

May 4, 2023

# Q1 Fiscal 2023 Earnings

Supplemental Data



# Forward Looking Statements & Non-GAAP Financial Measures

This presentation and the accompanying oral presentation contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements generally relate to future events or Lyft's future financial or operating performance. In some cases, you can identify forward looking statements because they contain words such as "may," "will," "should," "expects," "plans," "anticipates," "going to," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of these words or other similar terms or expressions that concern Lyft's expectations, strategy, priorities, plans or intentions. Forward-looking statements in this presentation and the accompanying oral presentation include, but are not limited to, statements regarding Lyft's future financial and operating performance, including its outlook for the second quarter of 2023 and fiscal year 2023, expectations regarding profitability, cost reductions, revenue, stock-based compensation, Contribution Margin and Adjusted EBITDA, demand for Lyft's products and services and the markets in which Lyft operates and the future of transportation-as-a-service, the impact of macroeconomic conditions as well as the COVID-19 pandemic and the timing of economic recovery on our business, results of operations, and the markets in which we operate, rider and driver activity, including driver supply, on the Lyft platform and future incentive levels, and litigation and regulatory matters. Lyft's expectations and beliefs regarding these matters may not materialize, and actual results in future periods are subject to risks and uncertainties that could cause actual results to differ materially from those projected, including the effect of the COVID-19 pandemic and related impact on Lyft's business, trends in Lyft's business, in particular recovery in rides and driver supply levels, the macroeconomic environment, including inflation, and the impact of these factors and other market factors on operating expenses, including insurance costs, the sufficiency of Lyft's unrestricted cash, cash equivalents, and short-term investments, as well as risks associated with the outcome of litigation and regulatory matters and risks associated with our prior restatement and management's finding of a material weakness in our internal control over financial reporting. The forward-looking statements contained in this presentation are also subject to other risks and uncertainties, including those more fully described in Lyft's filings with the Securities and Exchange Commission, including in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2023. The forward-looking statements in this presentation are based on information available to Lyft as of the date of this presentation, and Lyft disclaims any obligation to update any forward-looking statements, except as required by law.

In addition to financial information presented in accordance with U.S. generally accepted accounting principles ("GAAP"), this presentation and the accompanying oral presentation include certain non-GAAP financial measures, including Contribution, Contribution Margin, Adjusted EBITDA, Adjusted EBITDA Margin, adjusted net loss, adjusted net loss per share and non-GAAP operating expenses. These non-GAAP measures are presented for supplemental informational purposes only and should not be considered a substitute for financial information presented in accordance with GAAP. These non-GAAP measures have limitations as analytical tools, and they should not be considered in isolation or as a substitute for analysis of other GAAP financial measures. A reconciliation of these measures to the most directly comparable GAAP measures is included at the end of this presentation. We have not provided the forward-looking GAAP equivalents for certain forward-looking non-GAAP measures presented in the accompanying oral presentation, or a GAAP reconciliation, as a result of the uncertainty regarding, and the potential variability of, reconciling items such as stock-based compensation expense. Accordingly, a reconciliation of these non-GAAP guidance metrics to their corresponding GAAP equivalents is not available without unreasonable effort. However, it is important to note that material changes to reconciling items could have a significant effect on future GAAP results.

This presentation and the accompanying oral presentation also contain statistical data, estimates and forecasts that are based on independent industry publications or other publicly available information, as well as other information based on our internal sources. This information involves many assumptions and limitations, and you are cautioned not to give undue weight to such information. We have not independently verified the accuracy or completeness of the information contained in the industry publications and other publicly available information. Accordingly, we make no representations as to the accuracy or completeness of that information nor do we undertake to update such information after the date of this presentation.

# Financial Highlights

# Q1'23: Key Highlights

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Revenue of \$1.001 billion grew 14% year-over-year

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Adjusted EBITDA of \$22.7 million exceeded the top-end of guidance

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Active Riders of 19.6 million grew 10% year-over-year

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David Risher, introduced as new CEO effective April 17th, 2023

Our Q1 financial results were better than guidance, driven by rideshare strength.

- **Rideshare ride growth accelerated** for the first time in nearly two years.
- **Revenue** of \$1.001 billion grew 14% versus Q1'22 and was \$26 million better than guidance of \$975 million.
- **Active Riders** of 19.6 million grew 10% year-over-year, which represents an acceleration from 9% year-over-year growth in Q4.
- **Contribution Margin** of 47% was in-line with our outlook and reflects lower levels of revenue per ride associated with our focus on delivering competitive service levels.
- **Adjusted EBITDA** of \$22.7 million was 2% of revenue and beat the top-end of guidance of \$5-\$15 million by nearly \$8 million.

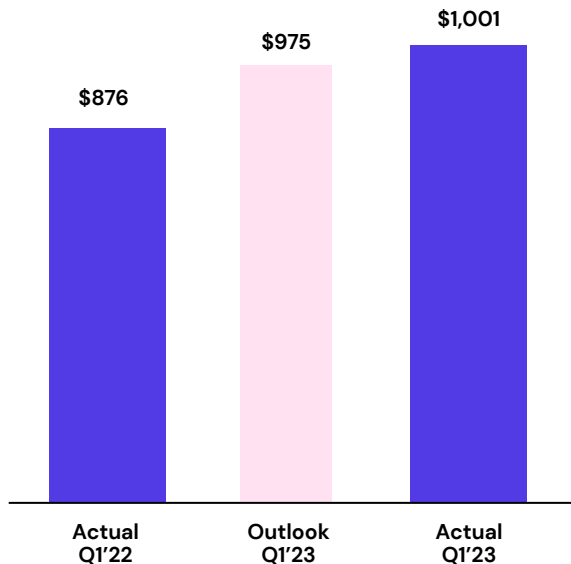
Note:

Certain figures above are non-GAAP financial measures. Please see the explanation of non-GAAP measures as well as the reconciliation from GAAP to non-GAAP measures contained in the appendix to this presentation. Growth rates shown are on a year-over-year basis.

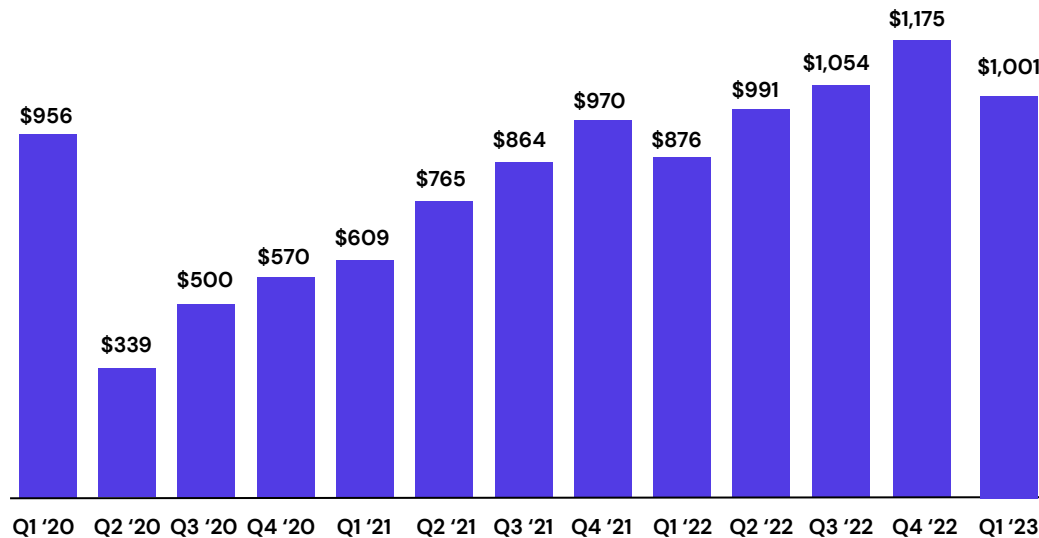
# Revenue

(\$ in millions)

Q1'23 Revenue vs. Outlook and Q1'22



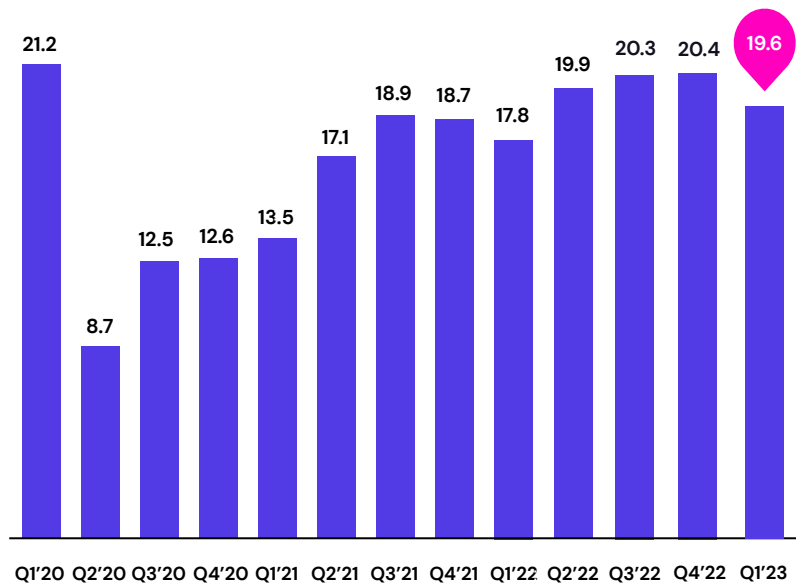
Revenue: Q1'20 to Q1'23



Note: Company outlook for Q1'23 Revenue of \$975 million was provided during the Q4'22 earnings call on February 9, 2023.

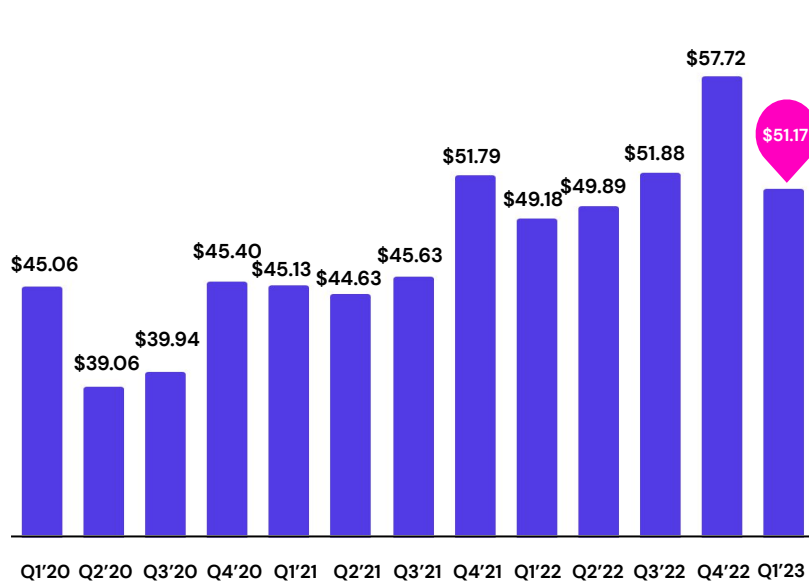
# Rider Recovery

Active Riders (in millions): Q1'20 to Q1'23



Note: Active Riders in Q1'23 grew 10% year-over-year to 19.6 million from 17.8 million in Q1'22.

Revenue per Active Rider: Q1'20 to Q1'23

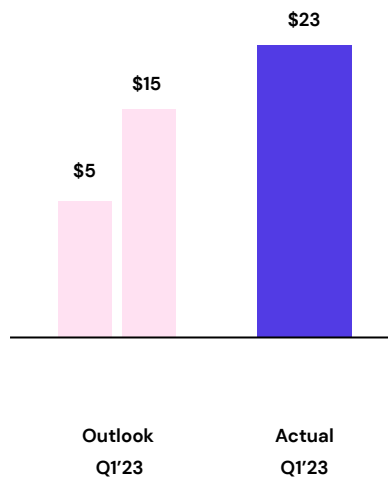


Note: Revenue per Active Rider in Q1'23 was down 11% quarter-over-quarter to \$51.17 from \$57.72 in Q4'22. And up 4% year-over-year from \$49.18 in Q1'22.

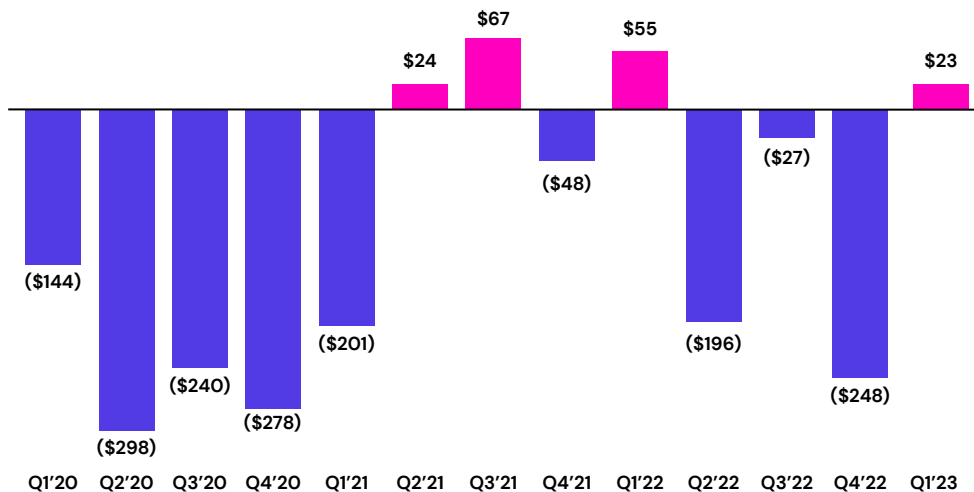
# Adjusted EBITDA

(\$ in millions)

## Q1'23 Adj EBITDA vs. Outlook



## Adj EBITDA: Q1'20 to Q1'23



Note: The outlook of \$5-15 million was provided during the Q4'22 earnings call on February 9, 2023. The figures above are non-GAAP financial measures. Please see the explanation of non-GAAP measures as well as the reconciliation from GAAP to non-GAAP measures contained in the appendix to this presentation.

# Q2'23 Outlook

Revenue	\$1.0–\$1.02 billion Up 1% to 3% year-over-year
Contribution Margin	~ 42%
Non-GAAP Operating Expenses as a % of Revenue	~42% – 43%
Adjusted EBITDA	\$20 – \$30 million
Adjusted EBITDA Margin (% of Revenue)	2% – 3%



# Lyft + Delaney Rowe

- Lyft has tapped TikTok creator, comedy writer and actress Delaney Rowe (@delaneysayshello), to kick off a new campaign telling everyone they “Shoulda Taken A Lyft.”
- The campaign kicks off with a series of TikTok videos written by, and starring Delaney Rowe, who has over 1.6M followers on TikTok. The content will appear on Delaney’s TikTok channel and across Lyft’s social media channels throughout May.
- This is just one example of how we’re using low-cost, high-visibility channels to drive awareness of Lyft.



# Reconciliations from GAAP to Non-GAAP and Trended Financial Statements

# Condensed Consolidated Balance Sheet

(\$ in millions)

	Fiscal 2022				Fiscal 2023
	Q1	Q2	Q3	Q4	Q1
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ 214.9	\$ 239.3	\$ 143.7	\$ 281.1	\$ 509.6
Short-term investments	2,021.7	1,567.7	1,639.7	1,515.7	1,245.2
Prepaid expenses and other current assets	699.0	652.4	689.3	786.1	792.7
Total current assets	2,935.5	2,459.5	2,472.7	2,582.9	2,547.5
Restricted cash and cash equivalents	67.2	102.1	167.2	109.4	228.5
Restricted investments	880.9	1,090.8	1,004.6	1,027.5	835.8
Other investments	70.2	155.7	26.3	26.4	26.5
Property and equipment, net	313.7	381.6	372.7	313.4	424.4
Operating lease right of use assets	213.1	201.2	190.7	135.2	110.0
Intangible assets, net	48.4	89.2	81.0	76.2	71.7
Goodwill	180.5	262.2	261.7	261.6	262.3
Other assets	58.9	15.3	23.1	23.9	22.6
<b>Total Assets</b>	<b>\$ 4,768.5</b>	<b>\$ 4,757.5</b>	<b>\$ 4,600.2</b>	<b>\$ 4,556.4</b>	<b>\$ 4,529.5</b>

Note: Due to rounding, numbers presented may not add up precisely to the totals provided.

# Condensed Consolidated Balance Sheet (cont.)

(\$ in millions)

	Fiscal 2022				Fiscal 2023
	Q1	Q2	Q3	Q4	Q1
<b>Liabilities, Redeemable Convertible Preferred Stock and Stockholders' Equity</b>					
Current liabilities:					
Accounts payable	\$ 95.6	\$ 100.0	\$ 90.1	\$ 107.8	\$ 103.3
Insurance reserves	1,065.9	1,234.9	1,265.7	1,417.3	1,353.7
Accrued and other current liabilities	1,364.0	1,348.4	1,382.6	1,561.6	1,636.8
Operating lease liabilities - current	51.7	48.7	46.4	45.8	41.7
Total current liabilities	2,577.2	2,731.9	2,784.8	3,132.6	3,135.4
Operating lease liabilities	200.0	189.0	179.1	176.4	161.8
Long-term debt, net of current portion	787.4	808.0	814.7	803.2	793.4
Other liabilities	45.9	61.4	56.0	55.6	56.8
<b>Total Liabilities</b>	<b>\$ 3,610.5</b>	<b>\$ 3,790.3</b>	<b>\$ 3,834.7</b>	<b>\$ 4,167.8</b>	<b>\$ 4,147.5</b>
Redeemable convertible preferred stock	-	-	-	-	-
Stockholders' equity					
Preferred stock	-	-	-	-	-
Common stock	-	-	-	-	-
Additional paid in capital	9,721.2	9,908.5	10,127.5	10,335.0	10,514.5
Accumulated other comprehensive income	(10.2)	(11.0)	(9.5)	(5.8)	(4.3)
Accumulated deficit	(8,553.0)	(8,930.3)	(9,352.5)	(9,940.6)	(10,128.2)
Total stockholders' equity	1,158.0	967.3	765.5	388.7	382.0
<b>Total liabilities and stockholders' equity</b>	<b>\$ 4,768.5</b>	<b>\$ 4,757.5</b>	<b>\$ 4,600.2</b>	<b>\$ 4,556.4</b>	<b>\$ 4,529.5</b>

Note: Due to rounding, numbers presented may not add up precisely to the totals provided.

# Condensed Consolidated Statement of Operations

(\$ in millions, except per share items)

	Fiscal 2022					Fiscal 2023
	Q1	Q2	Q3	Q4	Total	Q1
Revenue	\$ 875.6	\$ 990.7	\$ 1,053.8	\$ 1,175.0	\$ 4,095.1	\$ 1,000.5
Cost and expenses						
Cost of revenue	440.3	650.4	570.7	774.4	2,435.7	549.0
Operations and support	98.6	105.3	119.2	120.7	443.8	98.9
Research and development	192.8	201.8	227.7	234.6	856.8	196.9
Sales and marketing	126.3	140.8	133.7	130.7	531.5	115.9
General and administrative	216.9	265.7	292.9	510.6	1,286.2	256.5
Total costs and expenses	1,074.9	1,363.9	1,344.2	1,771.0	5,554.1	1,217.3
Loss from operations	(199.3)	(373.2)	(290.4)	(596.0)	(1,458.9)	(216.8)
Interest expense	(4.5)	(5.0)	(5.0)	(5.2)	(19.7)	(5.4)
Other income (expense), net <sup>(1)</sup>	9.8	1.0	(126.2)	15.5	(100.0)	37.2
Loss before income taxes	(194.1)	(377.2)	(421.6)	(585.8)	(1,578.6)	(185.0)
Provision for (benefit from) income taxes	2.8	0.1	0.6	2.4	5.9	2.7
Net loss	\$ (196.9)	\$ (377.2)	\$ (422.2)	\$ (588.1)	\$ (1,584.5)	\$ (187.6)
Net loss per share, basic and diluted	\$ (0.57)	\$ (1.08)	\$ (1.18)	\$ (1.61)	\$ (4.47)	\$ (0.50)
Weighted-average shares used to compute net loss per share, basic and diluted	346.6	350.5	356.5	365.1	354.7	373.7

(1) Other income (expense), net includes a benefit from a pre-tax gain from \$135.7 million in impairment charges related to the wind down of an equity investee in Q3'22.  
Note: Due to rounding, numbers presented may not add up precisely to the totals provided.

# Condensed Consolidated Statement of Cash Flows

(\$ in millions)

	Fiscal 2022					Fiscal 2023
	Q1	Q2	Q3	Q4	Total	Q1
<b>Cash flows from operating activities</b>						
Net loss	\$ (196.9)	\$ (377.2)	\$ (422.2)	\$ (588.1)	\$ (1,584.5)	\$ (187.6)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:						
Depreciation and amortization	31.8	29.1	35.9	58.0	154.8	27.2
Stock-based compensation	153.7	176.6	221.0	199.4	750.8	180.4
Amortization of premium on marketable securities	1.1	0.8	0.6	0.4	3.0	0.1
Accretion of discount on marketable securities	(1.2)	(2.5)	(7.1)	(12.5)	(23.2)	(13.6)
Amortization of debt discount and issuance costs	0.7	0.7	0.7	0.7	2.8	0.7
Deferred income tax impact from convertible senior notes	-	-	-	-	-	-
Loss (gain) on sale and disposal of assets, net	(13.7)	(18.1)	(6.7)	(22.1)	(60.7)	(7.6)
Gain on divestiture	-	-	-	-	-	-
Impairment of non-marketable equity security	-	-	135.7	-	135.7	-
Other	1.8	(1.5)	16.6	6.7	23.6	3.5
Changes in operating assets and liabilities:						
Prepaid expenses and other assets	(187.9)	63.4	(70.1)	(81.3)	(275.9)	(1.1)
Operating lease right-of-use assets	13.5	13.6	12.6	56.6	96.3	19.0
Accounts payable	(33.9)	(1.9)	(9.0)	17.6	(27.2)	(4.3)
Insurance reserves	(2.7)	169.0	30.8	151.6	348.7	(63.6)
Accrued and other liabilities	96.2	(62.7)	46.0	182.8	262.4	(15.3)
Lease liabilities	(14.7)	(14.5)	(11.0)	(3.5)	(43.8)	(11.7)
<b>Net cash provided by (used in) operating activities</b>	<b>\$ (152.3)</b>	<b>\$ (25.2)</b>	<b>\$ (26.2)</b>	<b>\$ (33.6)</b>	<b>\$ (237.3)</b>	<b>\$ (74.0)</b>

Note: Due to rounding, numbers presented may not add up precisely to the totals provided.

# Condensed Consolidated Statement of Cash Flows (cont.)

(\$ in millions)

	Fiscal 2022					Fiscal 2023
	Q1	Q2	Q3	Q4	Total	Q1
Cash flows from investing activities						
Purchases of marketable securities	\$ (661.7)	\$ (600.6)	\$ (1,408.3)	\$ (1,378.9)	\$ (4,049.5)	\$ (598.6)
Purchase of non-marketable securities	-	-	-	-	-	-
Purchases of term deposits	-	(10.0)	-	(3.5)	(13.6)	-
Proceeds from sales of marketable securities	202.2	155.5	143.3	175.7	676.9	223.1
Proceeds from maturities of marketable securities	224.9	488.7	1,290.6	1,304.4	3,308.7	846.4
Proceeds from maturities of term deposits	175.0	205.0	-	15.0	395.1	5.0
Purchases of property and equipment and scooter fleet	(30.3)	(23.0)	(29.1)	(32.6)	(115.0)	(46.8)
Cash paid for acquisitions, net of cash acquired	-	(146.3)	-	-	(146.3)	-
Sale of property and equipment	15.7	28.0	32.8	53.3	129.8	20.3
Proceeds from divestiture	-	-	-	-	-	-
Other	-	-	-	-	-	-
Net cash provided by (used in) investing activities	\$ (74.2)	\$ 97.4	\$ 29.4	\$ 133.5	\$ 186.0	\$ 449.4
Cash flows from financing activities						
Repayment of loans	(12.3)	(14.4)	(25.3)	(15.7)	(67.6)	(21.1)
Proceeds from exercise of stock options and other common stock issuances	0.1	12.3	-	9.3	21.7	0.3
Taxes paid related to net share settlement of equity awards	(1.8)	(1.7)	(2.1)	(1.1)	(6.7)	(1.2)
Principal payments on finance lease obligations	(8.0)	(7.7)	(6.0)	(13.1)	(34.8)	(5.7)
Net cash provided by (used in) financing activities	\$ (22.0)	\$ (11.6)	\$ (33.3)	\$ (20.6)	\$ (87.5)	\$ (27.7)

Note: Due to rounding, numbers presented may not add up precisely to the totals provided.

# Condensed Consolidated Statement of Cash Flows (cont.)

(\$ in millions)

	Fiscal 2022					Fiscal 2023
	Q1	Q2	Q3	Q4	Total	Q1
Net cash provided by (used in) operating activities	\$ (152.3)	\$ (25.2)	\$ (26.2)	\$ (33.6)	\$ (237.3)	\$ (74.0)
Net cash provided by (used in) investing activities	(74.2)	97.4	29.4	133.5	186.0	449.4
Net cash provided by (used in) financing activities	(22.0)	(11.6)	(33.3)	(20.6)	(87.5)	(27.7)
Effect of foreign exchange on cash, cash equivalents and restricted cash and cash equivalents	\$ 0.1	\$ (0.2)	\$ (0.7)	\$ 0.1	\$ (0.6)	\$ -
Net increase (decrease) in cash and cash equivalents and restricted cash and cash equivalents	(248.5)	60.4	(30.7)	79.5	(139.4)	\$ 347.6
<b>Cash and cash equivalents and restricted cash and cash equivalents</b>						
Beginning of period	531.2	282.7	343.1	312.3	531.2	391.8
End of period	\$ 282.7	\$ 343.1	\$ 312.3	\$ 391.8	\$ 391.8	\$ 739.4
<b>Reconciliation of cash, cash equivalents and restricted cash and cash equivalents to the condensed consolidated balance sheets</b>						
Cash and cash equivalents	214.9	239.3	143.7	281.1	281.1	509.6
Restricted cash and cash equivalents	67.2	102.1	167.2	109.4	109.4	228.5
Restricted cash, incl. in prepaid expenses and other current assets	0.7	1.7	1.4	1.4	1.4	1.4
<b>Total cash, cash equivalents and restricted cash and cash equivalents</b>	<b>\$ 282.7</b>	<b>\$ 343.1</b>	<b>\$ 312.3</b>	<b>\$ 391.8</b>	<b>\$ 391.8</b>	<b>\$ 739.4</b>

Note: Due to rounding, numbers presented may not add up precisely to the totals provided.



# Non-GAAP Condensed Consolidated Statement of Operations

(\$ in millions, except per share items)

	Fiscal 2022					Fiscal 2023
	Q1	Q2	Q3	Q4	Total	Q1
Revenue	\$ 875.6	\$ 990.7	\$ 1,053.8	\$ 1,175.0	\$ 4,095.1	\$ 1,000.5
Cost of revenue	(373.1)	(675.7)	(556.3)	(760.3)	(2,365.4)	(535.4)
Operating expenses						
Operations and support	(92.4)	(98.6)	(111.6)	(95.1)	(397.8)	(79.6)
Research and development	(102.7)	(105.7)	(107.7)	(103.5)	(419.6)	(96.2)
Sales and marketing	(114.8)	(128.3)	(118.7)	(114.4)	(476.2)	(103.7)
General and administrative	(166.6)	(203.7)	(216.9)	(379.0)	(966.2)	(185.6)
Total costs and expenses	(849.6)	(1,211.9)	(1,111.3)	(1,452.2)	(4,625.1)	(1,000.6)
Non-GAAP income (loss) from operations	25.9	(221.2)	(57.5)	(277.2)	(529.9)	(0.1)
Interest expense	(4.5)	(5.0)	(5.0)	(5.2)	(19.7)	(5.4)
Non-GAAP other income (expense), net <sup>(1)</sup>	6.0	(2.9)	7.0	14.0	24.1	35.9
Non-GAAP income (loss) before income taxes	27.4	(229.1)	(55.5)	(268.4)	(525.5)	30.4
Provision for (benefit from) income taxes	2.8	0.1	0.6	2.4	5.9	2.7
Adjusted net income (loss)	24.6	(229.1)	(56.1)	(270.8)	(531.4)	27.7
Adjusted net income (loss) per share, basic	\$ 0.07	\$ (0.65)	\$ (0.16)	\$ (0.74)	\$ (1.50)	\$ 0.07
Weighted-average shares used to compute adjusted net income (loss) per share, basic	346.6	350.5	356.5	365.1	354.7	373.7

(1) Non-GAAP other income (expense), net excludes (i) sublease income, which is presented as a contra-expense to the related lease rent expense within operating expenses for non-GAAP purposes, and (ii) impairment charges related to the wind down of an equity investee in Q3'22.

Note: Due to rounding, numbers presented may not add up precisely to the totals provided.

# GAAP to Non-GAAP Reconciliations

(\$ in millions)

	Fiscal 2022					Fiscal 2023
	Q1	Q2	Q3	Q4	Total	Q1
<b><u>Reconciliation of Contribution</u></b>						
Revenue	\$ 875.6	\$ 990.7	\$ 1,053.8	\$ 1,175.0	\$ 4,095.1	\$ 1,000.5
Less: cost of revenue	(440.3)	(650.4)	(570.7)	(774.4)	(2,435.7)	(549.0)
Gross profit	435.3	340.4	483.1	400.6	1,659.4	451.6
Gross profit margin	49.7%	34.4%	45.8%	34.1%	40.5%	45.1%
Adjusted to exclude the following (as related to cost of revenue)						
Amortization of intangible assets	1.2	1.2	1.2	1.2	5.0	1.2
Stock-based compensation expense	9.9	10.1	13.0	11.1	44.1	10.8
Payroll tax expense related to stock-based compensation	0.8	0.2	0.2	0.1	1.2	0.4
Net amount from claims ceded under the Reinsurance Agreement <sup>(1)</sup>	55.3	(36.8)	-	-	18.5	-
Transaction costs rel. To certain legacy auto insurance liabilities	-	-	-	-	-	-
Sublease income <sup>(2)</sup>	-	-	-	-	-	-
Restructuring charges <sup>(3)</sup>	-	-	-	1.6	1.6	1.1
<b>Non-GAAP Cost of Revenue</b>	<b>(373.1)</b>	<b>(675.7)</b>	<b>(556.3)</b>	<b>(760.3)</b>	<b>(2,365.4)</b>	<b>(535.4)</b>
Non-GAAP Cost of Revenue as % of Revenue	(42.6%)	(68.2%)	(52.8%)	(64.7%)	(57.8%)	(53.5%)
<b>Contribution (Non-GAAP)</b>	<b>\$ 502.5</b>	<b>\$ 315.1</b>	<b>\$ 497.5</b>	<b>\$ 414.7</b>	<b>\$ 1,729.8</b>	<b>\$ 465.1</b>
Contribution Margin (Non-GAAP)	57.4%	31.8%	47.2%	35.3%	42.2%	46.5%

(1) Reflects the net amount recognized on the statement of operations associated with claims ceded under the Reinsurance agreement, including any losses related to the deferral of gains on the statement of operations and any benefit from the amortization of the deferred gain in the same period.

(2) For the GAAP income statement, sublease income is included as other income while the related lease rent expense is included in its respective operating expense line item. For non-GAAP purposes, sublease income is presented as a contra-expense to the related lease rent expense. There has been no sublease income allocated to cost of revenue through March 31, 2023.

(3) Included in restructuring charges is \$1.1 million of severance and other employee costs due to ongoing transformational initiatives.

Note: Due to rounding, numbers presented may not add up precisely to the totals provided.

# GAAP to Non-GAAP Reconciliations (cont.)

(\$ in millions)

	Fiscal 2022					Fiscal 2023
	Q1	Q2	Q3	Q4	Total	Q1
<b>Non-GAAP Operating Expenses<sup>(1)</sup></b>						
GAAP Operations and Support	\$ (98.6)	\$ (105.3)	\$ (119.2)	\$ (120.7)	\$ (443.8)	\$ (98.9)
Amortization of intangible assets	-	-	-	-	-	-
Stock-based compensation expense	5.6	6.3	7.1	6.4	25.4	5.9
Payroll tax expense related to stock-based compensation	0.4	0.1	0.2	0.1	0.8	0.3
Sublease income <sup>1</sup>	0.2	0.3	0.3	0.4	1.1	0.2
Restructuring charges	-	-	-	18.7	18.7	12.9
<b>Non-GAAP Operations and Support</b>	<b>\$ (92.4)</b>	<b>\$ (98.6)</b>	<b>\$ (111.6)</b>	<b>\$ (95.1)</b>	<b>\$ (397.8)</b>	<b>\$ (79.6)</b>
<b>Non-GAAP Research and Development</b>						
GAAP Research and Development	\$ (192.8)	\$ (201.8)	\$ (227.7)	\$ (234.6)	\$ (856.8)	\$ (196.9)
Amortization of intangible assets	-	-	-	0.1	0.2	-
Stock-based compensation expense	80.8	91.1	116.2	103.9	392.0	93.5
Payroll tax expense related to stock-based compensation	5.7	1.4	1.5	1.0	9.6	3.6
Sublease income <sup>1</sup>	3.6	3.6	2.3	1.1	10.5	1.1
Restructuring charges	-	-	-	25.0	25.0	2.6
<b>Non-GAAP Research and Development</b>	<b>\$ (102.7)</b>	<b>\$ (105.7)</b>	<b>\$ (107.7)</b>	<b>\$ (103.5)</b>	<b>\$ (419.6)</b>	<b>\$ (96.2)</b>

(1) For the GAAP income statement, sublease income is included as other income while the related lease rent expense is included in its respective operating expense line item. For non-GAAP purposes, sublease income is presented as a contra-expense to the related lease rent expense.

Note: Due to rounding, numbers presented may not add up precisely to the totals provided.

# GAAP to Non-GAAP Reconciliations (cont.)

(\$ in millions)

	Fiscal 2022					Fiscal 2023
	Q1	Q2	Q3	Q4	Total	Q1
<b>Non-GAAP Operating Expenses<sup>(1)</sup></b>						
GAAP Sales and Marketing	(126.3)	(140.8)	(133.7)	(130.7)	(531.5)	(115.9)
Amortization of intangible assets	0.3	0.3	0.3	0.2	1.1	0.1
Stock-based compensation expense	10.6	12.0	14.4	12.8	49.9	11.7
Payroll tax expense related to stock-based compensation	0.6	0.2	0.3	0.1	1.2	0.4
Sublease income <sup>(1)</sup>	-	-	-	-	-	-
Restructuring charges	-	-	-	3.1	3.1	-
<b>Non-GAAP Sales and Marketing</b>	<b>\$ (114.8)</b>	<b>\$ (128.3)</b>	<b>\$ (118.7)</b>	<b>\$ (114.4)</b>	<b>\$ (476.2)</b>	<b>\$ (103.7)</b>
GAAP General and Administrative	\$ (216.9)	\$ (265.7)	\$ (292.9)	\$ (510.6)	\$ (1,286.2)	\$ (256.5)
Amortization of intangible assets	1.5	3.0	3.8	3.9	12.2	3.2
Stock-based compensation expense	46.9	57.1	70.2	65.1	239.3	58.5
Payroll tax expense related to stock-based compensation	1.9	0.6	1.0	0.6	4.1	1.5
Sublease income <sup>(1)</sup>	-	-	-	-	-	-
Costs related to acquisitions and divestitures	-	1.4	0.9	-	2.3	-
Transaction costs rel. to certain legacy auto insurance liabilities	-	-	-	-	-	-
Restructuring charges	-	-	-	62.1	62.1	7.7
<b>Non-GAAP General and Administrative</b>	<b>\$ (166.6)</b>	<b>\$ (203.7)</b>	<b>\$ (216.9)</b>	<b>\$ (379.0)</b>	<b>\$ (966.2)</b>	<b>\$ (185.6)</b>

(1) For the GAAP income statement, sublease income is included as other income while the related lease rent expense is included in its respective operating expense line item. For non-GAAP purposes, sublease income is presented as a contra-expense to the related lease rent expense. There has been no sublease income allocated to sales and marketing or general and administrative expenses through March 31, 2023.

Note: Due to rounding, numbers presented may not add up precisely to the totals provided.

# GAAP to Non-GAAP Reconciliations (cont.)

(\$ in millions)

	Fiscal 2022					Fiscal 2023
	Q1	Q2	Q3	Q4	Total	Q1
GAAP Total Costs and Expenses (excludes COR)	\$ (634.6)	\$ (713.6)	\$ (773.5)	\$ (996.6)	\$ (3,118.3)	\$ (668.3)
Amortization of intangible assets	1.8	3.3	4.1	4.2	13.5	3.3
Stock-based compensation expense	143.9	166.5	207.9	188.2	706.6	169.6
Payroll tax expense related to stock-based compensation	8.6	2.3	3.0	1.8	15.7	5.8
Sublease income <sup>2</sup>	3.8	3.9	2.6	1.5	11.6	1.3
Costs related to acquisitions and divestitures	–	1.4	0.9	–	2.3	–
Transaction costs rel. to certain legacy auto insurance liabilities	–	–	–	–	–	–
Restructuring charges	–	–	–	108.9	108.9	23.1
<b>Non-GAAP Total Costs and Expenses (excludes COR)</b>	<b>\$ (476.5)</b>	<b>\$ (536.2)</b>	<b>\$ (555.0)</b>	<b>\$ (692.0)</b>	<b>\$ (2,259.7)</b>	<b>\$ (465.2)</b>
GAAP Loss from Operations	\$ (199.3)	\$ (373.2)	\$ (290.4)	\$ (596.0)	\$ (1,458.9)	\$ (216.8)
Amortization of intangible assets	3.1	4.5	5.4	5.5	18.4	4.5
Stock-based compensation expense	153.7	176.6	221.0	199.4	750.8	180.4
Payroll tax expense related to stock-based compensation	9.5	2.5	3.1	1.9	17.0	6.2
Net amount from claims ceded under the Reinsurance Agreement <sup>1</sup>	55.3	(36.8)	–	–	18.5	–
Sublease income <sup>2</sup>	3.7	3.8	2.6	1.5	11.6	1.3
Costs related to acquisitions and divestitures	–	1.4	0.9	–	2.3	–
Transaction costs rel. to certain legacy auto insurance liabilities	–	–	–	–	–	–
Restructuring charges	–	–	–	110.5	110.5	24.2
<b>Non-GAAP Loss from Operations</b>	<b>\$ 25.9</b>	<b>\$ (221.2)</b>	<b>\$ (57.5)</b>	<b>\$ (277.2)</b>	<b>\$ (529.9)</b>	<b>\$ (0.1)</b>

(1) Reflects the net amount recognized on the statement of operations associated with claims ceded under the Reinsurance agreement, including any losses related to the deferral of gains on the statement of operations and any benefit from the amortization of the deferred gain in the same period.

(2) For the GAAP income statement, sublease income is included as other income while the related lease rent expense is included in its respective operating expense line item. For non-GAAP purposes, sublease income is presented as a contra-expense to the related lease rent expense.

Note: Due to rounding, numbers presented may not add up precisely to the totals provided.

# GAAP to Non-GAAP Reconciliations (cont.)

(\$ in millions, except per share items)

	Fiscal 2022					Fiscal 2023
	Q1	Q2	Q3	Q4	Total	Q1
<b><u>Reconciliation of Net Loss to Non-GAAP Adjusted Net Income (Loss)</u></b>						
<b>GAAP Net Loss</b>	<b>\$ (196.9)</b>	<b>\$ (377.2)</b>	<b>\$ (422.2)</b>	<b>\$ (588.1)</b>	<b>\$ (1,584.5)</b>	<b>\$ (187.6)</b>
Amortization of intangible assets	3.1	4.5	5.4	5.5	18.4	4.5
Stock-based compensation expense	153.7	176.6	221.0	199.4	750.8	180.4
Payroll tax expense related to stock-based compensation	9.5	2.5	3.1	1.9	17.0	6.2
Net amount from claims ceded under the Reinsurance Agreement <sup>1</sup>	55.3	(36.8)	-	-	18.5	-
Sublease income <sup>2</sup>	-	-	-	-	-	-
Costs related to acquisitions and divestitures	-	1.4	0.9	-	2.3	-
Transaction costs rel. to certain legacy auto insurance liabilities	-	-	-	-	-	-
Restructuring charges <sup>3</sup>	-	-	-	110.5	110.5	24.2
Impairment charges <sup>4</sup>	-	-	135.7	-	135.7	-
<b>Adjusted Net Income (Loss)</b>	<b>\$ 24.6</b>	<b>\$ (229.1)</b>	<b>\$ (56.1)</b>	<b>\$ (270.8)</b>	<b>\$ (531.4)</b>	<b>\$ 27.7</b>
Adjusted net income (loss) per share, basic	\$ 0.07	\$ (0.65)	\$ (0.16)	\$ (0.74)	\$ (1.50)	\$ 0.07
Weighted-average shares used to compute adjusted net income (loss) per share, basic	346.6	350.5	356.5	365.1	354.7	373.7

(1) Reflects the net amount recognized on the statement of operations associated with claims ceded under the Reinsurance agreement, including any losses related to the deferral of gains on the statement of operations and any benefit from the amortization of the deferred gain in the same period.

(2) For the GAAP income statement, sublease income is included as other income while the related lease rent expense is included in its respective operating expense line item. For non-GAAP purposes, sublease income is presented as a contra-expense to the related lease rent expense. The non-GAAP presentation of sublease income as a contra-expense has no impact to Adjusted Net Income (Loss).

(3) Included in restructuring charges are \$4.3 million of severance and other employee costs, \$19.6 million related to right-of-use asset impairments and other costs and \$0.3 million related to accelerated depreciation of certain fixed assets due to ongoing transformational initiatives. In addition, restructuring related charges for stock-based compensation of \$0.2 million are included on their respective line items.

(4) In the third quarter of 2022, we recorded \$135.7 million in impairment charges related to the wind down of an equity investee, which included the impairments of a non-marketable equity investment and other assets.

Note: Due to rounding, numbers presented may not add up precisely to the totals provided.

# GAAP to Non-GAAP Reconciliations (cont.)

(\$ in millions)

	Fiscal 2022					Fiscal 2023
	Q1	Q2	Q3	Q4	Total	Q1
<b>Reconciliation of Net Loss to Non-GAAP Adjusted EBITDA</b>						
<b>GAAP Net Loss</b>	<b>\$ (196.9)</b>	<b>\$ (377.2)</b>	<b>\$ (422.2)</b>	<b>\$ (588.1)</b>	<b>\$ (1,584.5)</b>	<b>\$ (187.6)</b>
Adjusted for the following						
Interest expense	4.7	5.2	5.3	5.6	20.8	5.9
Other (income) expense, net <sup>1</sup>	(9.8)	(1.0)	126.2	(15.5)	100.0	(37.2)
Provision for (benefit from) income taxes	2.8	0.1	0.6	2.4	5.9	2.7
Depreciation and amortization	31.8	29.1	35.9	58.0	154.8	27.2
Stock-based compensation expense	153.7	176.6	221.0	199.4	750.8	180.4
Payroll tax expense related to stock-based compensation	9.5	2.5	3.1	1.9	17.0	6.2
Net amount from claims ceded under the Reinsurance Agreement <sup>2</sup>	55.3	(36.8)	-	-	18.5	-
Sublease income <sup>3</sup>	3.7	3.8	2.6	1.5	11.6	1.3
Costs related to acquisitions and divestitures	-	1.4	0.9	-	2.3	-
Transaction costs rel. to certain legacy auto insurance liabilities	-	-	-	-	-	-
Restructuring charges <sup>4</sup>	-	-	-	86.6	86.6	23.9
<b>Adjusted EBITDA</b>	<b>\$ 54.8</b>	<b>\$ (196.3)</b>	<b>\$ (26.7)</b>	<b>\$ (248.3)</b>	<b>\$ (416.5)</b>	<b>\$ 22.7</b>
<i>Adjusted EBITDA Margin</i>	<i>6.3%</i>	<i>(19.8%)</i>	<i>(2.5%)</i>	<i>(21.1%)</i>	<i>(10.2%)</i>	<i>2.3%</i>

(1) Other (income) expense, net includes (i) \$135.7 million in impairment charges related to the wind down of an equity investee in Q3'22, which included the impairments of a non-marketable equity investment and other assets.

(2) Reflects the net amount recognized on the statement of operations associated with claims ceded under the Reinsurance agreement, including any losses related to the deferral of gains on the statement of operations and any benefit from the amortization of the deferred gain in the same period.

(3) For the GAAP income statement, sublease income is included as other income while the related lease rent expense is included in its respective operating expense line item. For non-GAAP purposes, sublease income is presented as a contra-expense to the related lease rent expense.

(4) Included in restructuring charges are \$4.3 million of severance and other employee costs and \$19.6 million related to right-of-use-asset impairments and other costs due to ongoing transformational initiatives. In addition, restructuring related charges for stock-based compensation of \$0.2 million and accelerated depreciation of \$0.3 million are included on their respective line items.

Note: Due to rounding, numbers presented may not add up precisely to the totals provided.