



RENT THE RUNWAY RENT THE RUNWAY

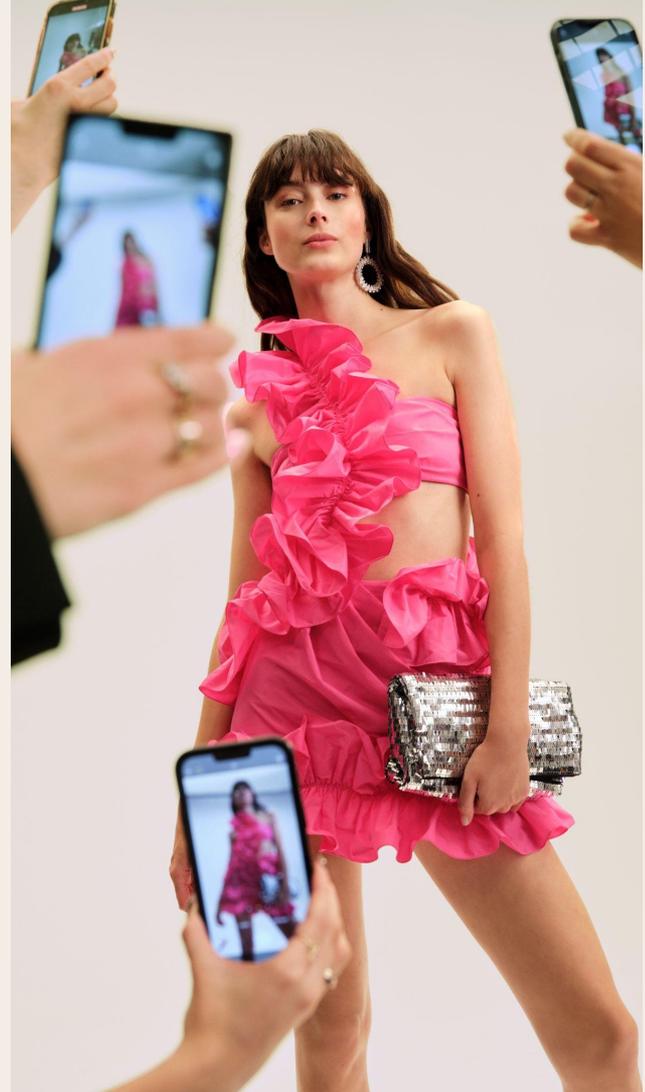
Investor Presentation

April 2024

Forward-Looking Statements Disclaimer

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this presentation that do not relate to matters of historical fact should be considered forward looking statements. These statements include, but are not limited to, statements regarding our future results of operations, financial position, and expected free cash flow breakeven; industry trends, including expected customer demand and market growth; competitive advantages; expected operational efficiencies; planned capital expenditures; marketing initiatives and goals; and other business objectives and strategic initiatives. Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. In some cases, you can identify forward-looking statements because they contain words such as “aim,” “anticipate,” “believe,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “toward,” “will,” or “would,” or the negative of these words or other similar terms or expressions. You should not put undue reliance on any forward-looking statements. Forward-looking statements should not be read as a guarantee of future performance or results and will not necessarily be accurate indications of the times at, or by, which such performance or results will be achieved, if at all. Forward-looking statements are based on information available at the time those statements are made and were based on current expectations, estimates, forecasts, and projections as well as the beliefs and assumptions of management as of that time with respect to future events. These statements are subject to risks and uncertainties, many of which involve factors or circumstances that are beyond our control, that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. In light of these risks and uncertainties, the forward-looking events and circumstances discussed in this presentation may not occur and actual results could differ materially from those anticipated or implied in the forward-looking statements. These risks and uncertainties include our ability to manage our growth effectively; the highly competitive and rapidly changing nature of the global fashion industry; risks related to the macroeconomic environment; our ability to cost-effectively grow our customer base; any failure to retain customers; our ability to accurately forecast customer demand, manage our offerings effectively and plan for future expenses; risks arising from the restructuring of our operations; our reliance on the effective operation of proprietary technology systems and software as well as those of third-party vendors and service providers; risks related to shipping, logistics and our supply chain; our ability to remediate our material weaknesses in our internal control over financial reporting; laws and regulations applicable to our business; our reliance on the experience and expertise of our senior management and other key personnel; compliance with data privacy, data security, data protection and consumer protection laws and industry standards; risks associated with our brand and manufacturing partners; our reliance on third parties for elements of the payment processing infrastructure underlying our business; our dependence on online sources to attract consumers and promote our business which may be affected by third-party interference or cause our customer acquisition costs to rise; failure by us, our brand partners, or third party manufacturers to comply with our vendor code of conduct or other laws; risks related to the Company’s debt, including the Company’s ability to comply with covenants in the Company’s credit facility; risks related to our compliance with Nasdaq’s continued listing requirements and other Nasdaq rules; risks related to our Class A capital stock and ownership structure; and risks related to future pandemics or public health crises. Additional information regarding these and other risks and uncertainties that could cause actual results to differ materially from the Company’s expectations is included in our Annual Report on Form 10-K for the year ended January 31, 2024. Except as required by law, we do not undertake any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future developments, or otherwise.

Company Overview



Investment Thesis

At the Center of Key Trends

- Shift from ownership to access
- Growth of e-commerce
- Growth of secondhand clothing
- Sustainability
- Increasingly female workforce

Addressing Fastest-Growing Segments in \$359B U.S. Apparel Market¹

- Online: \$165B market growing at 9% CAGR¹
- Secondhand: \$43B market growing at 24% CAGR²

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

- Subscribers on average receive ~\$4,000 designer clothing per month³ → ~25X GMV value for spend
- Brands get new customers and critical data

Unique Competitive Advantages

- Proprietary operating system
- Data and technology to power 'Closet in the Cloud'
- 10+ years of rental logistics and garment preservation know-how
- Hundreds of deep, multi-year brand partner relationships

Attractive Economics and Profitability as We Scale

- Recurring revenue base
- Strong operating leverage with full year of positive Adj. EBITDA in FY22 and FY23⁵
- Attractive LTV/CAC with historical cohort breakeven of < 12 months⁴
- Mix shift to non-wholesale product
- Anticipating free cash flow breakeven in 2024⁶

Multiple Drivers of Future Growth

- Multiple revenue channels, with Reserve and Resale funnel into Subscription
- Investments in customer experience to increase loyalty
- Increased brand awareness
- New brands and use cases

¹ Euromonitor Market Sizing and Growth Estimates (2023).

² GlobalData Market Sizing and Growth Estimates (2023).

³ Based on FY23 10-Item Customers.

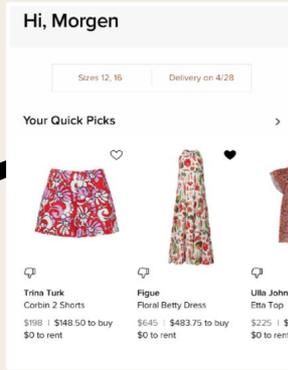
⁴ Excludes COVID-impacted cohorts.

⁵ See GAAP to Non-GAAP Reconciliation in the Appendix.

⁶ Free cash flow defined as net cash (used in) provided by operating activities plus net cash (used in) provided by investing activities. Reconciliation of free cash flow expectations for fiscal year 2024 to the closest corresponding GAAP measure on a forward-looking basis is not available without unreasonable efforts due to the high variability, complexity, and low visibility with respect to the charges excluded from these non-GAAP measures, in particular non-recurring expenses, which can have unpredictable fluctuations based on unforeseen activity that is out of our control and/or cannot reasonably be predicted.

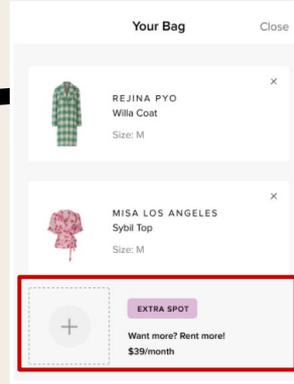
How Subscription Works: A Personalized and Seamless Utility

1. Discover and Pick items from Personalized Assortment



Storefront is unique to her based on preferences and fit

2. Easily Order



Customize by adding extra items or swaps

3. Receive shipment



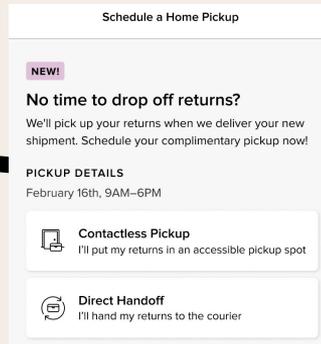
Items arrive clean and ready to wear

4. Wear Designer Clothes

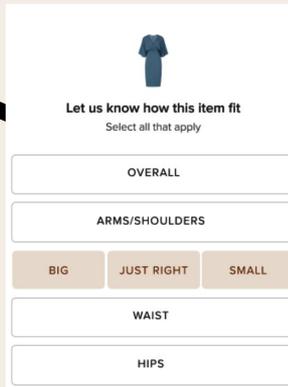


Options for every Occasion

5. Return Conveniently



6. Review Items

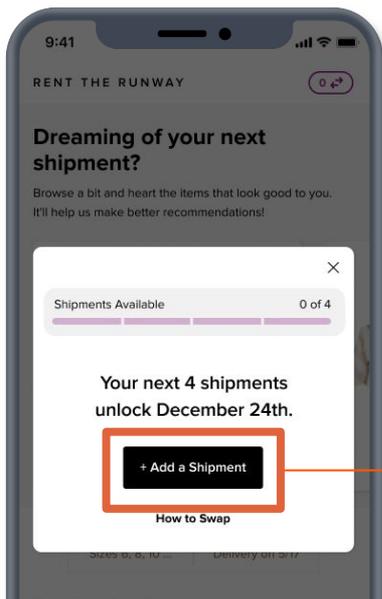


Give feedback on style, fit and quality)

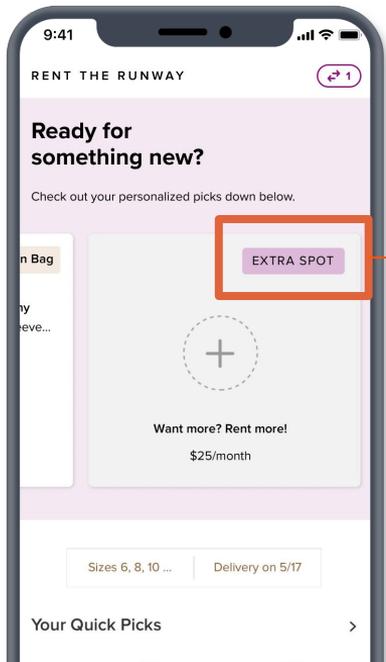
There are Multiple Ways to Monetize Our Subscribers

80+%

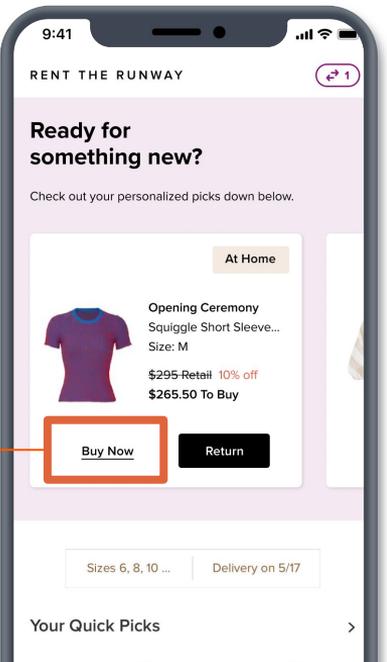
of our revenue comes from Subscribers



SUBSCRIBE
+ Options for Extra Spots/Shipments



BUY



RESERVE



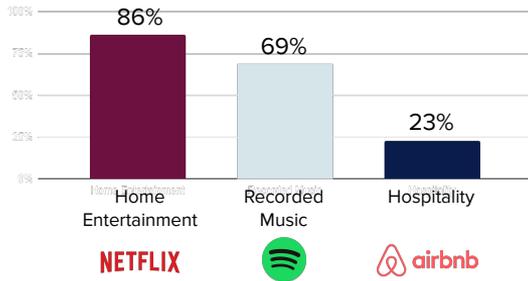
Through Our Two-Sided Discovery Engine, Customers Find New Brands They Love and Brands Find New Customers They Need



We Are at the Center of Key Trends Driving Consumer Behavior in Our Favor

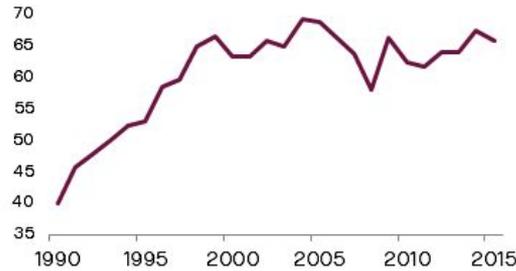
Shift from Ownership to Access

% of Market Represented by Access Models¹



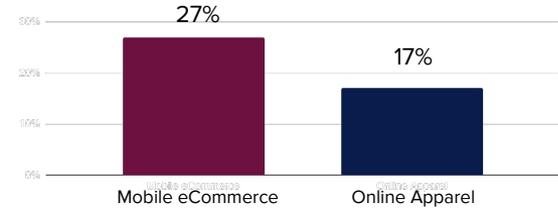
Desire for Variety and Newness

Avg. Items Purchased per Consumer²



Growth of Online Shopping

2015-2022 U.S. CAGR³



Social Media Driving Fashion



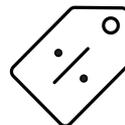
51% of RTR subscribers agree that social media ups the pressure to have variety in their wardrobe.⁴

Increasingly Female Workforce



Women spend **77%** more on clothing annually than their male counterparts.⁵

Normalization of Secondhand



74% have shopped or are open to shopping secondhand apparel.⁶

Importance of Sustainability



66% of RTR subscribers consider sustainability important when purchasing clothing.⁴

¹ Access models within the global OTT home entertainment market (% subscription) according to PWC, 2022; Access models within the global recorded music market (% digital) according to GS Research, 2022. Access models within the U.S. hospitality market (% Online Short Term Rentals) according to Euromonitor, 2022.

² American Apparel & Footwear Association.

³ Euromonitor, 2022.

⁴ March 2023 RTR Subscriber Survey.

⁵ Consumer Expenditure Surveys, U.S. Bureau of Labor Statistics, September, 2022.

⁶ GlobalData Consumer Resale Survey, 2022.

We Are Addressing the Fastest Growing Segments Within Apparel



2023 – 2026 CAGR

RTR Focus

Online
9%

Secondhand
24%

Offline Apparel¹
1%

Sources: Euromonitor 2023, GlobalData 2023, Infnit Research Limited 2023.

¹Reflects the US Offline Apparel market excluding online sales. The Offline Apparel market was \$194B in 2023 and is expected to be \$200B in 2026.

Our Customers are the Current and Future Luxury Customers

They Lead Busy Lives And Have Common Core Values

Family

~1/3

Have Kids or Pregnant¹

20s-40s

Average Age Range²

Career

90%+

Working Women²

~90%

Have At Least a Bachelor's Degree²

60%+

Subscriber Household Income of \$100K+²

58%

First-Time Reserve Customer HHI of \$100K+¹

Social

85%

Socialize 2x+ Per Week¹

65%

Feel Time Starved¹

Region

77%

Of U.S. Zip Codes Represented³

63%

Live Outside the Top 100 U.S. Cities¹



¹ RTR Customer and Subscriber Surveys as of November 2022 and March 2023.

² RTR Customer and Subscriber Surveys as of March 2024.

³ Inhabited US mainland zip codes or similar.

Who is Our Customer?



**Mom of Two, 34
Atlanta, GA**

“I feel like RTR has evolved with me through pre-pregnancy, post-pregnancy and body changes. RTR has helped me evolve my style.”



**Consultant, 24
Brooklyn, NY**

“Before RTR, I would spend anywhere from \$50-\$200 weekly at stores like Zara. RTR introduced me to brands and quality I could never afford.”



**Tech Executive, 32
San Francisco, CA**

“RTR has allowed me to keep my closet fresh without having to worry about being wasteful if I only want to wear the look once. RTR is the highest value money I spend on fashion.”



**Professor, 41
Minneapolis, MN**

“I wanted to be more environmentally-responsible in the way that I was choosing clothing. I can wear clothing that is higher quality and has a longer life-span.”

We Deliver Significant Economic Value Versus Purchasing

ILLUSTRATIVE MONTH OF RTR SUBSCRIPTION			VS. PURCHASING		
<p>~\$4,000 in value for \$144</p>			<p>MICHAEL KORS</p> <p>\$144 1/3 of an Item</p>	<p>BANANA REPUBLIC</p> <p>\$144 1 Item</p>	<p>ZARA</p> <p>\$144 3 Items</p>
10 Items, 2 Shipments	More Outfits	No Cleaning Costs	Cleaning Costs	Cleaning Costs	Cleaning Costs
			No Outfits	Fewer Options	Fewer Options

Compared to Traditional Retail, Rental Subscription is a Daily Utility Delivering Significant Financial Value

The average subscriber receives clothing worth
> 25x GMV what she pays

Customer
Problem



RTR Solution
"Unlimited Closet"



¹ING Direct, Capital One Survey.

²Annualized 10-item monthly subscription price of \$144 per month.

³Annualized average GMV of items received during FY 2023 for a 10-Item Customer.

We Inspire Discovery of New Styles, Looks and Brands

She Owns This



Consists of basic garments

99% of subscribers try brands they've never owned¹, **45+ brands** in year 1²

She Rents This



~20% are the color black²

Over 40% have embellishment²

Over 50% printed styles²

Discover outside her traditional style

¹Source: RTR Subscriber Survey as of March 2023.

² As of Q1 FY 2024

Viral Brand and Deeply Engaged Consumer Base Have Powered Organic Adoption

< 10%

of total revenue spent on marketing since founding¹

83%

of subscribers say RTR makes them the most confident version of themselves²

80%+

of customers acquired via word of mouth¹

19%

Unaided brand awareness³



¹ As of 1/31/24.

² RTR Subscriber Survey as of March 2023.

³ Among U.S. women ages 18-45 with a household income of \$50,000 or more; as of Q4 2023.

Renting Results In Net Environmental Savings vs. Purchasing New

Rental Displaces Purchase

82% buy fewer clothes after joining RTR¹

Rental Benefits Even When Factoring in Cleaning and Two-Way Transportation

~1.6M estimated new garments displaced since 2010², saving a total of³:



67M gallons of water



99M kWh of energy



44M pounds of CO2 emissions

Estimated net environmental savings of renting versus purchasing:⁴

24% less water

6% less energy

3% less CO₂ emissions

Waste Reduction

~100% of all unusable rental product diverted from landfill

¹ November 2022 Subscriber Survey.

² Displacement was calculated by (Rental Wears - Linear Wears) / Linear Wears. Displacement was multiplied by estimated number of units in all categories studied.

³ Environmental savings are based on results of an LCA Study conducted March 2021, specifically the net upstream production impact across all categories studied.

⁴ Percentage of savings are based on (a) the calculation of individual environmental impact of each category as presented in the LCA, weighted by (b) the percentage of estimated total wears for each of the 12 categories, as measured from 2010 through 2021.

RTR is a Powerful Discovery Platform for Designer Fashion

91% of our brand partners say Rent the Runway **introduces their brand to new and different customers** compared to their other accounts **that are essential to their business success.**¹

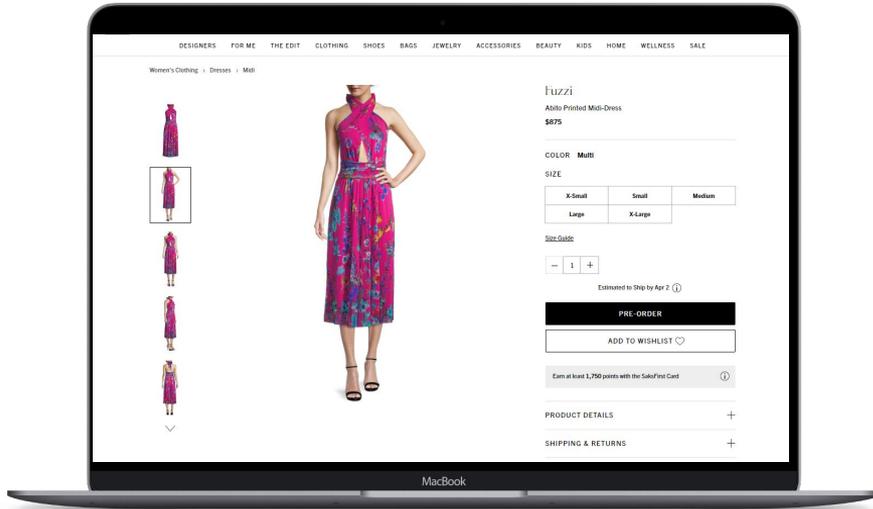
We have strong relationships with our brand partners and have **experienced extremely limited voluntary attrition.**



¹ June 2021 RTR Brand Survey.

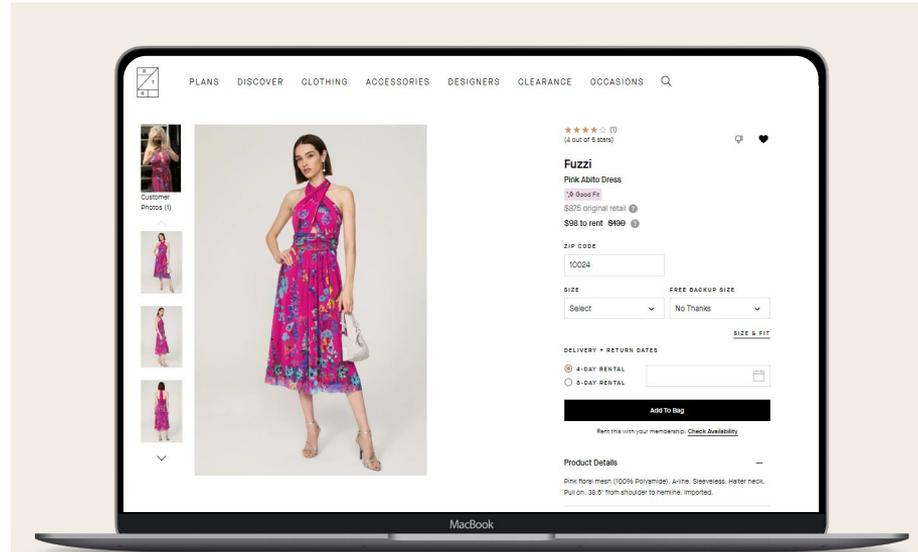
RTR Provides Access to Current Products at a Fraction of the Price of Luxury Players

Luxury Sites



\$875 to buy on Luxury Site

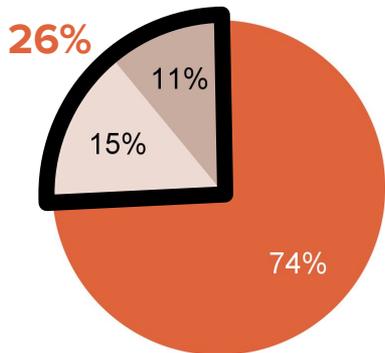
Rent the Runway



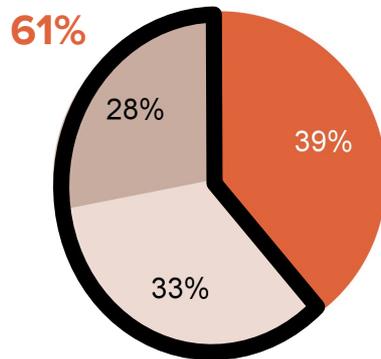
**\$98 Reserve Rental (2nd SIZE FREE) /
Also available via monthly subscription programs**

We Have Improved the Fashion Assortment on Our Platform While Significantly Reducing the Cash Needed to Acquire It

% Items Acquired in FY19



% Items Acquired in FY23



We are targeting at least 2/3 of our product acquisition through non-wholesale channels in the short-term

- Wholesale
- Share by RTR
- Exclusive Designs

Rental Product (Capex) ¹
% of Revenue

\$118M
46%



\$76M
25%

Total Product Spend (Capex ¹ + Rev Share)
% of Revenue

50%



37%

1. Rental Product Capex represents rental product acquired in period. Rental Product Capex is equal to Rental Product Purchases plus (i) the purchases of rental product not yet settled and minus (ii) rental product received in prior periods.

We've Innovated Product Acquisition to be More Capital Efficient

Our Consignment Channel, **Share by RTR** Reduces Upfront Product Spend



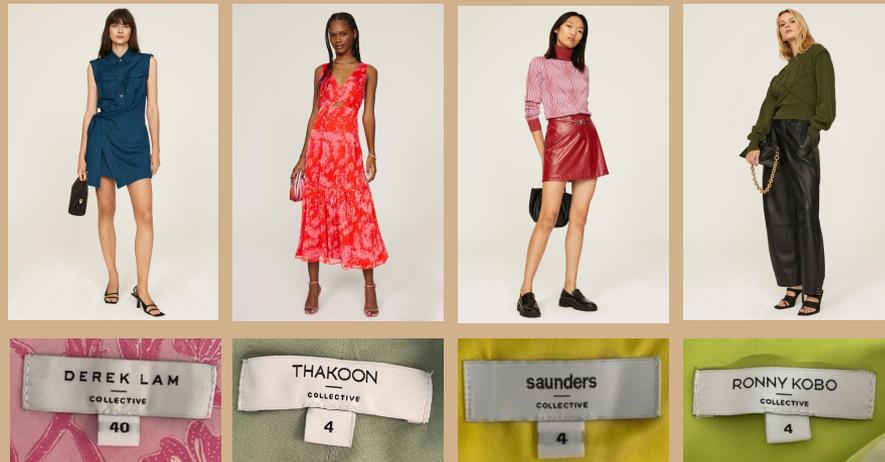
300+
Brand partners

Select and acquire at zero or low upfront cost

Revenue share payments up to maximum cap

Broadens and de-risks assortment via new categories, styles and designers

We Leverage Our Data to Create **Exclusive Designs** in Partnership with Top Brands



~50%

Lower Product Cost
than Wholesale

+210 bps

Higher Wear Rate¹

~25%

Better Damage Rate²

¹Wear rate for Exclusive Design apparel rentals vs. wear rate for non-Exclusive Design apparel rentals in FY 2023.

²Damage rate for Exclusive Design apparel vs. damage rate for Wholesale apparel that was rented in FY23.

We Plan to Continue to Innovate How we Merchandise to Drive Increases in Conversion and Loyalty

We've introduced use-case based shopping hubs to show how the RTR closet can fully outfit her for work, events, travel and beyond



The Spring Travel Closet
A wardrobe primed for any adventure.

The Spring Wedding Closet
Alluring looks for every dress code.



The Spring Weekend Closet
Versatile styles for your free days.

The Spring Party Closet
We only play (and wear) the hits.

The Spring Wedding Closet

Our spring collection of wedding-guest gowns, hand-selected straight from the runways and ready for any dress code. Make the commitment now.



Best Dressed Guest Cocktail

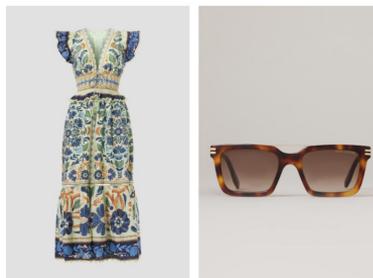


your packing list



Versatile denim

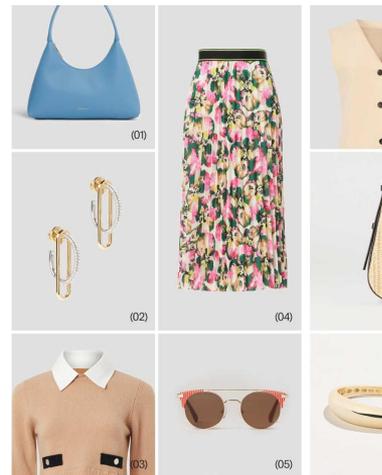
Light layers



Eye-catching midis

Sightseeing shades

Curated style for every version of work you



when you block off your cal for coffee & creativity

(01) mini candy bag **mansur gavriel** (02) mini astra hoops **demarson** (03) dale sweater **sandro** (04) warhol floral skirt **le superbe** (05) palma aviator sunglasses **lele sadoughi**

when you

(01) franci maev handbag (05) fal

We Plan to Continue to Innovate How we Merchandise to Drive Increases in Conversion and Loyalty

Styling advice & immersive visuals show customers how to use our assortment and educate her on latest trends and designers

spring '24 trend guide



muted pastels

Cue the calm: Soothing shades are glazing over our spring styles, from light lilac to sky blue.

Rent Pastels

we cracked those niche dress codes for you



For the "Refined Rodeo" Invite

For the Birthday Bash

we have some ideas for your next shipment...



The Shirt Dress

Be comfy and camera-ready in a breezy silhouette with just the right amount of structure.

Jumpsuits

Buttoned-up, style. Swap th clean lines an



Seasonal hubs showcase trends with styled collections for easy wear

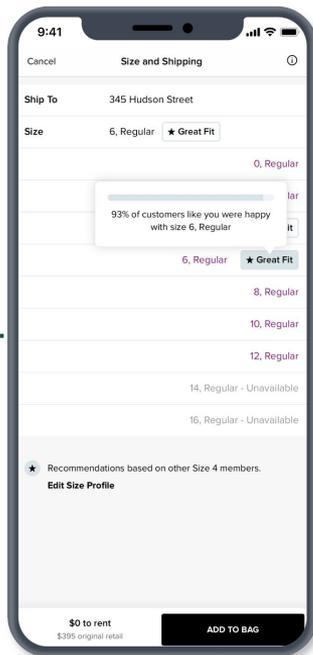
Styling advice highlighted throughout the experience

Helping her put the whole look together

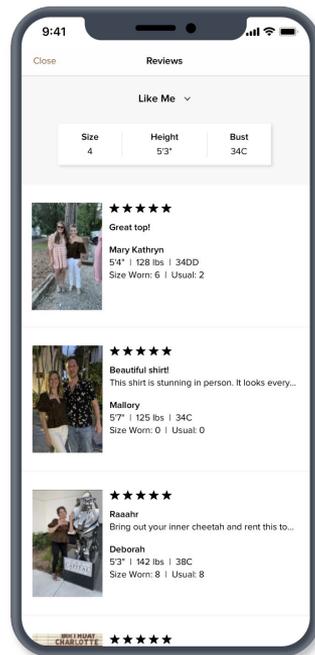
Partnership with celebrity stylist Maeve Reilly, guides us in styling looks for the office + beyond

Unique Customer Inputs Fuel Our Personalized Experience

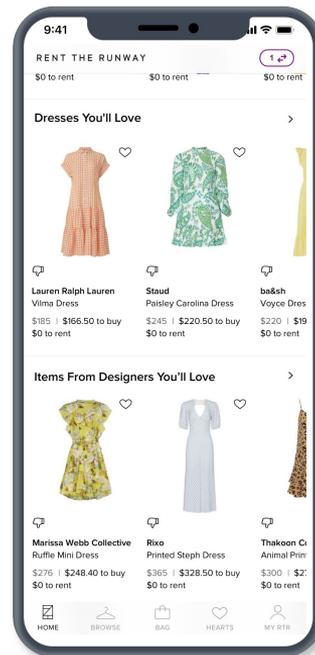
Personalized Fit Recommendations



Reviews from "Women Like Me"



Personalized Carousels



Subscribers typically visit RTR multiple times per week

Our Customer and Inventory Data Is Highly Differentiated

We have a set of data that is **unique to our business model** because nearly 100% of items are returned to us

Unique to RTR *Illustrative Data*

Fit Data

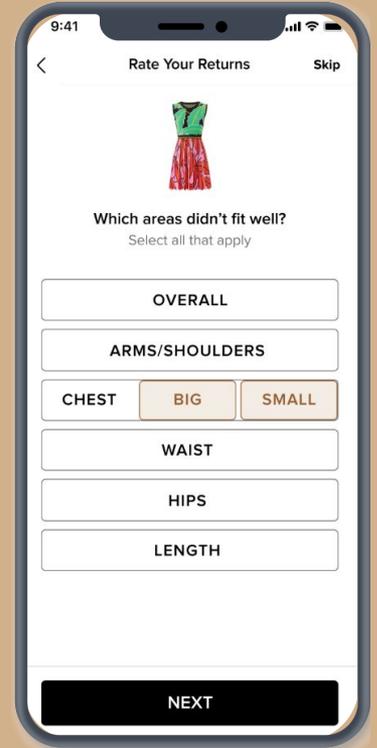
- Body dimensions
- Photo reviews

Inventory Quality & Durability

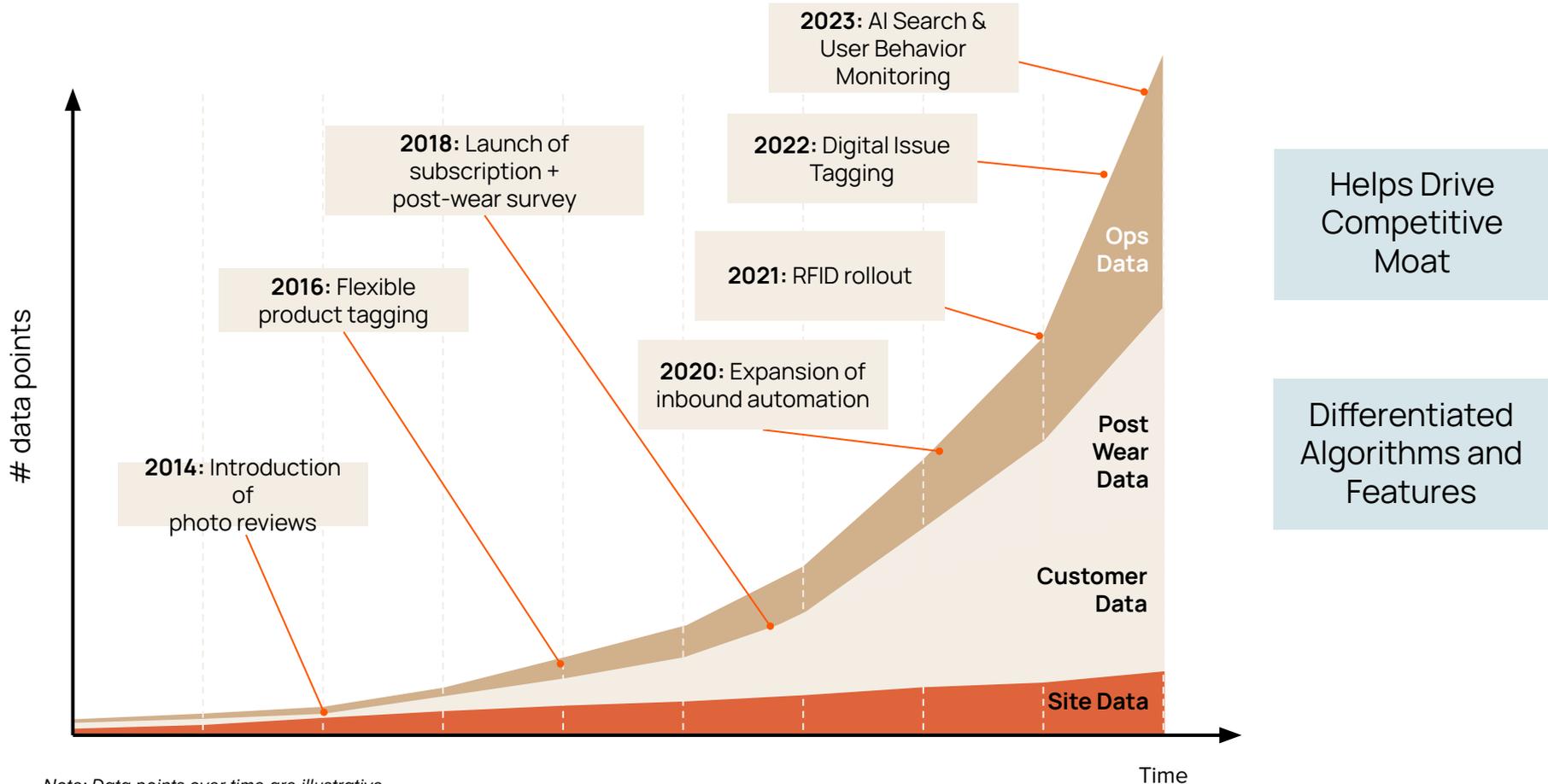
- Garment usage and longevity
- Lifetime turns
- Unit level quality
- Garment science
- Fabric data

Customer Usage Data

- Calendar / Occasions
- Preferences
- Life stage / profession



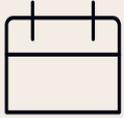
We Have Evolved Our Data Advantage Over Time



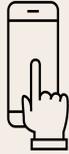
Note: Data points over time are illustrative.

We've Custom Built Software that Powers Just-in-Time Reverse Logistics at Scale

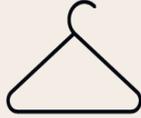
Select Proprietary Technology Uniquely Developed In-House



Reservation
Calendar



Customer-Facing
Applications



Inventory &
Merchandising
Systems



Order Prioritization
& Fulfillment



Warehouse
Management
System (WMS)



Hardware
Plug-Ins



Transportation
Management

Financial Systems

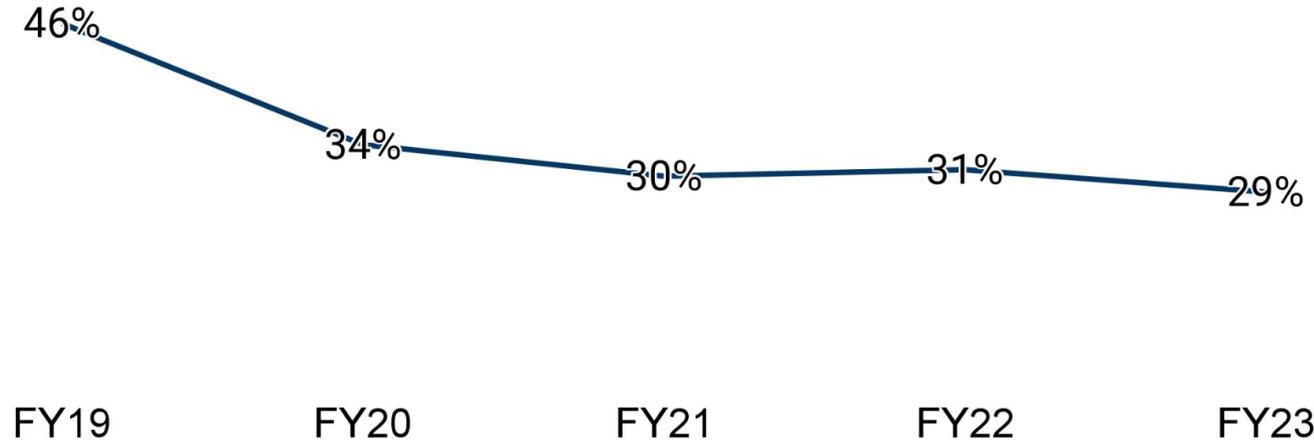
Customer Service Software

Our Unique Operational Processes Enable Us To Turn Products Quickly and Monetize Over Multiple Years



We've Developed a Competitive & Complex Operations Process That Has Driven Efficiencies Over Time

Fulfillment Cost as % of Revenue



Fulfillment Costs as % of Revenue are **down 17 percentage points** since 2019

We have been able to achieve these fulfillment margins, **despite the fact that fulfillment expenses include** all costs to receive, process and fulfill customer orders, two-way shipping expenses, fulfillment labor costs, garment repair, restoration and cleaning, packaging materials, and other fulfillment costs.

Multiple Levers to Help Drive Future Growth

More of
What We
Do Today



Grow
Subscribers



Invest in Customer
Experience



Expand Assortment
and Use Cases



Resale through
'Try Before You Buy'

Potential
Future
Levers



Launch New
Categories and
Offerings



Advertising through
Brand Partnerships



Data as a
Product



Expand
Internationally

Leadership Team with Deep Expertise Across Leading Consumer and Technology Companies



Jennifer Hyman
CEO, Co-Founder and Chair

ESTÉE LAUDER 
Current BoD Current BoD



Sid Thacker
Chief Financial Officer

COALITION 
McKinsey & Company
ZIFF BROTHERS INVESTMENTS



Drew Rau
Chief Supply Chain Officer

amazon 
overstock.



Natalie McGrath
Chief Marketing Officer

afterpay  BANDIER
Moët Hennessy 

Board Members

JENNIFER HYMAN
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JENNY FLEISS
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CFO, Lemonade

SCOTT FRIEND
Partner, Bain Capital Ventures

BETH KAPLAN
Growth stage investor and advisor

EMIL MICHAEL
Chairman and CEO, M8 Enterprises

GWYNETH PALTROW
Founder, Goop

MIKE ROTH
Former VP Global Supply Chain &
Transportation at Amazon



Cara Schembri
Chief Legal & Administrative Officer

Etsy 



Sarah Tam
Chief Merchant Officer

Saks Fifth Avenue



Zach Phillips
SVP, Product

amazon
shopbop



Becky Case
SVP, Engineering

Zappos 

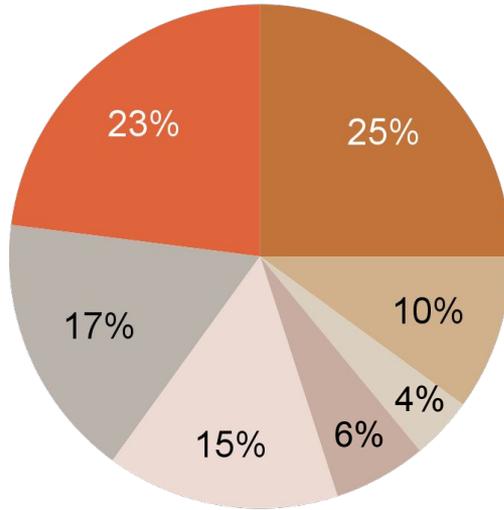
Appendix



Growing Geographic and Use Case Diversity of Our Subscription

FY 2023 Ending Active Subscribers by Region

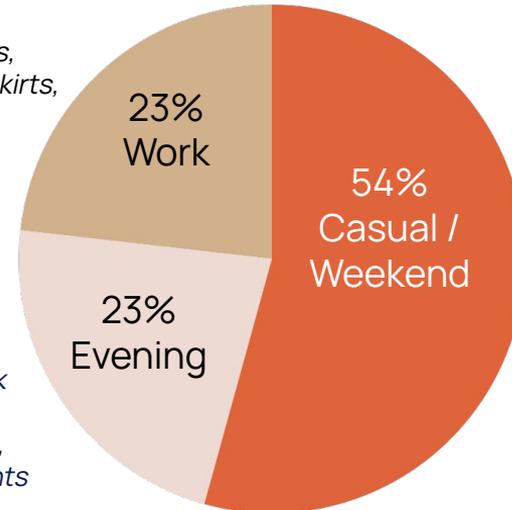
- Mid-Atlantic
- Midwest
- Mountain
- New England
- Pacific
- South
- South Atlantic



FY 2023 Shipped Items by Use Case

Examples include: blazers, work dresses, skirts, suits

Examples include: weddings, black tie, nights out, cocktail parties, galas, date nights



Examples include: trousers, sweaters, athleisure, coats, vacation attire, clothes for family time, brunches, friendly meals and leisure activities

Brands Have Faced a Structural Shift in the Retail Landscape

Decline Of Traditional Wholesale Channels

19% of department stores expected to close in next three years.¹

Heightened Competition From Mass & Fast Fashion

Mass market and fast fashion Grew 21% in the past 3 years²

DTC As An Essential Channel For Every Brand

Brands are seeking DTC channels, but often lack the financial or human capital to build them.

Larger, Fractured Discovery Landscape

Shift to online, direct search and endless aisle of new brands leaves brands with customer discovery challenge.

Aging Consumer Base

Older generations penetrate higher into in-store shopping relative to younger generations.³

Growing Importance Of Data

Data is critical to product strategy and customer acquisition.

¹ Statista, 2023.

² GITNEX Market Data Report 2024

³ Statista

We Present Our Brand Partners in an Aspirational Way



Editorial Photography



renttherunway - Follow

renttherunway @ Calling all maxi dress lovers! This one's for you. @marahoffman wearing @marahoffman

elishabrightwell When social life starts again, I MUST GET MY HANDS ON THIS DRESS!!! 🍷🍷🍷

kimmoelizabeth This is all the things

3,583 likes

Log in to like or comment.

Social Media



FARM Rio

Founders Katia Barros and Marcello Bastos believe in the local culture of their native Rio de Janeiro, sharing collections that embody the city's vibrant energy and feminine spirit. Since the brand's humble beginnings as a single stall in one of Brazil's open-air markets, Barros and Bastos have remained dedicated to helping their community thrive, employing a team of local artisans to create the countless prints featured in each collection.

Launched:
1997

Fun Fact:
The brand's name was inspired by Farme de Amoredo, a street and meeting place along Rio's Ipanema Beach.

The Must-Rent:
An all-over print featuring fons and fauns in every color of the rainbow.



FARM Rio
Mood Print Button Down
6140
\$30 to rent



FARM Rio
Flying Toucan Shorts
6660
\$30 to rent



FARM Rio
Tropical Birds Jumpsuit
6660
\$30 - \$35 to rent



FARM Rio
Macav Jumpsuit
6660
\$35 to rent



FARM Rio
Toucan Paradise Romper
6660
\$35 to rent

Designer Landing Pages



The whole idea is just to feel good in your skin.



H&T

[atch-too-tee] adjective

head to toe; complete from the top of one's head to the bottom of one's toes

Video



Caroline Constat



LAUNCHED

2019

KINDRED FIB
Making classic look like you stepped off the runway. Tips and tricks deserve a place on the pedestal. Let us see what you think about our new

THE MUST RENT
Get noticed in the Spring season with a look that's local, artsy, sustainable and so chic.



LAUNCHED

Rent Caroline Constat

Paco Rahame by Julien Dossena



LAUNCHED

Email

We Have the Ability to Monetize Products Over Many Years and Create Megahits

Jan. 2011

Launch on Site

30

Units Purchased at Launch

\$162

Cost per Unit in 2011



75,539

Total Shipped Units

129

Current Active Units

\$1.2M+

Total Revenue

\$147

Current Cost per Unit

**BADGLEY
MISCHKA.**

**Fifth Avenue
Showstopper**



Fifth Avenue Showstopper Dress



Countdown Couture Gown



White Fifth Ave Showstopper Dress



Black Pleated Gown



Sequin Garden Dress

15+ Styles Inspired by the Showstopper Dress

Data creates annuity stream for RTR and brand partners

\$5.5M+ Total Revenue

From the Fifth Avenue Showstopper and Styles It Inspired

Our Data Helped Ulla Johnson with Production Improvements

ANALYSIS



UTE	0.70
Deactivation Rate	22.4%
Reason	Wear/Tear - Faded or Worn Out Color & Dye Bleed / Color Loss



UTE	0.86
Deactivation Rate	4.2%
Reason	Wear/Tear - Faded or Worn Out Color & Ripped / Torn



UTE	0.70
Wear Rate	34%
Reason	90% of customers said the style ran small, particularly in waist and butt region.

REVIEW



COLOR LOSS



WEAR & TEAR

★★★★☆ MAY 12, 2021

Cute but too small

If I were to stand up straight and not sit these would be fine but I'm usually an 8 or 10 depending on the brand and sizes up to a 12. My butt is unfortunately sort of flat and like many of the comments I struggled to get the pants over my butt. It's a bit tight in the waist and thighs.

SIZING

COMMENT



RTR'S DATA INSIGHTS IN PRACTICE

RTR provided deactivation data to the brand over the course of the season. Brought physical deactivated units to vendor for production review during market.

IMPROVEMENT

FINAL RESULT

Ulla's production team studied the deactivated units with their manufacturer. They have since changed the quality of their denim to minimize color fading issues. They are regularly using RTR data to improve their fit.

UTE	0.86
Wear Rate	74%
Deactivation Rate	1.1%

ULLA JOHNSON



We Acquire Product in Three Strategic Ways

1. WHOLESALE

2. SHARE BY RTR

3. EXCLUSIVE DESIGNS

OVERVIEW

Products we acquire directly from brand partners, typically at a discount to wholesale prices

Original retail prices set by brands are often at a 2.5x mark-up

Products we select and acquire directly from brand partners on consignment at zero or low upfront cost

Performance based revenue share payments to our brand partners

Leverage our data to collaborate with brands to create exclusive designs under their brand name. Manufactured by third party partners

Pay brand partners an upfront fee and minina, revenue share payments

BENEFITS FOR BRANDS

Ability to access an important wholesale channel for their business

Access new customer demographic vs. traditional wholesale channels

Ability to widen product selection

Ability to partake in upside through pay-for-performance model

Ability to innovate at minimal cost

Allows expensive brands to scale on RTR

Leverage archival designs and RTR data to improve fit

BENEFITS FOR RTR

Allows us to establish and grow brand relationships

Reduces upfront spend and alleviates product risk

Aligns incentives between brands and RTR

Ability to improve durability and lower cost, driving ROI

Exclusive product for RTR from highly coveted designers

How We Acquire Products and Financial Impact

	Description	Consolidated Statement of Operations	Consolidated Balance Sheets	Consolidated Statements of Cash Flows
Wholesale	Purchased from brand partners Typically at a discount to wholesale	Straight-line depreciation with three-year useful life and 20% salvage value ⁽¹⁾	Capitalized as long-term assets	Capital expenditure at time of acquisition
Share by RTR⁽²⁾	Acquired from brand partners on consignment Zero to low upfront cost Performance-based revenue share payments over time	Upfront and performance-based revenue share payments expensed as incurred	Not capitalized as we do not own the items	Upfront and revenue share payments flow through Net Income as incurred
Exclusive Designs⁽²⁾⁽³⁾	Designed using our data in collaboration with brand partners Manufactured through third-party partners Upfront payment and minimal revenue share payments to brand partner	Upfront and performance-based revenue share payments expensed as incurred Manufacturing cost recognized through straight-line depreciation with three-year useful life and 20% salvage value ⁽¹⁾	Manufacturing cost capitalized as long-term assets	Upfront and revenue share payments flow through Net Income as incurred Manufacturing cost is a capital expenditure at time of acquisition

⁽¹⁾ The cost of accessory items, which made up less than 10% of the gross book value of rental product as of January 31, 2023, is recognized through straight-line depreciation with a two-year useful life and 30% salvage value.

⁽²⁾ For both Share by RTR and Exclusive Designs, the Company shares a percentage of revenue less a logistics fee with the brand. This revenue includes (i) revenue attributable to each item in connection with one-time reserve rentals; (ii) revenue attributable to each item from Subscription (this is based on the number of days at home during a subscription period); and (iii) revenue attributable to each item in connection with Resale of such items, less any liquidation costs. Both the percentage of revenue, and the logistics fees, can vary depending on the brand partner. Most Share by RTR items earn revenue until a cap has been reached, at which point, title generally passes from the brand to the Company.

⁽³⁾ Includes a small number of products bearing our trademarks, which are non-exclusive designs produced by third-party partners, or our owned brands. These products are purchased at a significantly lower average cost than Wholesale.