closing Price (as reflected on Nasdaq.com) immediately preceding the signing of this Agreement; or (ii) the average Nasdaq Official Closing Price of the Common Stock (as reflected on Nasdaq.com) for the five trading days immediately preceding the signing of this Agreement and, with respect to any Additional Notes, a price that is the lower of: (i) the Nasdaq Official Closing Price (as reflected on Nasdaq.com) immediately preceding the date the applicable Funding Notice for such Additional Notes is delivered hereunder; or (ii) the average Nasdaq Official Closing Price of the Common Stock (as reflected on Nasdaq.com) for the five trading days immediately preceding the date the applicable Funding Notice for such Additional Notes is delivered.

“**Related Person**” means, with respect to any Person, such Person’s Affiliates and the partners, directors, officers, managers, members, employees, agents, trustees, advisors and representatives of such Person and of such Person’s Affiliates.

“**Restated Certificate of Incorporation**” means the Restated Certificate of Incorporation of the Company, as amended, as currently in effect.

“**Rule 144**” means Rule 144 promulgated by the SEC pursuant to the Securities Act, as such rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the SEC having substantially the same effect as such rule.

“**SEC**” means the U.S. Securities and Exchange Commission.

“**SEC Reports**” means (a) the Company’s most recently filed Annual Report on Form 10-K and (b) all Quarterly Reports on Form 10-Q or Current Reports on Form 8-K filed or furnished (as applicable) by the Company following the end of the most recent fiscal year for which an Annual Report on Form 10-K has been filed and prior to the execution of this Agreement, together in each case with any documents incorporated by reference therein and exhibits thereto.

“**Securities Act**” means the U.S. Securities Act of 1933, as amended, and all of the rules and regulations promulgated thereunder.

“**Security Agreement**” means the Security Agreement, dated as of the Closing Date (as amended, restated, amended and restated, supplemented or otherwise modified from time to time), between the Company and the Collateral Agent.

“**Transaction Documents**” means this Agreement, the Security Agreement, the other Collateral Documents, the Notes and any other agreement, instrument or certificate executed or delivered in connection with the transactions contemplated hereby.

## 2. The Exchange and Subscription.

2.1 Agreement to Exchange. Upon the terms and subject to the conditions set forth herein, at the Closing (as defined below), each Investor exchanging Existing Notes as specified in Schedule I hereto hereby agrees to exchange, and the Company agrees to accept for cancellation, the aggregate principal amount of Existing Notes set forth opposite such Investor's name on Schedule I hereto (together with all accrued and unpaid interest thereon through the Closing Date) in exchange for which the Company agrees to issue and deliver to such Investors the New Notes. Each Investor hereby surrenders, assigns and transfers to the Company all right, title and interest in such Investor’s Existing Notes, waives any and all other rights with respect to such Existing Notes, and releases and discharges the Company from any and all claims such Investor may now have, or may have in the future, arising out of, or related to, such Existing Notes.

### 2.2 Closing.

(a) Subject to the satisfaction or waiver of the conditions set forth in Section 6 of this Agreement, the closing of the exchange of the Existing Notes for the New Notes (the “**Closing**” and the date on which the Closing occurs, the “**Closing Date**”) shall occur remotely via the exchange of documents and signatures at such time as agreed to by the Company and the Investors (the aggregate outstanding principal amount of Existing Notes being surrendered by exchanging Investors, together with all accrued and unpaid interest thereon through the Closing Date, the “**Aggregate Exchange Consideration**”). Prior to 11:00 a.m. (Eastern time) on the Closing Date, each exchanging Investor shall deliver or cause to be delivered to the Company all of its Existing Notes, for cancellation by the Company, against delivery by the Company to the Investors of the New Notes in book-entry form or physical form, as applicable, at the Company's

transfer agent. The Existing Notes shall, upon delivery to the Company at the Closing, be deemed cancelled and of no further force and effect.

(b) Upon and subject to the occurrence of the Closing and the receipt by each Investor of a New Note, each applicable Investor agrees that all liens securing the 2026 Notes shall be released, discharged and terminated.

### 2.3 Subsequent Fundings.

Subject to the terms and conditions of this Section 2.3 and the New Notes, Additional Notes may be issued from time to time in an aggregate principal amount not to exceed the Remaining Commitment Amount (as defined below). Each Additional Note shall be identical in all respects to the New Notes (including with respect to the interest rate and maturity date) except for the Conversion Rate and Conversion Price (each as defined in the Notes), which shall be determined as set forth in Section 2.3(d) below. “**Remaining Commitment Amount**” shall mean, at any time, the Maximum Commitment Amount *minus* the aggregate principal amount of all Notes then outstanding at such time. For the avoidance of doubt, each Additional Note shall constitute a separate Note, and the Conversion Price and Conversion Rate applicable to each such Note shall be determined in accordance with the terms hereof and of such Note and shall apply solely to such Note.

(a) Election to Fund. Any of the Company or the Investors may elect to require a Subsequent Funding (as defined below) up to the Remaining Commitment Amount (a “**Funding Election**”) by delivering written notice thereof to all other parties (a “**Funding Notice**”). If the Company makes a Funding Election, it may elect a Subsequent Funding in whole or in part; provided, that if in part, such partial funding shall be allocated pro rata among the Investors based on each Investor’s proportionate share of the Remaining Commitment Amount as of the date of such Funding Notice. If any Investor makes a Funding Election, such Investor may elect a Subsequent Funding in whole or in part, and such electing Investor may require all other Investors to fund their proportionate share in full (subject to the satisfaction or waiver of the conditions set forth herein) (a “**Subsequent Funding**”). The Company shall use commercially reasonable efforts to facilitate each Subsequent Funding as expeditiously as practicable following delivery of the applicable Funding Notice.

(b) Funding Closing. Each Subsequent Funding shall close on the third (3rd) Business Day after the applicable Funding Notice is delivered to all parties (each such closing, a “**Subsequent Closing**”) (or such other date as the Company and the Investors participating in such Subsequent Funding may agree). At each Subsequent Closing, each Investor shall fund its proportionate share of the applicable Subsequent Funding amount, and the Company shall issue to each such Investor an Additional Note in the aggregate principal amount funded by such Investor.

(c) Conditions to Subsequent Funding. The obligation of each Investor to fund its portion of any Subsequent Funding shall be subject to the satisfaction (or waiver by the applicable Investor) of the conditions set forth in Section 2.04 and Section 2.08 of the New Note (in each case applied *mutatis mutandis* to such Subsequent Funding). In addition, the Company may not deliver a Funding Notice if, at the time of such delivery, (i) there exists a “going concern”

qualification in the Company's most recent audited financial statements that has not been cured or would not be cured after giving effect to such Subsequent Funding or (ii) the Company reasonably believes that a "going concern" qualification would be required to be included in the Company's audited financial statements after giving effect to such Subsequent Funding.

(d) Conversion Price for Additional Notes. The Conversion Price for any Additional Note shall equal 120% of the applicable Reference Price for such Additional Note, with each such determination made independently without regard to any prior or subsequent issuances.

(e) Conversion Restriction. Notwithstanding anything to the contrary in this Agreement or the Notes, no Investor shall have the right to convert any Note (or any portion thereof) into shares of Common Stock prior to April 1, 2032 other than in connection with a Fundamental Change (as defined in the Notes). On and after April 1, 2032, each Investor shall have the right to convert any Note (or any portion thereof) into shares of Common Stock at any time, without limitation, in accordance with the terms of the applicable Note.

3. Representations and Warranties of the Company. Except as set forth in the SEC Reports (other than as to the Fundamental Representations, which are not so qualified), the Company hereby represents and warrants to the Investors and to the Collateral Agent that the statements contained in this Section 3 are true and correct as of the date of this Agreement, as of the Closing Date and as of each Funding Date (as defined in the Notes) (except for the representations and warranties that speak as of a specific date, which shall be made as of such date). On and after any Funding Date with respect to any Additional Notes, all representations hereunder with respect to the New Notes shall be deemed to also be representations with respect to Additional Notes as of the Funding Date for such Additional Notes.

3.1 Material Adverse Change. Neither the Company nor any of its subsidiaries has, since the date of the latest audited financial statements included in the SEC Reports (the "**Financial Statements**"), (i) sustained any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree or (ii) entered into any transaction or agreement (whether or not in the ordinary course of business) that is material to the Company and its subsidiaries taken as a whole or incurred any liability or obligation, direct or contingent, that is material to the Company and its subsidiaries taken as a whole, in each case, otherwise than as set forth or contemplated in the SEC Reports; and, since the respective dates as of which information is given in the SEC Reports, there has not been (x) any change in the capital stock (other than as a result of (i) the grant, vesting, exercise or settlement (including any "net" or "cashless" exercises or settlements), if any, of stock options or restricted stock units or the award, if any, of stock options, restricted stock units or other equity incentives, in each case (I) in the ordinary course of business, (II) pursuant to the Company's equity plans that are described in the SEC Reports and (III) in accordance with the Exchange Act and all other applicable laws and regulatory rules or requirements, including the rules of Nasdaq (as defined below) and any other exchange on which Company securities are traded, (ii) the repurchase of shares of capital stock pursuant to agreements providing for an option to repurchase or a right of first refusal on behalf of the Company pursuant to the Company's repurchase rights or (iii) the issuance, if any, of stock upon conversion or exercise of Company securities (including any outstanding warrants as described in the SEC

Report), (y) the issuance, if any, of long-term debt of the Company or any of its subsidiaries, taken as a whole, or (z) any Material Adverse Effect (as defined below); as used in this Agreement, “**Material Adverse Effect**” shall mean any material adverse change or effect, or any development involving a prospective material adverse change or effect in or affecting (i) the business, properties, management, consolidated financial position, consolidated stockholders’ equity or consolidated results of operations of the Company and its subsidiaries, taken as a whole, (ii) the legality, validity or enforceability of any Transaction Document, (iii) the perfection or priority of any lien securing the Obligations or (iv) the ability of the Company to perform its obligations under the Transaction Documents.

3.2 Organization. The Company has been (i) duly incorporated and is validly existing as a corporation and in good standing under the laws of the State of Delaware, with corporate power and authority to own its properties and conduct its business as described in the SEC Reports, and (ii) duly qualified as a foreign corporation for the transaction of business and is in good standing (where such concept exists) under the laws of each other jurisdiction in which it owns or leases properties or conducts any business so as to require such qualification, except, in the case of this clause (ii), where the failure to be so qualified or in good standing would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, and each significant subsidiary (as such term is defined in Rule 1-02 of Regulation S-X promulgated under the Exchange Act and the Securities Act) of the Company (each a “significant subsidiary”) has been duly incorporated or organized and is validly existing as a corporation or other business organization in good standing under the laws of its jurisdiction of incorporation, formation or organization, as applicable, to the extent the concept of “good standing” is applicable under the laws of such jurisdiction, except where the failure to be so qualified or in good standing would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

3.3 Capitalization. The Company has an authorized capitalization as set forth in the SEC Reports and all of the outstanding shares of capital stock of the Company have been duly and validly authorized and issued and are fully paid and non-assessable and conform in all material respects to the description of such stock contained in the SEC Reports; and all of the outstanding equity interests of each subsidiary of the Company are validly issued limited liability company interests, and (except, in the case of any foreign subsidiary, for directors’ qualifying shares) are owned directly or indirectly by the Company, free and clear of all liens, encumbrances, equities or claims, except for such liens or encumbrances described in the SEC Reports.

3.4 Authorization of New Notes. The New Notes to be issued and delivered by the Company hereunder has been duly and validly authorized and, when issued and delivered as provided herein, will be duly and validly issued and will constitute a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors’ rights generally and by general equity principles. The issuance of the New Notes (A) is not subject to any preemptive or similar rights, in each case other than rights which have been waived in writing and (B) does not give rise to any rights, other than those which have been duly waived in writing or satisfied, for or relating to the registration of any securities of the Company.

3.5 No Conflicts. The issuance of the New Notes and the exchange of the Existing Notes, and the compliance by the Company with each Transaction Document and the consummation of the transactions contemplated in the Transaction Documents, including the grant and perfection of liens and security interest in the Collateral pursuant to the Collateral Documents, will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, (A) any indenture, mortgage, deed of trust, loan agreement or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any of the property or assets of the Company or any of its subsidiaries is subject, (B) the certificate of incorporation or by-laws (or other applicable organizational document) of the Company or any of its subsidiaries, or (C) any statute or any judgment, order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its subsidiaries or any of their properties, except, in the case of clauses (A) and (C) above, for such defaults, breaches, or violations that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; and no consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the issuance of the New Notes, the exchange of the Existing Notes, or the consummation by the Company of the transactions contemplated by each Transaction Document.

3.6 No Violation or Default. Neither the Company nor any of its subsidiaries is (i) in violation of its certificate of incorporation or by-laws (or other applicable organizational document), (ii) in violation of any statute or any judgment, order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its subsidiaries or any of their properties, or (iii) in default in the performance or observance of any obligation, agreement, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which it is a party or by which it or any of its properties may be bound, except, in the case of the foregoing clauses (ii) and (iii), for such violations or defaults as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

3.7 No Change to Internal Controls. Since the date of the latest audited Financial Statements included in the SEC Reports, there has been no change in the Company's internal control over financial reporting that has materially and adversely affected, or is reasonably likely to materially and adversely affect, the Company's internal control over financial reporting.

3.8 Authorization. Each Transaction Document has been duly authorized, executed and delivered by the Company, and, assuming this Agreement constitutes the legal and binding agreement of each Investor, each Transaction Document constitutes a legal, valid and binding obligation of the Company, enforceable against the Company in accordance with their respective terms, except as such enforceability may be limited or otherwise affected by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and/or similar laws relating to or affecting the rights of creditors generally or by general equity principles (regardless of whether such enforceability is considered in a proceeding in equity or at law).

3.9 Financial Statements. The Financial Statements included in the SEC Reports, together with the related schedules and notes, present fairly in all material respects the financial position of the Company and its consolidated subsidiaries at the dates indicated and the

consolidated statement of operations, consolidated stockholders' equity and consolidated cash flows of the Company and its subsidiaries for the periods specified; said Financial Statements have been prepared in conformity with U.S. generally accepted accounting principles (“GAAP”) applied on a consistent basis throughout the periods involved. All disclosures contained in the SEC Reports regarding “non-GAAP financial measures” (as such term is defined by the rules and regulations of the Commission) comply in all material respects with Regulation G of the Exchange Act and Item 10 of Regulation S-K of the Act, to the extent applicable.

3.10 No Solicitation; No Integration. The Company represents and warrants that neither the Company nor any of its subsidiaries, nor any Person acting on its or their behalf, (i) has engaged in any form of general solicitation or general advertising (within the meaning of Regulation D under the Securities Act) in connection with the issuance of the New Notes or the exchange of the Existing Notes, (ii) has, directly or indirectly, made any offers or sales of any security or solicited any offers to exchange any security, under any circumstances that would require registration of the New Notes under the Securities Act or (iii) has issued any securities which would be integrated with the issuance of the New Notes for purposes of the Securities Act, nor will the Company or any of its subsidiaries take any action or steps that would require registration of the New Notes under the Securities Act or cause the exchange of the Existing Notes to be integrated with other offerings. The issuance of the New Notes pursuant to this Agreement will be exempt from the registration requirements of the Securities Act.

3.11 Collateral. The Company owns, has rights in or has the power and authority to collaterally assign rights in the relevant Collateral covered by each Collateral Document, free and clear of any security interest, hypothec, mortgage, pledge, lien or encumbrance, other than any Permitted Liens.

3.12 Collateral Documents. Each Collateral Document, when executed and delivered by each of the parties thereto, will be the legal, valid and binding agreement of the Company, enforceable against it in accordance with its terms, including the grants and perfection of liens and security interests contemplated thereby.

3.13 Creation and Enforceability of Security Interests. The Collateral Documents are effective to create, and represent all of the collateral agreements, security agreements, pledge agreements and other similar agreements necessary to grant, a legal, valid and enforceable security interest, in favor of the Collateral Agent, in the Company's right, title and interest in the Collateral.

3.14 Perfection of Security Interests. When all UCC-1 financing statements or other filings and other actions necessary to perfect the first-priority security interest in the Collateral to be created under the Collateral Documents that are required under the Collateral Documents have been duly made or taken and are in full force and effect, together with the execution and delivery of the Collateral Documents by the Company, and certificates representing the Collateral consisting of certificated securities have been delivered to the Collateral Agent, the security interests granted thereby will constitute valid, perfected first-priority liens and security interests in the Collateral, for the benefit of the Collateral Agent as collateral security for the obligations of the Company under the Transaction Documents, enforceable in accordance with the terms contained therein, to the extent such security interests can be perfected by such filing or other action, subject only to any Permitted Liens.

4. Representations and Warranties of The Investors. Each Investor represents and warrants to the Company that the statements contained in this Section 4 are true and correct as of the date of this Agreement and the Closing Date:

4.1 Authorization. Each Investor has all requisite power and authority to enter into this Agreement and to carry out and perform its obligations hereunder. The execution, delivery and performance by such Investor of this Agreement has been duly authorized and executed. Assuming this Agreement constitutes the legal and binding agreement of the Company, this Agreement constitutes a legal, valid and binding obligation of such Investor, enforceable against such Investor in accordance with its respective terms, except as such enforceability may be limited or otherwise affected by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and/or similar laws relating to or affecting the rights of creditors generally or by general equity principles (regardless of whether such enforceability is considered in a proceeding in equity or at law).

4.2 No Conflicts. The execution, delivery and performance of this Agreement by each Investor, the exchange of the Existing Notes in accordance with their terms and the consummation by such Investor of the other transactions contemplated hereby will not conflict with or result in any violation of, breach or default by such Investor (with or without notice or lapse of time, or both) under, conflict with, or give rise to a right of termination, cancellation or acceleration of any obligation, a change of control right or to a loss of a material benefit under (i) any provision of the organizational documents of such Investor, including, without limitation, its incorporation or formation papers, bylaws, indenture of trust or partnership or operating agreement, as may be applicable or (ii) any agreement or instrument, undertaking, credit facility, franchise, license, judgment, order, ruling, statute, law, ordinance, rule or regulations, applicable to such Investor or its respective properties or assets, except, in the case of clause (ii), as would not, individually or in the aggregate, be reasonably expected to materially delay or hinder the ability of such Investor to perform its obligations under this Agreement.

4.3 Residency. Each Investor's residence or place of business is located at the address immediately below the Investor's name on Schedule I hereto, except as otherwise communicated by the Investor to the Company.

4.4 Brokers and Finders. Each Investor represents that it has not retained, utilized or been represented by any broker or finder in connection with the transactions contemplated by this Agreement whose fees the Company would be required to pay.

4.5 Exchange Representations and Warranties. Each Investor hereby represents and warrants that it is an "accredited investor" as that term is defined in Rule 501(a) of Regulation D of the Securities Act and has such knowledge and experience in financial and business matters as to be able to protect its own interests in connection with the exchange of the Existing Notes for the New Notes. Each Investor further represents and warrants that it is capable of evaluating the merits and risk of such exchange. Each Investor understands and agrees that the issuance of the New Notes in exchange for the Existing Notes, has not been registered under the Securities Act or any applicable state securities laws and is being made in reliance upon federal and state exemptions for transactions not involving a public offering, which depend upon, among other things, the bona

fide nature of the exchange intent and the accuracy of the Investor's representations as expressed herein.

4.6 Exchange Experience; Ability to Protect Its Own Interests and Bear Economic Risks. Each Investor acknowledges that it can bear the economic risk and complete loss of its participation in this exchange and has knowledge and experience in finance, securities, taxation, investments and other business matters as to be capable of evaluating the merits and risks of transactions of the kind described in this Agreement and contemplated hereby, and the Investor has had an opportunity to seek, and has sought, such accounting, legal, business and tax advice as the Investor has considered necessary to make an informed decision. Each Investor acknowledges that the Investor (i) is a sophisticated investor, experienced in private placements and exchanges of debt securities and capable of evaluating transaction risks independently, both in general and with regard to all transactions and investment strategies involving a security or securities and (ii) has exercised independent judgment in evaluating its participation in the exchange of the Existing Notes for the New Notes. Each Investor acknowledges that the Investor is aware that there are substantial risks incident to the exchange of the Existing Notes and the ownership of the New Notes, including those set forth in the Company's filings with the SEC. Alone, or together with any professional advisor(s), the Investor has adequately analyzed and fully considered the risks of participating in this exchange and holding the New Notes and determined that the exchange is suitable for the Investor.

4.7 Independent Exchange Decision. The Investors understand that nothing in this Agreement or any other materials presented by or on behalf of the Company to the Investors in connection with the exchange of the Existing Notes for the New Notes constitutes legal, tax or investment advice. The Investors have consulted such legal, tax and investment advisors as they, in such Investor's sole discretion, have deemed necessary or appropriate in connection with the exchange of the Existing Notes.

4.8 No Trading Market for the New Notes. Each Investor acknowledges that there is no established trading market for the New Notes, and there is no assurance that such market will ever develop.

4.9 Ownership of Existing Notes. Each Investor represents and warrants that, as of the date hereof and as of the Closing Date, it is the sole legal and beneficial owner of the aggregate principal amount of Existing Notes set forth opposite its name on Schedule I hereto, free and clear of all liens, mortgages, pledges, security interests, restrictions, charges, encumbrances or adverse claims of any kind. When the Existing Notes are exchanged pursuant to this Agreement, the Company will acquire good, marketable and unencumbered title thereto, free and clear of all such encumbrances. Such Investor has not, in whole or in part, assigned, transferred, hypothecated, pledged, exchanged or otherwise disposed of any of its Existing Notes, or given any Person any transfer order, power of attorney or other authority of any nature whatsoever with respect to its Existing Notes.

## 5. Covenants.

5.1 Confidentiality. Each Investor and the Collateral Agent covenants that until such time as the transactions contemplated by this Agreement are publicly disclosed by the

Company pursuant to the Form 8-K filed by the Company announcing the transaction, such Investor and the Collateral Agent will maintain the confidentiality of the existence and terms of this transaction and the information provided in connection therewith; provided, however, that any disclosure may be made by the Investor or the Collateral Agent to such Investor's or the Collateral Agent's, as applicable, representatives or agents, including, but not limited to, the Investor's and the Collateral Agent's, as applicable, legal, tax and investment advisors.

5.2 Nasdaq Matters. Prior to the Closing Date, the Company shall comply in all material respects with all listing, reporting, filing, and other obligations under the rules of Nasdaq. After the Closing Date, the Company will use commercially reasonable efforts to continue the listing and trading of its Common Stock on Nasdaq and, in accordance therewith, will use commercially reasonable efforts to comply in all material respects with all listing, reporting, filing, and other obligations under the rules of Nasdaq.

5.3 Disclosure of Transactions.

(a) The Company shall, by 5:30 p.m., New York City time, on the fourth (4th) Business Day immediately following the date of this Agreement, file with the SEC a Current Report on Form 8-K (including all exhibits thereto, the "**Disclosure Document**") disclosing all material terms of the transactions contemplated hereby and attaching this Agreement (or forms thereof) as exhibits to such Disclosure Document. Notwithstanding anything in this Agreement to the contrary, the Company shall not publicly disclose the name of any Investor or any of its affiliates or advisers, or include the name of the Investor or any of its affiliates or advisers in any press release or filing with the SEC or any regulatory agency, without the prior written consent of the Investor, except (i) as required by the federal securities law in connection with the filing of final this Agreement with the SEC or pursuant to other routine proceedings of regulatory authorities, or (ii) to the extent such disclosure is required by law, at the request of the staff of the SEC or regulatory agency or under the regulations of Nasdaq.

5.4 Securities Act Compliance. The Investors shall not transfer, sell, pledge or hypothecate the New Notes in violation of applicable securities laws.

5.5 Indemnification.

(a) The Company agrees to indemnify and hold harmless the Investors, the Collateral Agent, their respective Affiliates, and their respective directors, officers, trustees, members, managers, employees, investment advisers and agents (collectively, the "**Indemnified Persons**"), from and against any and all losses, claims, damages, liabilities and expenses (including without limitation reasonable and documented attorney fees and disbursements and other documented out-of-pocket expenses reasonably incurred in connection with investigating, preparing or defending any action, claim or proceeding, pending or threatened and the costs of enforcement thereof) to which such Indemnified Person may become subject as a result of any breach of representation, warranty, covenant or agreement made by or to be performed on the part of the Company under the Transaction Documents and will reimburse any such Indemnified Person for all such amounts as they are incurred by such Indemnified Person solely to the extent such amounts have been finally judicially determined not to have resulted from such Indemnified Person's fraud or willful misconduct.

(b) Any person entitled to indemnification hereunder shall (i) give prompt written notice to the indemnifying party of any claim with respect to which it seeks indemnification and (ii) permit such indemnifying party to assume the defense of such claim with counsel reasonably satisfactory to the indemnified party; provided, that any person entitled to indemnification hereunder shall have the right to employ separate counsel and to participate in the defense of such claim, but the fees and expenses of such counsel shall be at the expense of such person unless (a) the indemnifying party has agreed in writing to pay such fees or expenses, (b) the indemnifying party shall have failed to assume the defense of such claim and employ counsel reasonably satisfactory to such person or (c) in the reasonable judgment of any such person, based upon written advice of its counsel, a conflict of interest exists between such person and the indemnifying party with respect to such claims (in which case, if the person notifies the indemnifying party in writing that such person elects to employ separate counsel at the expense of the indemnifying party, the indemnifying party shall not have the right to assume the defense of such claim on behalf of such person); and provided, further, that the failure of any indemnified party to give written notice as provided herein shall not relieve the indemnifying party of its obligations hereunder, except to the extent that such failure to give notice shall materially adversely affect the indemnifying party in the defense of any such claim or litigation. It is understood that the indemnifying party shall not, in connection with any proceeding in the same jurisdiction, be liable for fees or expenses of more than one separate firm of attorneys at any time for all such indemnified parties. No indemnifying party will, except with the consent of the indemnified party, which consent shall not be unreasonably withheld, conditioned or delayed, consent to entry of any judgment or enter into any settlement unless such judgment or settlement (i) imposes no liability or obligation on, (ii) includes as an unconditional term thereof the giving of a complete, explicit and unconditional release from the party bringing such indemnified claims of all liability of the indemnified party in respect of such claim or litigation in favor of, and (iii) does not include any admission of fault, culpability, wrongdoing, or wrongdoing or malfeasance by or on behalf of, the indemnified party. No indemnified party will, except with the consent of the indemnifying party, which consent shall not be unreasonably withheld, conditioned or delayed, consent to entry of any judgment or enter into any settlement.

(c) The Company shall pay to each Investor, on demand, all Additional Amounts as defined in and required by Section 3.05 of the Notes (Tax Gross-Up); provided, that the Company shall not be required to pay any Additional Amounts in respect of Excluded Taxes (as defined in Section 9.6)

#### 5.6 Legends; Removal of Legend:

(a) The Investors understand that the book-entry account or certificate evidencing the New Notes may bear one or all of the following legends (or substantially similar legends):

THE SECURITIES REPRESENTED HEREBY AND THE SHARES OF COMMON STOCK, IF ANY, ISSUABLE UPON CONVERSION OF SUCH SECURITIES HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT"), OR UNDER THE SECURITIES LAWS OF APPLICABLE STATES. THESE SECURITIES AND THE SHARES OF COMMON STOCK, IF ANY, ISSUABLE UPON CONVERSION OF SUCH SECURITIES ARE SUBJECT TO RESTRICTIONS ON TRANSFERABILITY AND

RESALE AND MAY NOT BE TRANSFERRED OR RESOLD EXCEPT AS PERMITTED UNDER THE ACT AND APPLICABLE STATE SECURITIES LAWS, PURSUANT TO REGISTRATION OR EXEMPTION THEREFROM.

(b) The legend described in Section 5.6(a) of this Agreement shall be removed and the Company shall promptly (and in any event within two (2) trading days) issue a certificate free from all restrictive and other legends to each holder, if (i) such security is registered for resale under the Securities Act, (ii) in connection with a sale, assignment or other transfer, such holder provides the Company with customary representations and the Company provides the transfer agent an opinion of counsel to the effect that such sale, assignment or transfer of the security may be made without registration under the applicable requirements of the Securities Act, or (iii) the security can be sold, assigned or transferred pursuant to Rule 144.

Subject to receipt by the Company of customary representations and other documentation reasonably acceptable to the Company in connection therewith (which shall not include a legal opinion), upon the earlier of such time as the New Notes or any shares of Common Stock issuable upon conversion of the New Notes, as applicable, (i) have been sold or transferred pursuant to an effective registration statement, (ii) have been sold pursuant to Rule 144, or (iii) are eligible for resale under Rule 144(b)(1) or any successor provision (without the requirement for the Company to comply with the current public information obligations of Rule 144(c)), the Company shall within one (1) trading day of any request therefor from an Investor accompanied by such customary and reasonably acceptable documentation referred to above, instruct its transfer agent to effect the removal of such legends.

The Company shall be responsible for the fees of its transfer agent associated with such issuance, including any other costs related to the Company's obligations under this Section 5.6(b), provided, that, for the avoidance of doubt, each holder shall be responsible for its fees associated with such issuance, including the preparation of any documents or certificates (including outside counsel fees).

5.7 Pre-Closing Conduct. Prior to Closing, the Company and its Subsidiaries shall not announce or close any transactions or announce any changes to their business that would reasonably be expected (when announced or disclosed) to materially affect the trading market price of the Common Stock, other than as may be described or disclosed in an appropriate filing with the SEC.

## 6. Conditions of Closing

6.1 Conditions to the Obligation of the Investors. The several obligations of the Investors to consummate the transactions to be consummated at the Closing, and to exchange and surrender the Existing Notes at the Closing pursuant to this Agreement, are subject to the satisfaction or waiver in writing of the following conditions precedent:

(a) Representations and Warranties. The representations and warranties of the Company contained in the Transaction Documents shall be true and correct in all material respects, except for those representation and warranties qualified by materiality or Material Adverse Effect, which shall be true and correct in all respects, as of the date of this Agreement and

as of the Closing Date, as though made on and as of such date, except to the extent any such representation or warranty expressly speaks as of an earlier date, in which case such representation or warranty shall be true and correct in all material respects as of such earlier date, except for those representations and warranties qualified by materiality or Material Adverse Effect, which shall be true and correct in all respects as of such earlier date.

(b) Performance. The Company shall have performed in all material respects the obligations and conditions herein required to be performed or observed by the Company on or prior to the Closing Date.

(c) No Injunction. The exchange of the Existing Notes and the issuance of the New Notes shall not be prohibited or enjoined by any law or governmental or court order or regulation and no such prohibition shall have been threatened in writing. No judgment, writ, order, injunction, award or decree of or by any court, or judge, justice or magistrate, including any bankruptcy court or judge, or any order of or by any governmental entity, shall have been issued, and no action or proceeding shall have been instituted by any governmental entity, enjoining or preventing the consummation of the transactions contemplated hereby.

(d) Consents. The Company shall have obtained any and all consents, permits, approvals, registrations and waivers necessary for the consummation of the exchange of the Existing Notes and the issuance of the New Notes, all of which shall be in full force and effect.

(e) Adverse Changes. Since the date of this Agreement, no event or series of events shall have occurred that has had or would reasonably be expected to have a Material Adverse Effect.

(f) Compliance Certificate. An authorized officer of the Company shall have delivered to the Investors at the Closing Date a certificate certifying that the conditions specified in Sections 6.1(a) (Representations and Warranties), 6.1(b) (Performance), 6.1(c) (No Injunction), 6.1(d) (Consents), 6.1(e) (Adverse Changes), 6.1(h) (No Stop Order) and 6.1(j) (No Default or Event of Default) of this Agreement have been fulfilled.

(g) Secretary's Certificate. The Secretary of the Company shall have delivered to the Investors at the Closing Date a certificate certifying (i) the Restated Certificate of Incorporation; (ii) the Amended and Restated Bylaws; (iii) resolutions of the Company's Board of Directors (or an authorized committee thereof) approving the Transaction Documents, the transactions contemplated by the Transaction Documents and the issuance of the New Notes; and (iv) a good standing certificate of the Company from the Secretary of State of the Secretary of Delaware, dated as of a recent date.

(h) No Stop Order. No stop order or suspension of trading shall have been imposed by Nasdaq, the SEC or any other governmental or regulatory body with respect to public trading in the Common Stock. The Common Stock is listed on a National Exchange and has not been suspended, as of the date hereof, by the SEC or the National Exchange from trading thereon nor has suspension by the SEC or the National Exchange been threatened, as of the date hereof, in writing by the SEC or the National Exchange.

(i) Delivery of New Notes. The Company shall have issued and delivered, or caused to be delivered, the New Notes to the Investors.

(j) No Default or Event of Default. No Default or Event of Default shall have occurred or be continuing or would result from the transactions on the date hereof.

(k) Counterparts. The Investors shall have received executed counterparts of each of the Transaction Documents to be executed on the date hereof (including, without limitation, this Agreement and the Security Agreement) from each of the counterparties hereto or thereto.

(l) Legal Opinion. The Investors and the Collateral Agent shall have received a legal opinion from counsel to the Company, in form and substance reasonably satisfactory to the Investors and the Collateral Agent, addressing such matters as customarily covered in opinions delivered in connection with secured note transactions, including the due authorization, execution and delivery of this Agreement and the Collateral Documents and the creation and perfection of security interests thereunder; provided, that, any opinion with respect to the Company not being required to be registered as an “investment company” within the meaning of the Investment Company Act need not be delivered until the fifth (5th) Business Day following the date of this Agreement.

(m) Collateral Actions; Lien Searches. The Company shall have duly authorized, executed and delivered to the Collateral Agent the Collateral Documents, in form and substance reasonably satisfactory to the Investors and the Collateral Agent, and shall have taken all actions necessary to grant to the Collateral Agent, for the benefit of the Investors, a perfected first priority security interest in the Collateral described therein, subject only to Permitted Liens. The Collateral Agent shall have received all customary lien searches in the relevant jurisdictions (including UCC, tax and judgment lien searches and searches of the United States Patent and Trademark Office and the United States Copyright Office (or any successor office or any similar office in any other country or supra-national intellectual property registry)) as of a recent date.

(n) Perfection Certificate. The Company shall have delivered, or caused to be delivered, a duly executed Perfection Certificate to the Collateral Agent.

(o) Release of Existing Liens. All liens securing the 2026 Notes shall have been terminated and released in full, and the Company shall have delivered to the Investors evidence reasonably satisfactory to the Investors of such termination and release, including UCC-3 termination statements and such other lien releases as may be necessary to evidence the release of such liens.

(p) Fees and Expenses. The Investors and the Collateral Agent shall have received payment of all fees and expenses required to be paid under the Transaction Documents.

6.2 Conditions to the Obligation of the Company. The obligation of the Company to consummate the transactions to be consummated at the Closing, and to issue and deliver to the Investors the New Notes at the Closing pursuant to this Agreement, is subject to the satisfaction or waiver in writing of the following conditions precedent:

(a) Representations and Warranties. The representations and warranties of the Investors in Section 4 hereto shall be true and correct on and as of the Closing Date, with the same force and effect as though made on and as of the Closing Date and consummation of the Closing shall constitute a reaffirmation by the Investors of each of the representations, warranties, covenants and agreements of the Investors contained in this Agreement as of the Closing Date.

(b) Performance. The Investors and the Collateral Agent shall have performed or complied with in all material respects all obligations and conditions herein required to be performed or observed by such Investor or the Collateral Agent, as applicable, on or prior to the Closing Date.

(c) No Injunction. The exchange of the Existing Notes and the issuance of the New Notes shall not be prohibited or enjoined by any law or governmental or court order or regulation.

(d) Delivery of Existing Notes. The Company shall have received delivery of all of the Existing Notes from each Investor for cancellation by the Company as set forth in Section 2.2.

## 7. Termination.

7.1 Termination. The obligations of the Company, on the one hand, and the Investors, on the other hand, to effect the Closing shall terminate as follows:

(i) Upon the mutual written consent of the Company and the Investors that agreed to exchange a majority in principal amount of the Existing Notes prior to the Closing;

(ii) By the Company if any of the conditions set forth in Section 6.2 shall have become incapable of fulfillment, and shall not have been waived by the Company;

(iii) By the Investors if any of the conditions set forth in Section 6.1 shall have become incapable of fulfillment, and shall not have been waived by such Investor; or

(iv) By either the Company or the Investors if the Closing has not occurred on or prior to the fifth (5th) Business Day following the date of this Agreement;

provided, however, that, in the case of clauses (ii) and (iii) above, the party seeking to terminate its obligation to effect the Closing shall not then be in breach of any of its representations, warranties, covenants or agreements contained in this Agreement if such breach has resulted in the circumstances giving rise to such party's seeking to terminate its obligation to effect the Closing.

7.2 Notice. In the event of termination by any party of its obligations to effect the Closing pursuant to Section 7.1, written notice thereof shall be given to the other parties. Nothing in this Section 7 shall be deemed to release any party from any liability for any breach by such party of the other terms and provisions of this Agreement or to impair the right of any party to compel specific performance by any other party of its other obligations under this Agreement.

## 8. Collateral Agent.

8.1 Appointment; Nature of Duties. The Investors hereby irrevocably designate and appoint Annox Capital Management, LLC, as Collateral Agent, in each case to act as specified herein and in the other Transaction Documents and Annox Capital Management, LLC accepts such appointment. Each Investor hereby irrevocably authorizes, and each holder of any Note by the acceptance of such Note shall be deemed irrevocably to authorize, the Collateral Agent to take such action on its behalf under the provisions of the Notes, the other Transaction Documents and any other instruments and agreements referred to herein or therein and to exercise such powers and to perform such duties hereunder and thereunder as are specifically delegated to or required of the Collateral Agent by the terms hereof and thereof and such other powers as are reasonably incidental thereto. The Collateral Agent may perform any of its respective duties hereunder by or through its officers, directors, agents, employees, affiliates or Related Persons. In performing its functions and duties hereunder, the Collateral Agent shall act solely as an agent of the Investors and does not assume and shall not be deemed to have assumed any obligation towards or relationship of agency or trust with or for the Company or any of its Subsidiaries. It is understood and agreed that the use of the term “agent” herein or in any other Transaction Documents (or any other similar term) with reference to the Collateral Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead such term is used as a matter of market custom and is intended to create or reflect only an administrative relationship between contracting parties. The Collateral Agent may perform any and all of its duties and exercise its rights and powers under any Transaction Document by or through any one or more sub-agents appointed by the Collateral Agent. The Collateral Agent and any such sub-agent may perform any and all of its duties and exercise its rights and powers by or through their respective Affiliates. The exculpatory, indemnification and other provisions of this Section 8.1 and of Section 8.6 shall apply to any of the Affiliates or Related Persons of the Collateral Agent. All of the rights, benefits, and privileges (including the exculpatory and indemnification provisions) of this Section 8.1 and of Section 8.6 shall apply to any such sub-agent and to the Affiliates of any such sub-agent, and shall apply to their respective activities as sub-agent as if such sub-agent and Affiliates were named herein. Notwithstanding anything herein to the contrary, with respect to each sub-agent appointed by the Collateral Agent, (a) such sub-agent shall be a third party beneficiary under this Agreement with respect to all such rights, benefits and privileges (including exculpatory rights and rights to indemnification) and shall have all of the rights and benefits of a third party beneficiary, including an independent right of action to enforce such rights, benefits and privileges (including exculpatory rights and rights to indemnification) directly, without the consent or joinder of any other Person, against any or all of the Company and the Investors, (b) such rights, benefits and privileges (including exculpatory rights and rights to indemnification) may be modified or amended with the consent of the Collateral Agent (and without the consent of such sub-agent), and (c) such sub-agent shall only have obligations to the Collateral Agent and not to the Company, any Investor or any other Person and neither the Company, any Investor nor any other Person shall have any rights, directly or indirectly, as a third party beneficiary or otherwise, against such sub-agent. The provisions of this Article 8 are solely for the benefit of the Collateral Agent and each Investor, and the Company shall not have rights as a third-party beneficiary of any of such provisions.

8.2 Exculpatory Provisions. The Collateral Agent shall not have any duties or obligations except those expressly set forth herein and in the other Transaction Documents, and its

duties hereunder shall be administrative in nature. Without limiting the generality of the foregoing, the Collateral Agent:

(a) shall not be subject to any fiduciary or other implied duties, regardless of whether a Default has occurred and is continuing;

(b) shall not have any duty to take any discretionary action or exercise any discretionary powers, except discretionary rights and powers expressly contemplated hereby or by the other Transaction Documents that the Collateral Agent is required to exercise as directed in writing by the Required Holders (or such other number or percentage of the Holders as shall be expressly provided for herein or in the other Transaction Documents); provided, that the Collateral Agent shall not be required to take any action that, in its opinion or the opinion of its counsel, may expose the Collateral Agent to liability or that is contrary to any Transaction Document or applicable law, including for the avoidance of doubt any action that may be in violation of the automatic stay under any Debtor Relief Law;

(c) shall not, except as expressly set forth herein and in the other Transaction Documents, have any duty to disclose, and shall not be liable for the failure to disclose, any information relating to the Company or any of the Affiliates of the Company that is communicated to or obtained by the Person serving as the Collateral Agent or any of its Affiliates in any capacity;

(d) shall not be liable for any action taken or not taken by it (i) with the consent or at the request of the Required Holders (or such other number or percentage of the Holders as shall be necessary, or as the Collateral Agent shall believe in good faith shall be necessary, under the circumstances as provided in Section 9.02(A) and Section 11.02 of the Notes) or (ii) in the absence of its own gross negligence or willful misconduct, as determined by a court of competent jurisdiction by a final and non-appealable judgment. The Collateral Agent shall be deemed not to have knowledge of any Default or Event of Default unless and until notice describing such Default or Event of Default is given to the Collateral Agent by the Company or a Holder; and

(e) the Collateral Agent shall not be responsible for or have any duty to ascertain or inquire into (i) any statement, warranty or representation made in or in connection with any Transaction Document, (ii) the contents of any certificate, report or other document delivered hereunder or thereunder or in connection herewith or therewith, (iii) the performance or observance of any of the covenants, agreements or other terms or conditions set forth herein or therein or the occurrence of any Default or Event of Default, (iv) the validity, enforceability, effectiveness or genuineness of this Agreement, any other Transaction Document or any other agreement, instrument or document, or the creation, perfection or priority of any lien purported to be created by the Collateral Documents, (v) the value or the sufficiency of any Collateral, or (vi) the satisfaction of any condition set forth in Section 6 of this Agreement or elsewhere in any Transaction Document, other than to confirm receipt of items expressly required to be delivered to the Collateral Agent.

8.3 Lack of Reliance on the Collateral Agent. Independently and without reliance upon the Collateral Agent or any Investor, or any of their Related Persons, each Investor,

to the extent it deems appropriate, has made and shall continue to make (i) its own independent investigation of the financial condition and affairs of the Company and its Subsidiaries in connection with the exchange of the Existing Notes and issuance of the Notes and the taking or not taking of any action in connection herewith and (ii) its own appraisal of the creditworthiness of the Company and its Subsidiaries and, except as expressly provided in the Transaction Documents, the Collateral Agent shall not have any duty or responsibility, either initially or on a continuing basis, to provide any Investor with any credit or other information with respect thereto, whether coming into its possession before the exchange of the Existing Notes and issuance of the Notes or at any time or times thereafter. The Collateral Agent shall not be responsible to any Investor for any recitals, statements, information, representations or warranties herein or in any document, certificate or other writing delivered in connection herewith or for the execution, effectiveness, genuineness, validity, enforceability, perfection, collectability, priority or sufficiency of this Agreement or any other Transaction Document or the financial condition of the Company or any of its Subsidiaries or be required to make any inquiry concerning either the performance or observance of any of the terms, provisions or conditions of this Agreement or any other Transaction Document, or the financial condition of the Company or any of its Subsidiaries or the existence or possible existence of any Default or Event of Default.

8.4 Certain Rights of the Collateral Agent. If the Collateral Agent requests instructions from the Required Holders with respect to any act or action (including failure to act) in connection with this Agreement or any other Transaction Document, the Collateral Agent shall be entitled to refrain from such act or taking such action unless and until the Collateral Agent shall have received instructions from the Required Holders and the Collateral Agent shall not incur liability to any Investor by reason of so refraining. Without limiting the foregoing, no Investor shall have any right of action whatsoever against the Collateral Agent as a result of the Collateral Agent acting or refraining from acting hereunder or under any other Transaction Document in accordance with the instructions of the Required Holders.

8.5 Reliance. The Collateral Agent shall be entitled to rely upon, and shall not incur any liability for relying upon, any notice, request, certificate, consent, statement, instrument, document or other writing (including any electronic message, internet or intranet website posting or other distribution) believed by it to be genuine and to have been signed, sent or otherwise authenticated by the proper Person. The Collateral Agent also may rely upon any statement made to it orally or by telephone and believed by it to have been made by the proper Person, and shall not incur any liability for relying thereon. The Collateral Agent may consult with legal counsel (who may be counsel for the Company), independent accountants and other experts selected by it, and shall not be liable for any action taken or not taken by it in accordance with the advice of any such counsel, accountants or experts.

8.6 Indemnification. To the extent the Collateral Agent (or any Affiliate or Related Person thereof) is required to be reimbursed or indemnified by the Company and has not been reimbursed and indemnified by the Company, the Investors will reimburse and indemnify the Collateral Agent (and any Affiliate thereof) in proportion to their respective percentage ownership of the Notes for and against any and all liabilities, obligations, losses, damages, penalties, claims, actions, judgments, suits, costs, expenses or disbursements of whatsoever kind or nature which may be imposed on, asserted against or incurred by the Collateral Agent (or any Affiliate thereof) in performing its duties hereunder or under any other Transaction Document or in any way relating

to or arising out of the Notes or any other Transaction Document; provided, that no Investor shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, claims, actions, judgments, suits, costs, expenses or disbursements resulting from the Collateral Agent's (or any such Affiliate's) gross negligence or willful misconduct (as determined by a court of competent jurisdiction in a final and non-appealable decision).

8.7 The Collateral Agent in its Individual Capacity. The Collateral Agent and its Affiliates may accept deposits from, lend money to, and generally engage in any kind of banking, investment banking, trust or other business with, or provide debt financing, equity capital or other services (including financial advisory services) to the Company or any Affiliate of the Company (or any Person engaged in a similar business with the Company or any Affiliate thereof) as if they were not performing the duties specified herein, and may accept fees and other consideration from the Company or any Affiliate of the Company for services in connection with the Notes and otherwise without having to account for the same to the Investors.

8.8 Investors. The Collateral Agent may deem and treat the payee of any Note as the owner thereof for all purposes hereof unless and until a written notice of the assignment, transfer or endorsement thereof, as the case may be, shall have been filed with the Collateral Agent. Any request, authority or consent of any Person who, at the time of making such request or giving such authority or consent, is the holder of any Note shall be conclusive and binding on any subsequent holder, transferee, assignee or endorsee, as the case may be, of such Note or of any Note or Notes issued in exchange therefor.

8.9 Resignation by the Collateral Agent.

(a) The Collateral Agent may resign from the performance of all its respective functions and duties hereunder or under the other Transaction Documents at any time by giving fifteen (15) Business Days' prior written notice to the Investors and the Company. Upon such resignation of the Collateral Agent pursuant to this Section 8.9, all duties and obligations of the Collateral Agent under this Agreement and any other Transaction Document shall be discharged. Upon the giving of such notice of resignation by the Collateral Agent pursuant to this Section 8.9(a) and until a successor Collateral Agent shall have been appointed pursuant to this Section 8.9, all communications or notices to any Investor required to be given pursuant to any Transaction Document shall be sent to each Investor individually. Such resignation shall take effect pursuant to clauses (b), (c), (d) and (e) below or as otherwise provided below; provided, that, until a successor Collateral Agent is so appointed by the Required Holders, any collateral security held by the Collateral Agent under any of the Transaction Documents shall continue to be held by the retiring Collateral Agent as nominee until such time as a successor Collateral Agent is appointed.

(b) Upon any such notice of resignation by the Collateral Agent, the Required Holders shall appoint a successor Collateral Agent hereunder or thereunder who shall be a commercial bank or trust company reasonably acceptable to the Company, which acceptance shall not be unreasonably withheld or delayed (provided that the Company's approval shall not be required if an Event of Default then exists).

(c) If a successor Collateral Agent shall not have been so appointed within such fifteen (15) Business Day period, the Collateral Agent, with the consent of the Company (which consent shall not be unreasonably withheld or delayed; provided, that the Company's consent shall not be required if an Event of Default then exists), shall then appoint a successor Collateral Agent who shall serve as Collateral Agent hereunder or thereunder until such time, if any, as the Required Holders appoint a successor Collateral Agent as provided above.

(d) If no successor Collateral Agent has been appointed pursuant to clause (b) or (c) above by the date that is twenty (20) Business Days after the date such notice of resignation was given by the Collateral Agent, the Collateral Agent's resignation shall become effective and the Required Holders shall thereafter perform all the duties of the Collateral Agent hereunder or under any other Transaction Document until such time, if any, as the Required Holders appoint a successor Collateral Agent as provided above.

(e) Upon a resignation of the Collateral Agent pursuant to this Section 8.9, the successor Collateral Agent shall become vested with all powers, rights, privileges and duties as the Collateral Agent who has resigned in accordance with this Section 8.9.

(f) Upon a resignation of the Collateral Agent pursuant to this Section 8.9, the Collateral Agent shall remain indemnified to the extent provided in this Agreement and the other Transaction Documents and the provisions of this Article 8 (and the analogous provisions of the other Transaction Documents) shall continue in effect for the benefit of the Collateral Agent for all of its actions and inactions while serving as the Collateral Agent.

#### 8.10 Collateral Matters.

(a) Each Investor authorizes and directs the Collateral Agent to enter into the Collateral Documents contemplated by or in connection with the Transaction Documents on behalf of and for the benefit of the Investors and agrees to be bound by the terms of each Collateral Document. Each Investor hereby agrees, and each holder of any Note by the acceptance thereof will be deemed to agree, that, except as otherwise set forth herein, any action taken by the Required Holders in accordance with the provisions of the Notes or the Collateral Documents, and the exercise by the Required Holders of the powers set forth herein or therein, together with such other powers as are reasonably incidental thereto, shall be authorized and binding upon all of the Investors. The Collateral Agent is hereby authorized on behalf of all of the Investors, without the necessity of any notice to or further consent from any Investor, from time to time prior to an Event of Default, to take any action with respect to any Collateral or Collateral Documents which may be necessary to create, perfect or maintain perfected the security interest in and liens upon the Collateral granted pursuant to the Collateral Documents.

(b) The Investors hereby authorize the Collateral Agent, at its option and in its discretion, to subordinate or release any lien granted to or held by the Collateral Agent upon any Collateral (i) upon the occurrence of the discharge contemplated by Article 12 of the Notes, (ii) constituting property being sold or otherwise disposed of (to Persons other than any Affiliate of the Company) upon the sale or other disposition thereof in compliance with Section 4.04 of the Notes, (iii) if approved, authorized or ratified in writing by the Required Holders (or all of the Holders, to the extent required by Section 11.02 of the Notes), (iv) constituting an

Excluded Asset (as defined in the Security Agreement), or (v) as otherwise may be expressly provided in the relevant Collateral Documents. Upon request by the Collateral Agent at any time, the Investors will confirm in writing the Collateral Agent's authority to release particular types or items of Collateral pursuant to this Section 8.10.

(c) The Collateral Agent shall have no obligation whatsoever to the Investors or to any other Person to assure that the Collateral exists or is cared for, protected or insured or that the liens granted to the Collateral Agent herein or pursuant hereto have been properly or sufficiently or lawfully created, perfected, protected or enforced or are entitled to any particular priority, or to exercise or to continue exercising at all or in any manner or under any duty of care, disclosure or fidelity any of the rights, authorities and powers granted or available to the Collateral Agent in this Section 8.10 or in any of the Collateral Documents, it being understood and agreed that in respect of the Collateral, or any act, omission or event related thereto, the Collateral Agent may act in any manner it may deem appropriate, in its sole discretion, and that the Collateral Agent shall have no duty or liability whatsoever to the Investors, except for its gross negligence or willful misconduct (as determined by a court of competent jurisdiction in a final and non-appealable decision).

(d) The Collateral Agent shall be authorized, without the consent of any Investor, to enter into or execute the Collateral Documents on or prior to the Closing Date, and, from time to time, to execute or to enter into amendments of, and amendments and restatements of, the Collateral Documents in order to effect the subordination of and to provide for certain additional rights, obligations and limitations in respect of, any liens expressly permitted by the terms of this Agreement and the Transaction Documents to be liens junior to or *pari passu* with the liens securing the Obligations, that are, in each case, incurred in accordance with Section 4.03 of the Notes, and to establish certain relative rights as between the holders of the Obligations and the holders of the indebtedness secured by such liens.

(e) Subject to Section 11.02 of the Notes, without further written consent or authorization from any Investor, the Collateral Agent may execute any documents or instruments necessary to in connection with a sale or disposition of assets permitted by the Notes or any Transaction Document, release any lien encumbering any item of Collateral that is the subject of such sale or other disposition of assets or to which Required Holders (or such other Holders as may be required to give such consent under Section 11.02 of the Notes) have otherwise consented.

(f) Each Investor hereby authorizes the Collateral Agent (whether or not by or through employees or agents) to (i) exercise such rights, remedies, powers and discretions as are specifically delegated to or conferred upon the Collateral Agent under the Collateral Documents together with such powers and discretions as are reasonably incidental thereto and (ii) take such action on its behalf as may from time to time be authorized under or in accordance with the Collateral Documents. At the request of the Collateral Agent, each Investor shall provide the Collateral Agent with a separate written power of attorney for the purposes of executing any agreements or document or otherwise acting on their behalf.

(g) Each Investor hereby ratifies and approves all acts and declarations previously done by the Collateral Agent (or representative acting for and on its behalf) on such

Investor's behalf (including, but not limited to, for the avoidance of doubt, the declarations made by the Collateral Agent as representative without power of attorney in relation to the creation of any pledge on behalf and for the benefit of any Investor as future pledgee or otherwise).

(h) Anything contained in any of the Transaction Documents to the contrary notwithstanding, the Collateral Agent and each Investor hereby agree that (i) no Investor shall have any right individually to realize upon any of the Collateral or take any other action under any Transaction Document, it being understood and agreed that all powers, rights and remedies hereunder and under any of the Transaction Documents may be exercised solely by the Collateral Agent for the benefit of the Investors in accordance with the terms hereof and thereof and all powers, rights and remedies under the Collateral Documents may be exercised solely by the Collateral Agent for the benefit of the Investors in accordance with the terms thereof, and (ii) in the event of a foreclosure or similar enforcement action by the Collateral Agent on any of the Collateral pursuant to a public or private sale or other disposition (including, without limitation, pursuant to Section 363(k), Section 1129(b)(2)(a)(ii) or otherwise of the Bankruptcy Code), the Collateral Agent may be the purchaser or licensor of any or all of such Collateral at any such sale or other disposition and the Collateral Agent, as agent for and representative of the Investors (but not any Investor or Investors in its or their respective individual capacities) shall be entitled, upon instructions from the Required Holders, for the purpose of bidding and making settlement or payment of the purchase price for all or any portion of the Collateral sold at any such sale or disposition, to use and apply any of the Obligations as a credit on account of the purchase price for any collateral payable by the Collateral Agent at such sale or other disposition.

(i) The Collateral Agent shall not be responsible for or have a duty to ascertain or inquire into any representation or warranty regarding the existence, value or collectability of the Collateral, the existence, priority or perfection of the Collateral Agent's lien thereon, or any certificate prepared by the Company in connection therewith, nor shall the Collateral Agent be responsible or liable to the Investors for any failure to monitor or maintain any portion of the Collateral.

(j) Notwithstanding anything to the contrary contained herein or any other Transaction Document, upon the occurrence of the discharge contemplated by Article 12 of the Notes, upon request of the Company, the Collateral Agent shall take such actions as shall be required to release its security interest in all Collateral. Any such release of guarantee obligations shall be deemed subject to the provision that such guarantee obligations shall be reinstated if, after such release, any portion of any payment in respect of the Obligations guaranteed thereby shall be rescinded or must otherwise be restored or returned upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of the Company, or upon or as a result of the appointment of a receiver, intervenor or conservator of, or trustee or similar officer for, the Company or any substantial part of its property, or otherwise, all as though such payment had not been made.

(k) In each case as specified in this Section 8.10, the Collateral Agent will, at the Company's expense, execute and deliver to the Company such documents as the Company may reasonably request to evidence the release of such item of Collateral from the assignment and security interest granted under any Collateral Document or to subordinate its interest in such item, in each case in accordance with the terms of the Transaction Documents and this Section 8.10.

8.11 Delivery of Information. The Collateral Agent shall not be required to deliver to any Investor originals or copies of any documents, instruments, notices, communications or other information received by the Collateral Agent from the Company, any subsidiary, the Required Holders, any Investor or any other Person under or in connection with this Agreement or any other Transaction Document except (i) as specifically provided in this Agreement or any other Transaction Document and (ii) as specifically requested from time to time in writing by any Investor with respect to a specific document, instrument, notice or other written communication received by and in the possession of the Collateral Agent at the time of receipt of such request and then only to the extent permitted hereunder and in accordance with such specific request.

8.12 Intercreditor Agreements. The Collateral Agent is authorized to enter into each Intercreditor Agreement or any other intercreditor agreement contemplated under any Transaction Document (and any amendments, amendments and restatements, restatements or waivers of or supplements to or other modifications to, such agreements in connection with the incurrence by the Company of any indebtedness of that is permitted to be secured pursuant to Section 4.03 of the Note (with such priority as may be designated by the Company, to the extent such priority is expressly permitted by the Transaction Documents)), and the parties hereto acknowledge that any Intercreditor Agreement or any other intercreditor agreement contemplated hereunder (if entered into) will be binding upon them. Each Investor (a) hereby agrees that it will be bound by and will take no actions contrary to the provisions of any Intercreditor Agreement (if entered into) and (b) hereby authorizes and instructs the Collateral Agent to enter into Intercreditor Agreement or any other intercreditor agreement contemplated hereunder (and any amendments, amendments and restatements, restatements or waivers of or supplements to or other modifications to, such agreements in connection with the incurrence by the Company of any indebtedness of the Company that is permitted to be secured pursuant to Section 4.03 of the Note (with such priority as may be designated by the Company, to the extent such priority is expressly permitted by the Transaction Documents)), and to subject the liens on the Collateral securing the Obligations to the provisions thereof.

8.13 Collateral Agent May File Proofs Of Claim; Credit Bidding.

(a) In case of the pendency of any proceeding under any Debtor Relief Law or any other judicial proceeding relative to the Company, the Collateral Agent (irrespective of whether the principal of any Notes shall then be due and payable by declaration or otherwise and irrespective of whether the Collateral Agent shall have made any demand on the Company) shall be entitled and empowered, by intervention in such proceeding or otherwise:

(i) to file and prove a claim for the whole amount of the principal and interest owing and unpaid in respect of the Notes and all other Obligations that are owing and unpaid and to file such other documents as may be necessary or advisable in order to have the claims of the Investors and the Collateral Agent (including any claim for the reasonable compensation, expenses, disbursements and advances of the Investors and the Collateral Agent and their respective agents and counsel and all other amounts due the Investors and the Collateral Agent under Section 8.6 and Section 9.6 of this Agreement) allowed in such judicial proceeding; and

(ii) to collect and receive any monies or other property payable or deliverable on any such claims and to distribute the same.

(b) Any custodian, receiver, assignee, trustee, liquidator, sequestrator or other similar official in any such judicial proceeding is hereby authorized by each Investor to make such payments to the Collateral Agent and, if the Collateral Agent shall consent to the making of such payments directly to the Investors, to pay to the Collateral Agent any amount due for the reasonable compensation, expenses, disbursements and advances of the Collateral Agent and its agents and counsel, and any other amounts due the Collateral Agent under Section 8.3.

(c) Nothing contained herein shall be deemed to authorize the Collateral Agent to authorize or consent to or accept or adopt on behalf of any Investor any plan of reorganization, arrangement, adjustment or composition affecting the Obligations or the rights of any to authorize the Collateral Agent to vote in respect of the claim of any Investor or in any such proceeding.

(d) The Investors hereby irrevocably authorize the Collateral Agent, at the direction of the Required Holders, to credit bid all or any portion of the Obligations (including accepting some or all of the Collateral in satisfaction of some or all of the Obligations pursuant to a deed in lieu of foreclosure or otherwise) and in such manner purchase (either directly or through one or more acquisition vehicles) all or any portion of the Collateral (a) at any sale thereof conducted under the provisions of the Bankruptcy Code of the United States, including under Section 363, 1123 or 1129 of the Bankruptcy Code of the United States, or any similar laws in any other jurisdictions to which the Company is subject, (b) at any other sale or foreclosure or acceptance of collateral in lieu of debt conducted by (or with the consent or at the direction of) the Collateral Agent (whether by judicial action or otherwise) in accordance with any applicable law. In connection with any such credit bid and purchase, the Obligations owed to the Investors shall be entitled to be, and shall be, credit bid on a ratable basis (with Obligations with respect to contingent or unliquidated claims receiving contingent interests in the acquired assets on a ratable basis that would vest upon the liquidation of such claims in an amount proportional to the liquidated portion of the contingent claim amount used in allocating the contingent interests) in the asset or assets so purchased (or in the equity interests or debt instruments of the acquisition vehicle or vehicles that are used to consummate such purchase). In connection with any such bid (i) the Collateral Agent shall be authorized to form one or more acquisition vehicles to make a bid, (ii) to adopt documents providing for the governance of the acquisition vehicle or vehicles (provided that any actions by the Collateral Agent with respect to such acquisition vehicle or vehicles, including any disposition of the assets or equity interests thereof shall be governed, directly or indirectly, by the vote of the Required Holders, irrespective of the termination of this Agreement and without giving effect to the limitations on actions by the Required Holders contained in clauses (a) and (b) of Section 8.12), (iii) the Collateral Agent shall be authorized to assign the relevant Obligations to any such acquisition vehicle pro rata by the Investors, as a result of which each of the Investors shall be deemed to have received a pro rata portion of any equity interests or debt instruments issued by such an acquisition vehicle on account of the assignment of the Obligations to be credit bid, all without the need for any Investor or acquisition vehicle to take any further action, and (iv) to the extent that Obligations that are assigned to an acquisition vehicle are not used to acquire Collateral for any reason (as a result of another bid being higher or better, because the amount of Obligations assigned to the acquisition vehicle exceeds the amount of debt

credit bid by the acquisition vehicle or otherwise), such Obligations shall automatically be reassigned to the Investors pro rata and the equity interests or debt instruments issued by any acquisition vehicle on account of the Obligations that had been assigned to the acquisition vehicle shall automatically be cancelled, without the need for any Investor or any acquisition vehicle to take any further action.

## 9. Miscellaneous Provisions.

9.1 Public Statements or Releases. Except as set forth in Section 5.3, neither the Company, the Investors nor the Collateral Agent shall make any public announcement with respect to the existence or terms of this Agreement or the transactions provided for herein without the prior consent of the other parties (which consent shall not be unreasonably withheld, conditioned or delayed). Notwithstanding the foregoing, and subject to compliance with Section 5.3, nothing in this Section 9.1 shall prevent any party from making any public announcement it considers necessary in order to satisfy its obligations under the law, including applicable securities laws, or under the rules of any national securities exchange or securities market, in which case the Company shall allow the Investors and the Collateral Agent reasonable time to comment on such release or announcement in advance of such issuance or filing, and the Company will consider in good faith any Investor and Collateral Agent comments. The Company shall not include the name of the Investors or the Collateral Agent in any press release or public announcement (which, for the avoidance of doubt, shall not include any filing with the SEC) without the prior written consent of the Investors and the Collateral Agent, as applicable, except as otherwise required by law or the applicable rules or regulations of any securities exchange or securities market, in which case the Company shall allow the Investors and the Collateral Agent, to the extent reasonably practicable in the circumstances, reasonable time to comment on such release or announcement in advance of such issuance.

9.2 Notices. Any notices or other communications required or permitted to be given hereunder shall be in writing and shall be deemed to be given (a) when delivered if personally delivered to the party for whom it is intended, (b) when delivered, if sent by electronic mail during normal business hours of the recipient, and if not sent during normal business hours, then on the recipient's next Business Day, (c) three (3) days after having been sent by certified or registered mail, return-receipt requested and postage prepaid, or (d) one (1) Business Day after deposit with a nationally recognized overnight courier, freight prepaid, specifying next business day delivery, with written verification of receipt:

(a) If to the Company, addressed as follows:

c/o Vroom, Inc.  
4700 Mercantile Dr.  
Fort Worth, TX 76137  
Attention: Chief Legal Officer  
Email: legal@vroom.com

with a copy (which shall not constitute notice):

c/o Latham & Watkins LLP

1271 Avenue of the Americas  
New York, NY 10020  
Attention: Ian Schuman; John Slater  
Email: ian.schuman@lw.com; john.slater@lw.com

(b) If to the Investors, at the address or e-mail address set forth on Schedule I, or such address as subsequently modified by written notice given in accordance with this Section 9.2.

(c) If to the Collateral Agent, addressed as follows:

Annox Capital Management, LLC  
480 Pierce St., Ste. 240  
Birmingham, MI. 48009  
Email: rmylod@annoxcapital.com

Any Person may change the address to which notices and communications to it are to be addressed by notification as provided for herein.

9.3 Severability. If any part or provision of this Agreement is held unenforceable or in conflict with the applicable laws or regulations of any jurisdiction, the invalid or unenforceable part or provisions shall be replaced with a provision which accomplishes, to the extent possible, the original business purpose of such part or provision in a valid and enforceable manner, and the remainder of this Agreement shall remain binding upon the parties hereto.

9.4 Governing Law; Submission to Jurisdiction; Venue; Waiver of Trial by Jury.

(a) This Agreement shall be governed by, and construed in accordance with, the laws of the State of New York without regard to choice of laws or conflicts of laws provisions thereof that would require the application of the laws of any other jurisdiction, except to the extent that mandatory principles of Delaware law may apply.

(b) The Company, the Collateral Agent and the Investors hereby irrevocably and unconditionally:

(i) submits for itself and its property in any legal action or proceeding relating solely to this Agreement or the transactions contemplated hereby, to the general jurisdiction of the any state court or United States Federal court sitting in the Borough of Manhattan, City of New York in the State of New York;

(ii) consents that any such action or proceeding may be brought in such courts, and waives any objection that it may now or hereafter have to the venue of any such action or proceeding in any such court or that such action or proceeding was brought in an inconvenient court and agrees not to plead or claim the same to the extent permitted by applicable law;

(iii) agrees that service of process in any such action or proceeding may be effected by mailing a copy thereof by registered or certified mail (or any substantially similar form of mail), postage prepaid, to the party, as the case may be, at its address set forth in Section 9.2 or at such other address of which the other party shall have been notified pursuant thereto;

(iv) agrees that nothing herein shall affect the right to effect service of process in any other manner permitted by law or shall limit the right to sue in any other jurisdiction for recognition and enforcement of any judgment or if jurisdiction in the courts referenced in the foregoing clause (i) are not available despite the intentions of the parties hereto;

(v) agrees that final judgment in any such suit, action or proceeding brought in such a court may be enforced in the courts of any jurisdiction to which such party is subject by a suit upon such judgment; provided, that service of process is effected upon such party in the manner specified herein or as otherwise permitted by law;

(vi) agrees that to the extent that such party has or hereafter may acquire any immunity from jurisdiction of any court or from any legal process with respect to itself or its property, such party hereby irrevocably waives such immunity in respect of its obligations under this Agreement, to the extent permitted by law; and

(vii) irrevocably and unconditionally waives trial by jury in any legal action or proceeding in relation to this Agreement.

9.5 Waiver. No waiver of any term, provision or condition of this Agreement, whether by conduct or otherwise, in any one or more instances, shall be deemed to be, or be construed as, a further or continuing waiver of any such term, provision or condition or as a waiver of any other term, provision or condition of this Agreement.

9.6 Expenses. The Company shall reimburse all of the reasonable and documented fees and expenses of the Investors and the Collateral Agent incurred (a) in connection with the Closing, (b) following the Closing in connection with the administration, enforcement, protection or preservation of rights under this Agreement, the Notes and the Collateral Documents, including their respective rights under this Section 9.6 and (c) in connection with any amendment, waiver or consent relating to this Agreement or any other Transaction Document (whether or not the transactions contemplated thereby are consummated). Except to the extent required to be paid on the Closing Date, all amounts due under this Section 9.6 shall be payable by the Company within 30 days of receipt by the Company of an invoice setting forth such expenses in reasonable detail. The Company shall pay its own out-of-pocket fees and expenses, including the fees and expenses of attorneys, accountants and consultants employed by the Company, incurred in connection with the Notes and the consummation of the transactions contemplated by the Transaction Documents. Notwithstanding the foregoing, the Company shall not be obligated to reimburse or indemnify any Investor for any taxes imposed on or measured by such Investor's net income, franchise taxes, or branch profits taxes imposed on such Investor as a result of a present or former connection between such Investor and the jurisdiction imposing such tax (other than connections arising solely from having executed, delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, or engaged in any transaction pursuant to, this Agreement or the New Note) (collectively, "**Excluded**

Taxes”); provided, that the Company shall pay all fees, stamp taxes and other taxes (other than income taxes) and duties levied in connection with the delivery of the New Notes to the Investors.

9.7 The Company may not assign its rights or obligations under this Agreement or designate another person (i) to perform all or part of its obligations under this Agreement or (ii) to have all or part of its rights and benefits under this Agreement, in each case without the prior written consent of the Investors. Each Investor may, without the prior consent of the Company, assign or transfer all or any portion of its rights and obligations under this Agreement and any other Transaction Document to any Person; provided, that (i) such Investor shall provide the Company with written notice of such transfer no less than five (5) Business Days prior to the effective date of such transfer, specifying the identity of the proposed transferee, the principal amount to be transferred, and the proposed effective date, (ii) no transfer shall be made to any Person that is (A) a direct competitor of the Company or (B) a Person that is the subject of sanctions administered by OFAC or is located, organized or resident in a country or territory that is the subject of comprehensive sanctions, in each case as reasonably determined by the Company in consultation with the Investors, (iii) the minimum aggregate principal amount of Notes transferred to any single transferee shall be no less than \$1,000,000 (or, if less, the entire remaining principal amount held by the transferring Investor), and (iv) each such assignee or transferee agrees to be bound by the terms of this Agreement and makes the same representations and warranties set forth in Section 4. In the event of any assignment in accordance with the terms of this Agreement, the assignee shall specifically assume and be bound by the provisions of this Agreement by executing a writing agreeing to be bound by and subject to the provisions of this Agreement and shall deliver an executed counterpart signature page to this Agreement and, notwithstanding such assumption or agreement to be bound hereby by an assignee, no such assignment shall relieve any party assigning any interest hereunder from its obligations or liability pursuant to this Agreement.

9.8 Confidential Information.

(a) The Investors and the Collateral Agent covenant that until such time as the transactions contemplated by this Agreement and any material non-public information provided to the Investors and the Collateral Agent is publicly disclosed by the Company, the Investors and the Collateral Agent will maintain the confidentiality of all disclosures made to them in connection with this transaction (including the existence and terms of this transaction), other than to such Investor’s or Collateral Agent’s outside attorney, accountant, auditor or investment advisor only to the extent necessary to permit evaluation of the exchange, and the performance of the necessary or required tax, accounting, financial, legal, or administrative tasks and services and other than as may be required by law.

(b) The Company may request from the Investors such reasonable and customary additional information as the Company may deem necessary to evaluate the eligibility of the Investors to exchange the Existing Notes for the New Notes, and the Investors shall promptly provide such information as may reasonably be requested to the extent readily available; provided, that, the Company agrees to keep any such information provided by the Investors confidential, except (i) as required by the federal securities laws, rules or regulations and (ii) to the extent such disclosure is required by other laws, rules or regulations, at the request of the staff of the SEC or regulatory agency or under the regulations of Nasdaq. The Investors acknowledge that the

Company may file a copy of this Agreement with the SEC as exhibit to a current report, a periodic report or a registration statement of the Company.

9.9 Third Parties. Nothing in this Agreement, express or implied, is intended to confer on any Person other than the parties to this Agreement any rights, remedies, claims, benefits, obligations or liabilities under or by reason of this Agreement, and no Person that is not a party to this Agreement (including, without limitation, any partner, member, shareholder, director, officer, employee or other beneficial owner of any party to this Agreement, in its own capacity as such or in bringing a derivative action on behalf of a party to this Agreement) shall have any standing as a third party beneficiary with respect to this Agreement or the transactions contemplated hereby. Notwithstanding the foregoing, the Indemnified Persons are intended third-party beneficiaries of Section 5.5.

9.10 Independent Nature of Investors' Obligations and Rights. Nothing contained herein, and no action taken by the Investors or the Collateral Agent pursuant hereto, shall be deemed to constitute the Investors (or the Collateral Agent, as applicable) as, and the Company acknowledges that the Investors individually and the Collateral Agent do not so constitute, a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Investors or the Collateral Agent are in any way acting in concert or as a group, and the Company will not assert any such claim with respect to such obligations or the transactions contemplated by this Agreement. The Company acknowledges and the Investors and the Collateral Agent confirm that each has independently participated in the negotiation of the transaction contemplated hereby with the advice of its own counsel and advisors. The Investors and the Collateral Agent also acknowledge that Latham & Watkins LLP has not rendered legal advice to such Investors or the Collateral Agent in connection with this exchange. Each Investor and the Collateral Agent shall be entitled to independently protect and enforce its rights, including, without limitation, the rights arising out of this Agreement and the Transaction Documents.

9.11 Headings. The titles, subtitles and headings in this Agreement are for convenience of reference and shall not form part of, or affect the interpretation of, this Agreement.

9.12 Counterparts. This Agreement may be executed in two or more identical counterparts, all of which shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party; provided, that a facsimile or pdf signature including any electronic signatures complying with the U.S. federal ESIGN Act of 2000, e.g., [www.docusign.com](http://www.docusign.com) shall be considered due execution and shall be binding upon the signatory thereto with the same force and effect as if the signature were an original, not a facsimile or pdf (or other electronic reproduction of a) signature.

9.13 Entire Agreement; Amendments. This Agreement (including all schedules and exhibits hereto), together with any side letter agreements with the Investors, constitute the entire agreement between the parties hereto respecting the subject matter of this Agreement and supersedes all prior agreements, negotiations, understandings, representations and statements respecting the subject matter of this Agreement, whether written or oral. No amendment, modification, alteration, or change in any of the terms of this Agreement shall be valid or binding upon the parties hereto unless made in writing and duly executed by the Company, the Collateral Agent and the Required Holders. The Company, on the one hand, and the Investors and the

Collateral Agent, on the other hand, may by an instrument signed in writing by such parties waive the performance, compliance or satisfaction by such Investor, the Collateral Agent or the Company, respectively, with any term or provision of this Agreement or any condition hereto to be performed, complied with or satisfied by such Investor, the Collateral Agent or the Company, respectively.

9.14 Survival. The covenants, representations and warranties made by each party hereto contained in this Agreement shall survive the Closing and the delivery of the New Notes in accordance with their respective terms. The Investors and the Collateral Agent shall be responsible only for their own representations, warranties, agreements and covenants hereunder.

9.15 Contract Interpretation. This Agreement is the joint product of the Investors, the Collateral Agent and the Company and each provision of this Agreement has been subject to the mutual consultation, negotiation and agreement of such parties and shall not be construed for or against any party hereto.

9.16 Arm's Length Negotiations. For the avoidance of doubt, the parties acknowledge and confirm that the terms and conditions of this Agreement and the New Notes were determined as a result of arm's-length negotiations.

*[Remainder of Page Intentionally Left Blank.]*

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

**COMPANY:**

**VROOM, INC.**

By: /s/ Jonathan Sandison  
Name: Jonathan Sandison  
Title: Chief Financial Officer

*[Signature Page to Exchange and Subscription Agreement]*

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**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement as of the day and year first above written.

Name of Investor:

Signature of Authorized Signatory:

Name of Authorized Signatory:

*[Signature Page to Exchange and Subscription Agreement]*

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**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement as of the day and year first above written.

**COLLATERAL AGENT:**

ANNOX CAPITAL MANAGEMENT, LLC

By:

Name:

Title:

*[Signature Page to Exchange and Subscription Agreement]*

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**SCHEDULE I**  
**INVESTORS**

I-1

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**EXHIBIT A**

**Exhibit A – Form of Note**

A-1

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## CERTIFICATION

I, Thomas H. Shortt, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Vroom, Inc.;
  2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
  3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
  4. The registrant's other certifying officer 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 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.
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Date: May 14, 2026

By: \_\_\_\_\_ /s/ Thomas H. Shortt  
Thomas H. Shortt  
Chief Executive Officer  
*(principal executive officer)*

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## CERTIFICATION

I, Jonathan Sandison, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Vroom, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer 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 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 14, 2026

By: \_\_\_\_\_  
/s/ Jonathan Sandison  
Jonathan Sandison  
Chief Financial Officer  
(principal financial officer)



**CERTIFICATION 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 on Form 10-Q of Vroom, Inc. (the "Company") for the period ended March 31, 2026 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, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 14, 2026

By: \_\_\_\_\_  
/s/ Jonathan Sandison  
Jonathan Sandison  
Chief Financial Officer  
(principal financial officer)

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