

Risk Factors Comparison 2025-03-11 to 2024-03-13 Form: 10-K

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An investment in our common stock involves a high degree of risk. You should consider carefully the risks and uncertainties described below, together with the financial and other information contained in this Annual Report on Form 10-K, before you decide to purchase shares of our common stock. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties that we are unaware of, or that we currently believe are not material or important, may also become material or important factors that adversely affect our business. If any of the following risks or others not specified below 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.

Risks Related to Our Emergence from Bankruptcy We recently emerged from the Prepackaged Chapter 11 Case, which could adversely affect our business and relationships, and subject us to risks and uncertainties. As previously disclosed, on November 13, 2024, Vroom, Inc. (in the context of the Prepackaged Chapter 11 Case, the “Debtor”) 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). On January 8, 2025, the Bankruptcy Court entered an order (a) approving the Debtor’s disclosure statement, (b) confirming the Prepackaged Plan of Reorganization of Vroom, Inc. under Chapter 11 of the Bankruptcy Code (the “Plan”), and (c) granting related relief (the “Confirmation Order”). On January 14, 2025, the conditions to the effectiveness of the Plan were satisfied or waived and the Plan became effective. We emerged from the Prepackaged Chapter 11 Case on January 14, 2025. Even though we have emerged from bankruptcy, our Prepackaged Chapter 11 Case could have a material adverse effect on our business, financial condition, results of operations and liquidity. For example, it could adversely affect our business and relationships with customers, vendors, contractors, employees or suppliers including the following: • our ability to attract, motivate, and / or retain management and key personnel may be adversely affected; • our employees may be more easily attracted to other employment opportunities; • competitors may take business away from us, and our ability to retain customers may be negatively impacted; and • third parties may not be willing to do business with us at all or on acceptable terms. Furthermore, we may not realize any or all of the intended benefits of the Prepackaged Chapter 11 Case, the benefits may not be on the terms or in the manner we expect, and the costs incurred may exceed the intended benefits. The occurrence of one or more of these events could have a material and adverse effect on our operations, financial condition and reputation and we cannot assure you that having been subject to bankruptcy proceedings will not adversely affect our operations in the future. Additionally, other risks we face, as described in this Annual Report on Form 10-K, may be exacerbated by the impacts of our emergence from bankruptcy. As a result of the Prepackaged Chapter 11 Case, our historical financial information will not be indicative of our future performance. Following our emergence from bankruptcy proceedings, our capital structure was significantly altered. As a result, we do not believe our historical financial performance is indicative of our future financial performance. In addition, the amounts reported in subsequent consolidated financial statements may materially change relative to our historical consolidated financial statements. Upon emergence, we also adopted fresh start accounting under ASC- 852, in which case our assets and liabilities are recorded at fair value as of the fresh start reporting date, which differs materially from the recorded values of assets and liabilities on our historical consolidated balance sheets. Our financial results after the application of fresh start accounting may be different from historical trends. This will make it difficult for shareholders to assess our performance in relation to prior periods. The Prepackaged Chapter 11 Case, our emergence from it, and its impact has consumed and may continue to consume a substantial portion of the time and attention of our management, which may have an adverse effect on our business and results of operations, and we may experience increased levels of employee attrition. Management has spent a significant amount of time and effort focusing on the Prepackaged Chapter 11 Case and our emergence from it, and our management will be required to spend a significant amount of time and effort to refocus on our business operations. Our new capital structure and its known and unknown consequences may also require our management’s time and attention. This diversion of attention has affected, and may continue to materially adversely affect the conduct of our business, and, as a result, our financial condition and results of operations. Furthermore, even though we have emerged from the Prepackaged Chapter 11 Case, we may experience employee attrition, and our employees may face uncertainty. A loss of key personnel or material erosion of employee morale could adversely affect our business and results of operations. The loss of services of members of our senior management team could impair our ability to execute our strategy and implement operational initiatives, which would be likely to have a material adverse effect on our financial condition, liquidity and results of operations. In addition, our vendors and employees may have lost or may lose confidence in our ability to operate our reorganized business successfully.

Risks Related to Our Financial Condition, Results of Operations, Liquidity and Indebtedness There are risks associated with the discontinuance of our e-commerce operations and wind- down of our used vehicle dealership business. On January 22, 2024, we announced the Value Maximization Plan, pursuant to which we are discontinuing discontinued our e-commerce operations and winding wound down our used vehicle dealership business in order to preserve cash and maximize stakeholder value through our remaining businesses (the "Ecommerce Wind- Down"). As a result, we will have incur incurred costs including severance costs, inventory

liquidation costs, contract and lease termination costs and non-cash asset impairments. **We incurred total** and such costs are expected to exceed any cash **charges** we generate on the liquidation of assets. The Company estimates it will incur approximately \$ 31. 5 million in one-time expenses in connection with the Plan. Included in this amount are approximately \$ 15. 0-8 million in **for severance and other personnel-related** costs, attributable to contract and lease terminations and approximately \$ 16-13. 5-9 million in **contract** of expenses the Company expects to incur relating to employee severance and benefits **lease termination** costs. The actual amount of wind-down, transition and impairment charges may materially exceed our estimates, due to various factors, many of which are outside of our control, including the outcomes of discussions and negotiations (a number of which are currently ongoing) with the counterparties to the contracts and leases we intend to terminate or modify. In addition, because of uncertainties with respect to our wind-down plan (including those described above), we may not be able to realize the anticipated benefits of or complete the wind-down in **relation** the expected timeframe, on the terms or in the manner we expect, and the costs incurred in connection with such wind-down activities may exceed our estimates. If the time to complete the wind-down takes longer than expected, or the actual costs or impairment charges exceed our estimates, the Company's business, operational results, financial position and cash flows could be adversely affected. The purpose of the Value Maximization Plan is. **We may incur additional charges in connection with the Vroom Ecommerce Wind- Down. The purpose of the Value Maximization Plan was** to wind-down our ecommerce operations, which were not profitable and had significant cash burn, in order to preserve cash and enable us to maximize stakeholder value through our remaining businesses, UACC and CarStory. As of **February 29-December 31**, 2024, we had cash and cash equivalents of approximately \$ 94-29. 0-3 million. Given our **Ecommerce wind-Wind - down-Down** expenses, including employee severance costs, our ongoing operating expenses and recent losses at UACC, there can be no assurance that we will succeed in **achieving** growing and enhancing the profitability of UACC and **creating** CarStory and create meaningful stakeholder value. Additionally, the **announced Ecommerce wind-Wind - down-Down** involves further risks, including: • **the ongoing cost of retaining (as was realized in connection with the payment of retention bonuses during the year ended December 31, 2024) and, in some cases,** the inability to retain qualified personnel necessary **to achieve our goals for UACC and CarStory** the wind-down during the wind-down period; • potential disruption of the operations of the rest of our businesses and diversion of management's attention from such businesses and operations; • exposure to unknown, contingent or other liabilities, including litigation arising in connection with the **Ecommerce wind-Wind - down-Down**; • negative impact on our business relationships, including but not limited to potential relationships with our customers, suppliers, vendors, licensees and employees; and • unintended negative consequences from changes to our business. If any of these or other factors impair our ability to successfully implement the wind-down **Value Maximization Plan**, **we may not realize its intended benefits and** we may not be able to realize other business opportunities as we may be required to spend additional time and incur additional expense relating to the wind-down **Value Maximization Plan** that otherwise would be used on the development, expansion and profitability of our other businesses, **any of** which could adversely impact our business, operational results, financial position and cash flows. We may not generate sufficient liquidity to operate our business. As of **February 29-December 31**, 2024, we had cash and cash equivalents of **approximately \$ 94-29. 3 million and restricted cash of \$ 49**. 0 million **and continue to meet our obligations to customers, vendors, counterparties and employees in the ordinary course of business**. We expect to use our cash and cash equivalents to finance our future capital requirements and UACC's **four** senior secured warehouse facility agreements (the "Warehouse Credit Facilities") to fund our finance receivables. Certain advance rates available to UACC on borrowings from the Warehouse Credit Facilities have decreased as a result of the increasing credit losses in UACC's portfolio and overall higher interest rates. Any future decreases on available advance rates may have an adverse impact on our liquidity. **We cannot assure you** **The Warehouse Credit Facilities were not impacted by the Prepackaged Chapter 11 Case and remain outstanding. If we are unable to maintain the Warehouse Credit Facilities that expire on varying dates in 2025 absent renewal, on favorable terms or at all, or if they are terminated or expire and are not renewed or we are unable to find a satisfactory replacement, we may be unable to fund our finance receivables, and our business, operational results, financial position and cash flows would be materially adversely affected. In addition, in April 2024, UACC sold approximately \$ 262. 5 million of rated asset-backed securities in an auto loan securitization transaction from a securitization trust, established and sponsored by UACC for proceeds of \$ 261. 3 million. The trust is collateralized by finance receivables with an aggregate principal balance of \$ 380. 1 million. These finance receivables are serviced by UACC. As a result of market conditions, UACC retained the Class E non-investment grade securities and residual interests, which will require us** generate sufficient revenue to offset the cost of maintaining our remaining operations, including significant accounting **account for** legal, administrative and other **the 2024- 1 securitization as secured borrowings** costs associated with being a public company, and to service **remain on balance sheet pending the sale of such retained interest interests**. In May and repay the outstanding Convertible Senior Notes due 2026-2024 (the "Notes") when due, UACC sold approximately \$ 37. 5 million of Class E non-investment grade securities that were initially **retained for proceeds of \$ 35. 9 million**. Our revenue growth may be adversely affected by **factors including** our inability to **maintain**, grow and develop the UACC and CarStory businesses; weakness in the automotive retail industry generally; general economic conditions, including **as a result of tariffs**, high interest rates and inflation; global pandemics and other public health emergencies; and increasing competition. Our historical revenue growth is not indicative of our future performance, particularly given the **Ecommerce wind-Wind - down-Down**. **We have not invested in growing CarStory's customer base since Vroom acquired CarStory, resulting in CarStory's revenue being concentrated in a small number of customers** our ecommerce business. If we are unable to **maintain**, grow and develop the UACC and CarStory businesses and generate sufficient revenue **and achieve profitability**, our business, financial condition and results of operations will be materially and adversely affected. Additionally, our cash needs may increase in the future as we focus on growing and developing the UACC and CarStory businesses. **In addition to our ongoing cash requirements, our liquidity will also be used to fund costs related to the wind-down**

of our e-commerce operations, primarily severance and early contract and lease termination payments. Such payments could be significant and have a material effect on our cash flows from operations. Our future capital requirements will depend on many factors, including **the impacts of our emergence from the Prepackaged Chapter 11 Case, our ability to realize the benefits of the Long-Term Strategic Plan,** available advance rates on **and the amendment and renewal of** the Warehouse Credit Facilities, **the ability to meet (our- or continue to meet, as the case may be) the requirements of Nasdaq for listing on the Nasdaq Stock Market LLC or any other exchange, the** ability to complete additional securitization transactions on terms favorable to us, **and our future credit losses -We have no significant debt maturities-, the ability to obtain the necessary financing to meet obligations and repay liabilities arising from business operations when they come** due until July 2026 and the payments on our securitization debt are funded by cashflows on the finance receivables within the securitization trusts. However, **the ability to generate and maintain sufficient cash, and the ability to generate profitable operations in the future. there-** There can be no assurance that our liquidity will be sufficient to achieve the objectives of our Value Maximization Long-Term Strategic Plan, **grow and develop UACC and CarStory, operate our business, or comply with the terms of our indebtedness. See" — UACC may be unable to continue to access or renew funding sources and obtain capital needed to maintain and grow its business" and " — Our indebtedness and liabilities could limit the cash flow available for our operations, expose us to risks that could materially adversely affect our business, financial condition and results of operations and impair our ability to satisfy our debt obligations."** We have a history of losses and we may not achieve or maintain profitability in the future. **We have Vroom has** not been profitable since **our its** inception in 2012 and had an accumulated deficit of approximately \$ **1,966.2, 125.8** million as of December 31, **2023-2024**. We incurred net losses of \$ **365-165, 5-1** million and \$ **451-364, 9-6** million for the years ended December 31, **2024 and 2023 and 2022**, respectively, **which includes \$ 26**. While the majority of our historic losses **9 million and \$ 279.5 million, respectively,** related to **net our** e-commerce business, UACC had a loss **from discontinued operations** before provision for income taxes of approximately \$ **41.2 million for the year ended December 31, 2023**. We may continue to incur significant losses in the future for a number of reasons, including increased losses on UACC's portfolio, our inability to **maintain,** grow and maximize the value of the UACC and CarStory businesses; weakness in the automotive retail industry generally; general economic conditions, including **as a result of tariffs,** high interest rates, inflation and unemployment; global pandemics and other public health emergencies; and increasing competition, as well as other risks described in this Annual Report on Form 10-K, and we may encounter unforeseen expenses, difficulties, complications and delays in achieving the goals of our Value Maximization Long-Term Strategic Plan. While we have significantly reduced our operating expenses as part of our Value Maximization Plan, we expect to continue incurring operating expenses as we invest in the UACC and CarStory businesses, including investments in technology development for those businesses. In addition, we **incurred significant expenses in connection with the Prepackaged Chapter 11 Case and our emergence from bankruptcy, and** anticipate continued legal, accounting, administrative and other expenses as a public company. As a result of these expenditures, we will have to generate and sustain revenue sufficient to offset our operating expenses in order to achieve and maintain profitability. Our **level of indebtedness could have a material adverse effect on our ability to generate sufficient cash to fulfill our obligations under such indebtedness, to react to changes in our business and to incur additional indebtedness to fund future needs.** As of December 31, 2023, we had outstanding \$ **151.2** million aggregate principal amount of borrowings under our 2022 Vehicle Floorplan Facility and \$ **290.5** million aggregate principal amount of our Notes. For the year ended December 31, 2023, our interest expense was \$ **19.5** million related to the 2022 Vehicle Floorplan Facility, and \$ **4.3** million related to the Notes. In addition, as of December 31, 2023, UACC had \$ **314.1** million of securitization indebtedness as well as its Warehouse Credit Facilities with banking institutions, with an aggregate borrowing limit of \$ **825.0** million. As of December 31, 2023, there was \$ **421.3** million in outstanding borrowings related to the Warehouse Credit Facilities. In 2023, we repurchased \$ **74.2** million in aggregate principal amount of our Notes, net of deferred issuance costs of \$ **3.7** million, in open market transactions for \$ **36.5** million. Subject to market conditions and availability, we may continue to opportunistically repurchase Notes from time to time to reduce our outstanding indebtedness at a discount. However, as we approach the July 2026 maturity date, we may be unable to repay, restructure or refinance the remaining Notes on commercially reasonable terms or at all. If our cash flows and capital resources are insufficient to fund our debt service obligations going forward, we may be forced to reduce or delay investments and capital expenditures, or to sell assets, seek additional capital or restructure or refinance our indebtedness. If new debt is added to our current indebtedness level, the related risks that we face could intensify. Our remaining Notes will mature on July 1, 2026, and our ability to service the interest and repay the Notes when due will depend on our ability to generate sufficient cash. Our ability to restructure or refinance our current or future debt, including the Notes, or obtain additional debt financing will depend on the condition of the capital markets and our financial condition at such time, including the execution of our Value Maximization Plan and our ability to grow and enhance the profitability of the UACC and CarStory businesses. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. Any failure to make payments of interest and principal on our outstanding indebtedness on a timely basis or failure to comply with certain restrictions in our debt instruments would result in a default under our debt instruments. In the event of a default under any of our current or future debt instruments, the lenders could elect to declare all amounts outstanding under such debt instruments to be due and payable. 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. As of December 31, **2023-2024**, **UACC** we, including our subsidiaries, had approximately \$ **353** 1,199. **4** 0 million principal amount of consolidated indebtedness. Of that amount, \$ **151.2** million aggregate principal amount of borrowings under our 2022 Vehicle Floorplan Facility has been paid in full, and \$ **314.1** million of securitization debt is funded by cashflows on receivables within the securitization trusts **and \$ 359.9 million in outstanding borrowings related to the Warehouse Credit Facilities. Following emergence from the Prepackaged Chapter 11 Case on January 14, 2025, we do**

not hold any long-term debt at the Vroom, Inc. level. Our **UACC** indebtedness could have significant negative consequences for our security holders and our business, results of operations and financial condition by, among other things: • increasing our vulnerability to adverse economic and industry conditions; • limiting our ability to obtain additional financing; • requiring the dedication of a substantial portion of our cash flow from operations to service our indebtedness, which will reduce the amount of cash available for other purposes, including the successful execution of our **Value Maximization Plan**; • limiting our flexibility to plan for, or react to, changes in our business; • and • placing us at a possible competitive disadvantage with competitors that are less leveraged than us or have better access to capital. Our business may not generate sufficient funds, and we may otherwise be unable to maintain sufficient cash reserves, or to pay amounts due under our indebtedness, and our cash needs may increase in the future. In addition, our existing indebtedness contains, and any future indebtedness that we may incur may contain, financial and other restrictive covenants that may limit our ability to operate our business, raise capital or make payments under our other indebtedness. For example, on December 21, 2023, we received written notice from Nasdaq notifying us that, for the prior 30 consecutive business days, the bid price for our common stock had closed below the \$ 1.00 minimum bid price requirement for continued inclusion on the Nasdaq Global Select Market. On February 13, 2024, after obtaining stockholder approval, we effected a 1-for-80 reverse stock split (the “Reverse Stock Split”), and our stock began trading on a post-split adjusted basis on February 14, 2024. On February 29, 2024, we were notified by Nasdaq Listing Qualifications that the closing bid price of our common stock had been at \$ 1.00 per share or greater for 11 consecutive business days, from February 14, 2024 to February 28, 2024. Accordingly, the Company has regained compliance with Nasdaq Listing Rule 5450 (a) (1) and this matter is now closed. However, if our common stock again closes below the \$ 1.00 per share minimum bid price required by Nasdaq for 30 consecutive business days, we again would receive another notice of non-compliance with Nasdaq’s listing standards and would face the risk of delisting. There can be no assurance that our common stock will continue to close at or above the \$ 1.00 per share minimum bid price as required by Nasdaq, or that we will otherwise meet the requirements of Nasdaq for continued listing on Nasdaq Global Select Market. The delisting of our common stock from the Nasdaq Global Select Market would constitute a fundamental change under the terms of our Indenture and make our Notes redeemable at par upon delisting. If we fail to comply with these covenants or to make payments under our indebtedness when due, then we would be in default under that indebtedness, which could, in turn, result in that and our other indebtedness becoming immediately payable in full. We recognized an impairment charge related to goodwill and long-lived assets. If our amortizable intangible assets or remaining long-lived assets become impaired in the future, we would incur additional impairment charges, which would negatively affect our operating results. Our goodwill was fully impaired as of December 31, 2022. We also recognized impairment charges of \$ 48.5.72 million related to long-lived assets during the year ended December 31, 2023-2024. If our amortizable intangible assets or remaining long-lived assets become impaired in the future, we would incur additional impairment charges, which would negatively affect our results of operations. There is significant judgment required in the analysis of a potential impairment of identified intangible assets and other long-lived assets. Impairment may result from, among other things, significant changes in the manner of use of the acquired assets, negative industry or economic trends and / or significant underperformance relative to historic or projected operating results. See Notes 7 and 12 to the Company’s Consolidated Financial Statements. We may experience seasonal and other fluctuations in our quarterly results of operations, which may not fully reflect the underlying performance of our business. We expect our quarterly results of operations, including our yield, net spreads, risk-adjusted margins, credit losses and cash flow to vary significantly in the future based in part on vehicle-buying patterns **and macroeconomic conditions**. Vehicle sales historically have exhibited seasonality, with an increase in sales early in the year that reaches its highest point late in the first quarter and early in the second quarter, which then levels off through the rest of the year with the lowest level of sales in the fourth quarter. This seasonality historically corresponds with the timing of income tax refunds, which can provide a primary source of funds for customers’ payments on used vehicle purchases. Used vehicle prices also exhibit seasonality, with used vehicles depreciating at a faster rate in the last two quarters of each year and a slower rate in the first two quarters of each year. 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. Other factors that may cause our quarterly results to fluctuate include, without limitation: • the progress of our **Value Maximization-Long-Term Strategic Plan**; • our liquidity and ability to raise capital through equity or debt financings; • our ability to complete securitization transactions on favorable terms; • our future credit losses; • increases in vehicle prices; • changes in the competitive dynamics of our industry; • the regulatory environment; • macroeconomic conditions, including **as a result of tariffs**, interest rates, inflation, unemployment and underemployment rates, vehicle supply and demand and labor costs; • changes that impact disposable income, including changes that impact the timing or amount of income tax refunds; and • litigation or other claims against us and increased legal and regulatory expenses. In addition, a significant portion of our expenses are fixed and do not vary proportionately with fluctuations in revenues. As a result of these seasonal fluctuations, our results in any quarter may not be indicative of the results we may achieve in any subsequent quarter or for the full year, and period-to-period comparisons of our results of operations may not be meaningful. Risks Related to Our Operations 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. Changes in demographics and population, local and regional downturns or severe weather conditions and other catastrophic occurrences in any of the states where UACC has a high concentration of borrowers or dealership partners could result in payment delays and increased risk of losses and could materially and adversely affect our revenues and results of operations. During the year ended December 31, 2023-2024, 36-41.9-03 % of UACC’s originations were located in UACC’s three largest states (measured by aggregate financed amount). While we believe that we have a diverse geographic presence, we expect that these three states will continue to generate significant amounts of our loans due to economic, demographic, regulatory, competitive and other conditions in these

states. Adverse developments in these states could lead to reduced demand for automotive financing, and could materially adversely affect our financial condition and results of operations. We depend on key personnel to operate our business, and if we are unable to retain, integrate, **adequately compensate**, and attract qualified personnel, our ability to develop and successfully grow our business could be harmed. We believe our success has depended, and continues to depend, on the efforts and talents of our executives and employees. Our future success depends on our continuing ability to retain, develop, motivate and attract highly qualified and skilled employees. Qualified individuals are in high demand, and we may incur significant costs to retain and attract them. In particular, we are highly dependent on the services of our leadership team to the development of our business, future vision, and strategic direction, including as we realign our business in accordance with the **Long-Term Strategic Plan**. During the year ended December 31, 2024, we had a number of transitions occur on our senior leadership team, including with respect to our Chief Financial Officer and Chief Legal Officer roles. Additionally, as a result of the Value Maximization Plan, ~~On February 29, 2024, James G. Vagim, III, our business relies more heavily on the performance of UACC's Co-President and CarStory Chief Executive Officer, and therefore Ravi Gandhi, UACC's Co-President and Chief Financial Officer stepped down. The Company's Chief Executive Officer, Tom Shortt succeeded Mr. Vagim as President and Chief Executive Officer, and the Company's Vice President of Investor Relations and Financial Planning & Analysis, Jon Sandison, succeeded Mr. Gandhi as UACC's Chief Financial Officer.~~ **on the key personnel from those subsidiaries and any other key management positions that may experience turnover in the future**. Our future performance will depend, in part, on the successful transition of these positions and our **emergence from bankruptcy**. We heavily rely on the continued service and performance of our senior management team, which provides leadership, contributes to the core areas of our business and helps us to efficiently execute our business, including with respect to strategic initiatives such as our **Value Maximization Long-Term Strategic Plan** and our **emergence from bankruptcy**. If members of our senior management team, including our executive leadership, **become unavailable, including due to personal circumstances or if they** become ill, or if we are otherwise unable to retain them, we may not be able to manage our business effectively and, as a result, our business and operating results could be harmed. If the senior management team, including any new hires that we make, fails to work together effectively and to execute our plans and strategies on a timely basis, **or if we are unable to retain key employees in a cost-effective manner or at all**, then our business and future growth prospects could be harmed. In addition, we issue equity awards to certain of our employees as part of our hiring and retention efforts, and job candidates and existing employees often consider the value of the equity awards they receive in connection with their employment. Our employees' **ability inability** to sell their shares in the public market at times and / or at prices desired may lead to a larger than normal turnover rate. ~~The~~ **Historically, the** market value of our common stock has declined significantly. **Additionally, our common stock was suspended from trading on the Nasdaq Global Select Market as a result of our Prepackaged Chapter 11 Case. On February 20, 2025, our newly issued common stock was delisted from trading on the Nasdaq Global Select Market.** If the actual or perceived value of our common stock does not recover, or if ~~we are not able to list our~~ **or remain** common stock is ~~delisted~~ **listed on a national securities exchange** from the Nasdaq Global Select Market, it may adversely affect our ability to hire or retain employees. See "— We may be unable to satisfy a ~~continued Nasdaq~~ listing rule from the Nasdaq **or that of another national securities exchange.**" In addition, we may periodically change our equity compensation practices, which may include reducing the number of employees eligible for equity awards or reducing the size or value of equity awards granted per employee or undertaking other efforts that may prove to be an unsuccessful retention mechanism. If we are unable to **make meaningful equity awards to our employees or directors, or otherwise fail to** attract, integrate, **adequately compensate**, or retain the qualified and highly skilled personnel required to fulfill our current or future needs, our business and future growth prospects could be harmed. Furthermore, in light of the reduction in headcount as part of our Value Maximization Plan **and the impact of the Prepackaged Chapter 11 Case and our emergence from bankruptcy**, we may find it difficult to maintain valuable aspects of our culture, to prevent a negative effect on employee morale or attrition beyond our planned reduction in headcount, and to attract competent personnel who are willing to embrace our culture in the future. Our executive officers and other employees are at-will employees, which means they may terminate their employment relationship with us at any time, and their knowledge of our business and industry would be extremely difficult to replace. We may not be able to retain the services of any members of our senior management or other key employees, particularly in light of the ~~discontinuance of our e-commerce~~ **E-commerce** business and ~~wind-down~~ **Wind-down** of our used vehicle dealership business. If we do not succeed in retaining and motivating existing employees or attracting well-qualified employees in the future, our business, financial condition and results of operations could be materially and adversely affected. 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. We are subject to various litigation matters from time to time, the outcome of which could have a material adverse effect on our business, financial condition and results of operations. Claims arising out of actual or alleged violations of law could be asserted against us by individuals, either individually or through class actions, by governmental entities in civil or criminal investigations and proceedings or by other entities. These claims could be asserted under a variety of laws, including but not limited to consumer finance laws, consumer protection laws, intellectual property laws, privacy laws, labor and employment laws, securities laws and employee benefit laws. These actions could expose us to adverse publicity and to substantial monetary damages and legal defense costs, injunctive relief and criminal and civil fines and penalties, including but not limited to suspension or revocation of licenses to conduct business. For example, a consolidated class action is pending in the U. S. District Court for the Southern District of New York asserting claims on behalf of a putative class of Company stockholders against us, certain of our officers, and certain of our directors, among others, alleging violations of the federal securities laws. We also are a party to certain stockholder derivative suits in which the Company is named as a nominal defendant in suits that various individual stockholders seek to bring on behalf of the Company against certain of our current and former directors and officers. These suits are pending in the U. S. District Court for the Southern District of New York and the

U. S. District Court for the District of Delaware and are based on the same general course of conduct alleged in the consolidated securities class action. We believe these lawsuits are without merit and intend to vigorously contest these claims. ~~s plan of reorganization.~~In January 2022, the Company received a non- public civil investigative demand from the Federal Trade Commission (“FTC”), seeking the production of information related to certain of the Company's business practices and the Company responded to those information requests. On February 23, 2024, the FTC notified the Company that it has reason to believe that the Company violated Section 5 (a) of the Federal Trade Commission Act, 15 U.S.C. § 45 (a); the FTC's Mail, Internet, or Telephone Order Merchandise Rule, 16 C.F.R. Part 435; the FTC's Used Motor Vehicle Trade Regulation Rule, 16 C.F.R. Part 455; and the FTC's Pre- Sale Availability Rule, 16 C.F.R. Part 702. On May 6, 2024, Vroom, Inc., Vroom Automotive, LLC and the FTC reached an agreement to resolve the FTC's allegations without any admission of wrongdoing by either Vroom entity, subject to final approval by the FTC and the court. Under the agreement, the Company agreed to pay a total of \$ 1 million in customer redress and abide permanently by an injunction. The FTC issued its final approval of the agreement on July 2, 2024, and a mutually agreed upon order reflecting the agreement was entered by the Court on July 10, 2024. The case is captioned Federal Trade Commission v. Vroom, Inc. et al., Case No. 4:24- cv- 02496. In addition, in April 2022, the Attorney General of Texas filed a lawsuit on behalf of the State of Texas in the District Court of Travis County, Texas against the Company, alleging violation of the Texas Deceptive Trade Practices – Consumer Protection Act and Texas Business and Commerce Code § 17.41 et seq. In December 2023, Vroom, Inc., Vroom Automotive, LLC and the Attorney General of the State of Texas reached a final agreement to resolve all claims in the petition, without any admission of wrongdoing by either Vroom entity. Under the agreement, the Company **will** agree to pay a total of \$ 2 million in civil penalties and \$ 1 million in attorneys' fees, with the first half due in September 2024 and the remaining half due in September 2025, and abide permanently by an injunction of certain operational practices that were previously implemented. The agreement was approved by the District Court of Travis County on December 13, 2023. ~~It is not possible to predict with certainty what, if any, future litigation we may become involved in, nor the final resolution of such litigation. The impact of any such litigation on our businesses and financial stability, however, could be material.~~ See Part I, Item 3. “ Legal Proceedings ” for more information about these matters and the other legal proceedings to which we are subject. Risks Related to the UACC 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 provides indirect financing by drawing on its Warehouse Credit Facilities to purchase retail installment sales contracts ~~from automotive dealers~~ and pledging eligible finance receivables as collateral, then typically selling the receivables related to the retail installment sales contracts. Certain advance rates available to UACC on borrowings from the Warehouse Credit Facilities have decreased as a result of the increasing credit losses in UACC's portfolio and overall rising interest rates. Any future decreases on available advance rates may have an adverse impact on our liquidity. In addition, UACC has entered into arrangements to sell automotive finance receivables that it purchases, through securitizations, and we expect UACC to enter into additional securitizations in the future, subject to market conditions. If UACC is not able to sell receivables under these current or future arrangements for a variety of reasons, including increased credit losses or because it has reached its capacity under the arrangements, its financing partners exercise termination rights before it reaches capacity, general economic or credit market conditions, market disruption or it reaches the scheduled expiration date of the commitment, and it is not able to enter into new arrangements on similar terms, it may not have adequate liquidity and our business, financial condition and results of operations may be adversely affected. For example, as a result of market conditions at the time, which led to unfavorable pricing, we retained the non- investment grade securities and residual interests in UACC's 2023- 1 securitization, requiring that the transaction remain on balance sheet pending the sale of the additional retained interests. Although we subsequently sold the non- investment grade securities, we continue to hold the residual interests. There can be no assurance that these residual interests will be sold and off- balance sheet treatment will be achieved in the future for this transaction. Furthermore, if we are unable to sell the residual interests, we could be subject to credit risk and be forced to incur unexpected asset write- offs and bad- debt expense. In addition, as a result of high interest rates, the current inflationary environment and vehicle depreciation in the used automotive industry, UACC has been experiencing higher loss severity. **Due to the increased loss severity, UACC elected to waive monthly servicing fees related to the 2022- 2 securitization transaction in the first quarter of 2023. The waiver of monthly servicing fees related to the 2022- 2 securitization transaction resulted in consolidation of the related finance receivables and securitization debt on our financial statements.** Waiver of monthly servicing fees also results in reduced servicing income. Any future waivers of monthly servicing fees on other prior off- balance sheet securitization transactions could result in consolidation of such transactions. Such future consolidations could increase our indebtedness and may have a material adverse effect on our results of operations, financial condition and liquidity. 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. UACC has securitized, and we expect will in the future securitize, certain of its automotive finance receivables to generate cash. In such transactions, it conveys a pool of automotive finance receivables to a special purpose vehicle, typically a trust that, in turn, issues certain securities. The securities issued by the special purpose vehicle are collateralized by the pool of automotive finance receivables. In exchange for the transfer of finance receivables to the special purpose vehicle, UACC receives the cash proceeds from the sale of the securities. There can be no assurance that UACC will be able to complete additional securitizations in the future, particularly if the securitization markets become constrained. In addition, the value of any securities that UACC may retain in its securitizations, including securities retained to comply with applicable risk retention rules, might be reduced or, in some cases, eliminated as a result of an adverse change in economic conditions, the financial markets or credit performance. For example, on March 1, 2024, **2023,** UACC's BB- rated securities from the 2022- 2 securitization transaction were downgraded by one ratings agency to a CCC rating. ~~On September 19, 2024, these same securities were subsequently downgraded to a CC rating.~~ UACC's other rated securities may also be downgraded or put on negative credit watch. **Furthermore, although our intent is**

to sell receivables originated by UACC using off- balance sheet securitization transactions,even if UACC is able to complete its securitizations,those securitizations may not qualify for sales accounting if market conditions do not allow for the sale of lower- rated securities or residual certificates. In addition,as a result of higher interest rates,the current inflationary environment and vehicle depreciation in the used automotive industry,UACC is experiencing higher portfolio losses.The increased losses could lead to reduced servicing income if UACC elects to waive monthly servicing fees going forward as it did in the first quarter of 2023 on the 2022- 2 securitization transaction.The waiver of monthly servicing fees on the 2022- 2 securitization transaction resulted in consolidation of the related finance receivables and securitization debt on Vroom' s financial statements.If it is not possible or economical for UACC to securitize its automotive finance receivables in the future,it would need to seek alternative financing to support its operations and to meet its existing debt obligations,which may be less efficient and more expensive than raising capital via securitizations and may have a material adverse effect on our results of operations,financial condition,and liquidity.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.UACC specializes in the purchase and servicing of contracts to finance vehicle purchases primarily by non- prime customers,including those who have limited credit history,past credit problems,or low income.Such contracts generally have a higher risk of non- performance,and may result in higher delinquencies and higher losses than contracts with customers who have higher credit ratings.UACC is currently experiencing increasing credit losses on its finance receivables,which has negatively impacted the fair value of our financial receivables and increased the losses recognized during **2022 and 2023 and 2024.** Increasing credit losses negatively impacted our business during 2023 and **2024 and** we expect these credit losses to continue to negatively impact our business during **2025-2024.** Due to the **Ecommerce Wind- wind - Down-down of our ecommerce business**,UACC has become our largest business and our results of operations and financial condition are increasingly vulnerable to adverse developments in UACC' s business.Until UACC sells automotive finance receivables,and to the extent it retains interests in those receivables after it sells them,whether pursuant to securitization transactions or otherwise,UACC is exposed to the risk that certain customers will be unable or unwilling to repay their retail installment sales contracts according to their terms and that the vehicle collateral securing the payment of those retail installment sales contracts may not be sufficient to ensure full repayment.Additionally,higher energy prices (including the price of gasoline) and other consumer prices,unstable real estate values,reset of adjustable- rate mortgages to higher interest rates,geopolitical tensions **around (including outbreaks of military hostilities such as the world- ongoing geopolitical conflicts and war in Europe and the Middle East)**, interest rate increases,regional bank failures,inflation **the impact of tariffs**, and other factors can affect consumer confidence and disposable income.While credit losses are inherent in the automotive finance receivables market,these conditions can increase loss frequency and severity,decrease consumer demand for motor vehicles and weaken collateral values on certain types of motor vehicles in any period of extended economic slowdown or recession and could have a material adverse effect on our results of operations and financial condition. **Because UACC focuses predominately on** s origination mix is **mostly comprised of** non- prime borrowers, and the actual rates of delinquencies,defaults,repossessions and losses on its receivables are higher and more volatile than those experienced in the general motor vehicle finance industry and may be adversely affected to a greater extent during an economic downturn.In addition,caps on interest rates by individual states may limit UACC' s ability to offset rising interest rates against automotive financing rates it offers to dealers.UACC makes various assumptions and judgments about the automotive finance receivables it originates or purchases and may establish a valuation allowance and value beneficial ownership interests based on a number of factors.Although management may establish a valuation allowance and value beneficial ownership interests based on analysis it believes is appropriate,this may not be adequate,particularly in periods of increased industry- wide vehicle depreciation rates **,which we are currently experiencing** .For example,if economic conditions were to deteriorate unexpectedly,additional credit losses not incorporated in the existing valuation may occur.Several variables have affected UACC' s recent loss and delinquency rates,including general economic conditions and market interest rates,and such variables are likely to differ in the future.In particular,given the impact the COVID- 19 pandemic had on the economy and individuals,including the associated stimulus programs,historical loss and delinquency expectations may not accurately predict the performance of UACC' s receivables and impact its ability to effectively forecast loss rates.Losses in excess of expectations could have a material adverse effect on our results of operations and financial condition.Further,the rate of prepayments cannot be predicted and may be influenced by a variety of factors,including changes in the economic and social conditions of our borrowers.UACC relies on its internally developed credit scoring systems to forecast loss rates of the automotive finance receivables it originates or purchases.If it relies on systems that fail to effectively forecast loss rates on receivables it originates or purchases,those receivables may suffer higher losses than expected.UACC' s credit scoring systems were developed prior to the onset of the COVID- 19 pandemic and,accordingly,were not designed to take into account the effect of the economic,financial and social disruptions resulting from the pandemic,including the associated stimulus programs.Additionally,as noted above,we believe that the impact of the pandemic on the economy and individuals led to loss and delinquency expectations that may not accurately predict the performance of UACC' s receivables.UACC generally seeks to sell these receivables through securitization transactions.If the receivables it sells experience higher loss rates than forecasted,it may be unable to sell those receivables or may obtain less favorable pricing on the receivables it sells in the future and suffer reputational harm in the marketplace for the receivables it sells and its results of operations and financial condition may be adversely affected.If UACC holds receivables that it originates on its balance sheet until it sells them in securitization transactions or,in the future,through loan sales to its financing partners or other arrangements,then to the extent those receivables fail to perform during its holding period,they may become ineligible for sale.If UACC' s dealers do not submit a sufficient number of suitable automobile contracts to UACC for purchase,its results of operations may be impaired.UACC is dependent upon establishing and maintaining relationships with a large number of

manufacturer- franchised and independent motor vehicle dealers to supply it with automobile contracts. During the years ended December 31, 2020 through ~~2024~~ **2023**, no single dealer accounted for 1 % or more of the automobile contracts UACC purchased, other than Vroom, through our former ecommerce business, **which accounted for approximately 22 % of UACC' s automobile contracts in 2023**. The agreements UACC has with dealers to purchase automobile contracts do not require dealers to submit a minimum number of automobile contracts for purchase. The failure of dealers to submit automobile contracts that meet UACC' s underwriting criteria could result in reductions in its revenues or the cash flows available to it, and, therefore, could have an adverse effect on UACC' s and our results of operations. As of ~~January~~ **December 31, 2024** ~~2023~~, ~~when we commenced the Ecommerce Wind- Down~~, automobile contracts originated from Vroom customers or purchased from Vroom represented approximately ~~30~~ **29.7%** of UACC' s total serviced loan portfolio. If UACC is unable to replace the volume of automobile contracts it previously ~~originated through~~ **received from** Vroom' s ecommerce business, our business, financial condition, and ~~operating~~ **results of operations** could be materially adversely affected. If UACC loses servicing rights on its automobile contracts, our results of operations would be impaired. UACC is entitled to receive servicing fees only when it acts as servicer under the applicable sale and servicing agreements governing its Warehouse Credit Facilities and securitizations. Under such agreements, UACC may be terminated as servicer upon the occurrence of certain events, including: • its failure to observe and perform its duties and responsibilities and comply with other covenants; • certain bankruptcy events; and • the occurrence of certain events of default under the documents governing the facilities. The loss of servicing rights could materially and adversely affect our results of operations, financial condition and cash flows. Risk retention rules may limit UACC' s liquidity and increase UACC' s capital requirements. Securitizations of automobile receivables are subject to risk retention rules under Federal law, which generally require that sponsors of asset- backed securities (ABS), such as UACC, retain no less than five percent of the credit risk of the assets collateralizing the ABS issuance. The rules also set forth prohibitions on transferring or hedging the credit risk that the sponsor is required to retain. Because the rules place an upper limit on the degree to which UACC may use financial leverage, its securitization structures may require more capital, or may release less cash, than might be the case in the absence of such rules. UACC may be unable to continue to access or renew funding sources and obtain capital needed to maintain and grow its business. UACC uses debt financing to maintain and grow its business. **It UACC relies on borrowings under senior secured 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 two years and we typically renew those facilities in the ordinary course. UACC currently has four utilizes its** Warehouse Credit Facilities, all of which have terms expiring between July 2025 and **securitizations** June 2026. See Note 10, Warehouse Credit Facilities and Consolidated VIEs, to **fund** the Condensed Consolidated Financial Statements included elsewhere in this Annual Report on Form 10- K and " UACC may be unable to continue to access or renew funding sources and obtain capital needed to maintain and grow its business." We have commenced discussions with our lenders under the Warehouse Credit Facilities regarding amended facilities that would extend the terms beyond the current expiration dates and have finalized a renewal agreement with one such lender. Failure to secure sufficient warehouse borrowing capacity beyond the expiration of the remaining facilities in 2025 would have a material adverse effect on our ability to finance UACC' s lending operations and our results of operations and liquidity **needs**. We cannot guarantee that the Warehouse Credit Facilities will continue to be available beyond their current maturity dates, on acceptable terms, or at all, or that UACC will be able to obtain additional financing on acceptable terms or at all. The availability of additional financing will depend on a variety of factors such as market conditions, the general availability of credit, the losses incurred in UACC' s loan portfolio, UACC' s financial position, its results of operations, and the capacity for additional borrowing under its existing financing arrangements. If UACC' s various financing alternatives were to become limited or unavailable, it may be unable to maintain or grow ~~origination loan~~ volume at the level that we anticipate and our financial condition and results of operations ~~would~~ **could** be materially adversely affected. Risks Related to Cybersecurity and Privacy An actual or perceived failure to maintain the security of personal information and other customer data that we collect, store, process, and use could harm our business, financial condition and results of operations. We and certain of our third-party providers collect, maintain and process data about current and prospective customers, employees, business partners and others, including personally identifiable information, as well as proprietary information belonging to our business such as trade secrets (collectively, " Confidential Information"). We rely on computer systems, hardware, software, technology infrastructure and online sites and networks for both internal and external operations that are critical to our business (collectively, " IT Systems"). We own and manage some of these IT Systems but also rely on third parties that are not directly under our control to manage certain areas of these operations. For example, we rely on encryption, storage, and processing technology developed by third parties to securely transmit, operate on and store such information. Successful cyberattacks that disrupt or result in unauthorized access to third party IT Systems can materially impact our operation and financial results. Due to the volume and sensitivity of the personal information and data we and these third parties manage and expect to manage in the future, as well as the nature of our customer base, the security features of our information systems are critical. Any failure or perceived failure by us or by third parties who access our IT Systems and / or Confidential Information to maintain the security of personal and other data that is provided to us by customers, employees and vendors could harm our reputation and brand and expose us to a risk of loss or litigation and possible liability, any of which could adversely affect our business, financial condition, and results of operations. While we employ a number of security measures designed to protect the security of our IT Systems and Confidential Information, there can be no assurance that our cybersecurity risk management program and processes, including our policies, controls or procedures, and of third parties we rely on will be fully implemented, complied with ~~or our~~ effective in protecting our IT Systems and Confidential Information. Additionally, concerns about our practices with regard to the collection, use or disclosure of personal information or other privacy- related matters, even if unfounded, could harm our business, financial condition and results of operations. We are subject to numerous federal, state and local laws, regulations and industry standards regarding privacy, cybersecurity and the collection, use, disclosure and other processing of personal

information and other data. The scope and interpretation of these laws continue to evolve and may be inconsistent across jurisdictions. New laws also may be enacted. See " — Failure to comply with federal, state and local laws and regulations relating to privacy, data protection and consumer protection, or the expansion of current or the enactment of new laws or regulations relating to privacy, data protection and consumer protection, as well as our actual or perceived failure to protect such information could harm our reputation and could adversely affect our business, financial condition and results of operations." Further, we are subject to contractual requirements and others' privacy policies that govern how we use and protect personal information and other data. These obligations may be interpreted and applied inconsistently and may conflict with other rules or our practices. Any failure or perceived failure by us to comply with our privacy policies or obligations may result in ~~regulatory investigations, governmental enforcement actions, litigation (such as class actions), fines or penalties~~ or negative publicity that could have an adverse effect on our business. If our third-party service providers violate applicable laws, contractual obligations or our policies, then such violations also may put consumer, employee and vendor information at risk and could, in turn, harm our reputation, business and operating results. 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. Threat actors are increasingly sophisticated and can operate large-scale complex automated attacks ~~using tools — including artificial intelligence — that circumvent security controls, evade detection and remove forensic evidence~~. Similar to most IT systems and companies, we face a consistent threat from cyber-attacks, viruses, malicious software, physical break-ins, theft, ransomware, phishing, social engineering, unintentional employee error or malfeasance, system availability, and other security breaches ~~including malicious code embedded in open-source software, misconfigurations, "bugs" or other vulnerabilities in commercial software that is integrated into our (or our suppliers' or service providers') IT Systems, products or services that could compromise the confidentiality, integrity and availability of our IT Systems and Confidential Information~~. Further, third-party hosts or service providers are also a source of security concerns as it relates to failures of their own security systems and infrastructure. Our technology infrastructure may be subject to increased risk of slowdown or interruption as a result of integration with third-party services, including cloud services, and / or failures by such third parties, which are beyond our control. ~~Remote and hybrid working arrangements at our company (and at many third-party providers) also increase cybersecurity risks due to the challenges associated with managing remote computing assets and security vulnerabilities that are present in many non-corporate and home networks. Additionally, any integration of artificial intelligence in our or any service providers' operations, products or services is expected to pose new or unknown cybersecurity risks and challenges~~. The costs to eliminate or address evolving security threats and vulnerabilities before or after a cyber-incident could be significant. Our remediation efforts may not be successful and could result in interruptions, delays or cessation of service and loss of existing or potential suppliers or players, any of which could lead to negative reputational impacts. Although we have insurance coverage for losses associated with cyber-attacks, as with all insurance policies, there are coverage exclusions and limitations, and our coverage may not be sufficient to cover all possible claims, and we may still suffer losses that could have a material adverse effect on our business, including reputational damage. ~~Further, we cannot guarantee that applicable insurance will be available to us in the future on economically reasonable terms or at all~~. We also could be negatively impacted by existing and proposed U.S. laws and regulations, and government policies and practices related to cybersecurity, data privacy, and data localization. In the event that we or our service providers are unable to prevent, detect, and remediate the foregoing security threats and risks, our operations could be disrupted or we could incur financial, legal or reputational losses arising from misappropriation, misuse, leakage, falsification or intentional or accidental release or loss of information maintained in our ~~IT Systems and Confidential Information~~ **information systems and networks, including personal information of our employees and our customers**. There are numerous federal, state and local laws ~~and regulations~~ regarding privacy and the collection, processing, storing, sharing, disclosing, using and protecting of personal information and other data, the scope of which are ~~constantly~~ changing, subject to differing interpretations, and which may be costly to comply with, inconsistent between jurisdictions or conflicting with other rules. We are also subject to specific contractual requirements contained in third-party agreements governing our use and protection of personal information and other data. We **generally comply with industry standards and** are subject to the terms of our privacy policies and the privacy- and security- related obligations to third parties. We strive to comply with applicable laws, policies, legal obligations and industry codes of conduct relating to privacy and data protection, to the extent possible. However, it is possible that these obligations may be interpreted and applied in new ways or in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or our practices. Additionally, new regulations could be enacted with which we are not familiar. Any failure or perceived failure by us to comply with our privacy policies, our privacy- related obligations to customers or other third parties, **or** our privacy- related legal obligations or any compromise of security that results in the unauthorized release or transfer of sensitive information, which may include personally identifiable information or other customer data, may result in governmental enforcement actions, litigation or public statements against us by consumer advocacy groups or others and could cause customers, vendors and third-party business partners to lose trust in us, which could have a material adverse effect on our business, financial condition and results of operations. Additionally, if vendors, developers or other third parties that we work with violate applicable laws or our policies, such violations may also put customers', vendors' or receivables- purchasers' information at risk and could in turn harm our business, financial condition and results of operations. ~~Moreover, laws, regulations, and standards covering marketing, advertising, and other activities conducted by telephone, email, mobile devices, and the internet may be or become applicable to our business, such as the Federal Communications Act, the Federal Wiretap Act, the Electronic Communications Privacy Act, the Telephone Consumer Protection Act (the "TCPA"), the Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (the "CAN-SPAM Act"), and similar state consumer protection and communication privacy laws, such as California's Invasion of Privacy Act. We use telephone calls and send short message service ("SMS") text messages to customers. The actual or perceived improper sending of text messages may subject us to potential risks, including~~

liabilities or claims relating to consumer protection laws such as the TCPA. Numerous class-action suits under federal and state laws have been filed in recent years against companies who conduct telemarketing and / or SMS-texting programs, with many resulting in multi-million-dollar settlements to the plaintiffs. Any future such litigation against us could be costly and time-consuming to defend. In particular, the TCPA imposes significant restrictions on the ability to make telephone calls or send text messages to mobile telephone numbers without the prior consent of the person being contacted. Federal or state regulatory authorities or private litigants may claim that the notices and disclosures we provide, form of consents we obtain or our outreach practices are not adequate or violate applicable law. This may in the future result in civil claims against us. Claims that we have violated the TCPA could be costly to litigate, whether or not they have merit, and could expose us to substantial statutory damages or costly settlements. We may send marketing messages via email, subjecting us to the CAN-SPAM Act. The CAN-SPAM Act imposes certain obligations regarding the content of emails and providing opt-outs (with the corresponding requirement to honor such opt-outs promptly). While we strive to ensure that all of our marketing communications comply with the requirements set forth in the CAN-SPAM Act, any violations could result in the Federal Trade Commission seeking civil penalties against us. We expect that industry standards, laws and regulations will continue to develop regarding privacy, data protection, information security and artificial intelligence in many jurisdictions. In recent years, certain states have adopted or modified data privacy and security laws and regulations that may apply to our business. For example, the California Consumer Privacy Act ("CCPA") requires businesses that process personal information of California residents to, among other things: provide certain disclosures to California residents regarding the business's collection, use, and disclosure of their personal information; receive and respond to requests from California residents to access, delete, and correct their personal information, or to opt-out of certain disclosures of their personal information; and enter into specific contractual provisions with service providers that process California resident personal information on the business's behalf. The enactment of the CCPA is prompting a wave of similar legislative developments in other states in the United States, which creates a patchwork of overlapping but different state laws. Similar laws have been proposed in many other states and at the federal level as well. Complying with these evolving obligations is costly. For instance, expanding definitions and interpretations of what constitutes "personal data" (or the equivalent) within the United States may increase our compliance costs and legal liability. Even though we believe we **Additionally, California has created a new data protection agency,** and our vendors are generally in compliance with applicable **other states may do the same, specifically tasked to enforce California privacy laws, rules and which would likely result in increased regulations- regulatory relating to privacy and scrutiny in the areas of data protection and security,** these laws are in some cases relatively new and the interpretation and application of these laws are uncertain. A significant data breach or any failure, or perceived failure, by us to comply with any federal, state or local privacy or consumer protection-related laws, regulations or other principles or orders to which we may be subject or other legal obligations relating to privacy or consumer protection could adversely affect our reputation, brand and business, and may result in claims, investigations, proceedings or actions against us by governmental entities or others or other penalties or liabilities or require us to change our operations and / or cease using certain data sets. Depending on the nature of the information compromised, we may also have obligations to notify users, law enforcement or payment companies about the incident and may need to provide some form of remedy, such as refunds, for the individuals affected by the incident. ~~If any of these events were to occur, our business, results of operations, and financial condition could be materially adversely affected.~~ Risks Related to Our Industry and General Economic Conditions Our businesses participate in highly competitive industries, and pressure from existing and new companies may adversely affect our business and results of operations. The automobile financing business is large and highly competitive. UACC competes with a number of national, regional and local finance companies, banks, credit unions, fintech companies, and captive finance companies. Many of these companies are much larger and have greater financial resources than UACC, including greater access to capital markets for debt instruments or access to lower cost deposit bases. These funding sources may be unavailable to UACC. Many of these companies also have long-standing relationships with automobile dealers and may provide other financing to dealers, including floor plan financing for the dealers' purchases of automobiles from manufacturers and auctions, which we do not offer. There can be no assurance that we will be able to continue to compete successfully and, as a result, we may not be able to purchase automobile contracts from dealers at a price acceptable to us, which could result in reductions in our revenues or the cash flows available to us. Additionally, if UACC is unsuccessful in maintaining and growing its dealer network, our results of operations, cash flows, and financial condition may be adversely affected. **The In addition, the automotive data and service business is large and very competitive. CarStory competes with a number of companies in the automotive industry, including valuation services, VIN data providers, website marketplaces, inventory aggregators, and retail e-commerce platforms. Some of these companies are significantly larger with well-established sales and marketing teams. We compete with other companies to attract customers to our marketplace and dealers to our digital solutions. If we are unable to grow CarStory's marketplace and customer base, our results of operations, cash flows, and financial condition may be adversely affected. 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. 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 rising interest rates, the cost of energy and gasoline, the availability and cost of consumer credit, reductions in consumer confidence and fears of recession, stock market volatility, increased regulation and increased unemployment. 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.

Risks Related to Laws and Regulations We operate in a highly regulated industry and are subject to a wide range of federal, state and local laws and regulations. Failure to comply with these laws and regulations could have a material adverse effect on our business, financial condition and results of operations. Our businesses are and will continue to be subject to extensive U.S. federal, state and local laws and regulations. The financing of motor vehicles is regulated by every state in which we operate and by the U.S. federal government. Our prior e-commerce business, including the advertising and sale of used vehicles, titling and registration of vehicles, and the sale of value-added products, also was regulated by state laws, and such state laws can vary significantly from state to state. In addition, we are subject to regulations and laws specifically governing the internet and e-commerce and the collection, storage and use of personal information and other customer data. We are also subject to federal and state consumer protection laws, including prohibitions against unfair or deceptive acts or practices. The federal governmental agencies that regulate our business and have the authority to enforce such regulations and laws against us include agencies such as the U.S. Federal Trade Commission ("FTC"), the U.S. Consumer Financial Protection Bureau ("CFPB"), the U.S. Occupational Health and Safety Administration, the U.S. Department of Justice and the U.S. Federal Communications Commission ("FCC"). Additionally, we are subject to regulation by state consumer protection agencies and state financial regulatory agencies. In our prior e-commerce business, we have been subject to audits, requests for information, investigations and other inquiries from our regulators related to customer complaints. As we encountered operational challenges in keeping up with our rapid growth from 2020 through the first quarter of 2022, we experienced an increase in customer complaints, leading to an increase in such regulatory inquiries. We endeavored to promptly respond to any such inquiries and cooperate with our regulators. However, we have incurred fines in certain states and in April 2022, the Attorney General of Texas filed a lawsuit on behalf of the State of Texas in the District Court of Travis County, Texas against the Company, alleging violation of the Texas Deceptive Trade Practices – Consumer Protection Act and Texas Business and Commerce Code § 17.41 et seq. In December 2023, Vroom, Inc., Vroom Automotive, LLC and the Attorney General of the State of Texas reached a final agreement to resolve all claims in the petition, without any admission of wrongdoing by either Vroom entity. Under the agreement, the Company will pay a total of \$ 2 million in civil penalties and \$ 1 million in attorneys' fees, with the first half due in September 2024 and the remaining half due in September 2025, and abide permanently by an injunction of certain operational practices that were previously implemented. The agreement was approved by the District Court of Travis County on December 13, 2023. See Part II, Item 1 – “ Legal Proceedings.” In addition, in January 2022, the Company received a non-public civil investigative demand from the Federal Trade Commission (“FTC”), seeking the production of information related to certain of the Company's business practices and the Company responded to those information requests. On February 23, 2024, the FTC notified the Company that it has reason to believe that the Company violated Section 5 (a) of the Federal Trade Commission Act, 15 U.S.C. § 45 (a); the FTC's Mail, Internet, or Telephone Order Merchandise Rule, 16 C.F.R. Part 435; the FTC's Used Motor Vehicle Trade Regulation Rule, 16 C.F.R. Part 455; and the FTC's Pre-Sale Availability Rule, 16 C.F.R. Part 702. The FTC advised the Company that it is authorized to negotiate a stipulated order and the Company intends to work cooperatively with the FTC towards a resolution. Because the matter is at an early stage and the outcome of any complex legal proceeding is inherently unpredictable and subject to significant uncertainties, the Company cannot determine at present whether any potential liability would have a material adverse effect on the Company's financial condition, cash flows, or results of operations. In January 2022, the Company received a non-public civil investigative demand from the Federal Trade Commission (“FTC”), seeking the production of information related to certain of the Company's business practices and the Company responded to those information requests. 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In relation to our prior e-commerce business, we have been licensed as a dealer in the states of Texas, Florida, Arizona, California, Ohio and Wisconsin. We also have a motor vehicle sales finance license in Texas in connection with our Texas dealer license, a retail installment seller license in Florida in connection with our Florida dealer license, a retail installment seller license in Pennsylvania, and filed the required notice in Arizona in connection with our Arizona dealer license. As a result of the **E-commerce wind Wind - down Down of the e-commerce business and discontinuance of our used automotive dealer operations**, we are terminating the foregoing licenses once all transactions, including title and registration transactions on behalf of our customers, are completed in the relevant jurisdiction. UACC's financing operations are subject to U.S. federal, state, and local laws and regulations regarding contract origination, acquiring motor vehicle installment sales contracts from retail sellers, furnishing data to credit reporting agencies, servicing, debt collection practices, and securitization transactions. Certain states require UACC to have a sales finance license, consumer credit license, or similar applicable license. UACC has obtained licenses in all states where licensing is required. In addition, UACC is subject to enforcement by the CFPB and state consumer protection agencies, including state attorney general offices and state

financial regulatory agencies. Any failure to renew or maintain or any revocation of any of UACC's licenses would materially and adversely affect our business, financial condition and results of operations. In addition to these laws and regulations that apply specifically to the sale and financing of used vehicles, our facilities and business operations are subject to laws and regulations **and executive orders** relating to environmental protection, occupational health and safety, and other broadly applicable ~~business regulations~~ **legal obligations**. We also are subject to laws and regulations **and executive orders** involving taxes, tariffs, privacy and data security, anti-spam, pricing, content protection, electronic contracts and communications, mobile communications, consumer protection, information reporting requirements, unencumbered internet access to our platform, the design and operation of websites and internet neutrality. We are also subject to laws and regulations affecting public companies, including securities laws and Nasdaq listing rules. The violation of any of these laws or regulations could result in administrative, civil or criminal penalties or in a cease- and- desist order against our business operations, any of which could damage our reputation and have a material adverse effect on our business, financial condition and results of operations. We have incurred and will continue to incur capital and operating expenses and other costs to comply with these laws and regulations. The foregoing description of laws and regulations **and other legal obligations** to which we are or may be subject is not exhaustive, and the regulatory framework governing our operations is subject to evolving interpretations and continuous change. The enactment of new laws ~~and~~ **regulations or and executive orders**, the interpretation of existing **or new** laws and regulations ~~in an~~ **and executive orders in unpredictable or** unfavorable way-ways, **and changing enforcement priorities** may affect the operation of our business, directly or indirectly, which could result in substantial regulatory compliance costs, civil or criminal penalties, including fines, adverse publicity, decreased revenues, and increased expenses. ~~If we fail to comply with the Telephone Consumer Protection Act, we may face significant damages, which could harm our business, financial condition and results of operations. We utilized telephone calls as a means of responding to and communicating with our Vroom eecommerce customers interested in purchasing, trading in and /or selling vehicles and value-added products. Potential customers could submit their contact information, including phone number, via our website or third-party listing sites to express their interest in purchasing a vehicle, selling a vehicle, or obtaining financing terms. We engaged third-party customer experience centers to respond to certain of these inquiries and further communicate with potential customers concerning sales, purchases and financings of our vehicles through our platform. We also sent text messages to customers concerning the status of their order. As we wind-down our eecommerce operations, we will continue to communicate with customers through telephone calls and text messages as needed. Our UACC business utilizes telephone calls and text messages as a means of responding to and communicating with customers who finance their vehicle purchase from automobile dealers through UACC, including communications relating to collections. Our CarStory business collects consent to contact consumers by telephone calls or text messages via its vehicles listing sites and shares such consent with CarStory's business partners. The Telephone Consumer Protection Act (the "TCPA"), as interpreted and implemented by the FCC and U. S. courts, imposes significant restrictions on the use of autodialed telephone calls, pre-recorded messages, and text messages to residential and mobile telephone numbers as a means of communication when prior consent of the person being contacted has not been obtained. Violations of the TCPA may be enforced by the FCC or by individuals through litigation, including class actions. Statutory penalties for TCPA violations range from \$ 500 to \$ 1, 500 per violation, which has been interpreted to mean per phone call or text message. In addition, several states have enacted their own versions of the TCPA. While we have implemented processes and procedures to comply with the TCPA and state equivalents, if we or the third parties on which we rely fail to adhere to such processes and procedures or fail or successfully implement appropriate processes and procedures in response to existing or future regulations, it could result in legal and monetary liability, fines, penalties or damage to our reputation in the marketplace, any of which could have a material adverse effect on our business, financial condition and results of operations. Additionally, any changes to the TCPA, its interpretation, or enforcement of it by the government or private parties that further restrict the way we contact and communicate with our potential customers or generate leads could adversely affect our ability to attract customers and could harm our business, financial condition and results of operations. Government regulation of the internet is evolving, and unfavorable changes or failure by us to comply with these regulations could substantially harm our business, financial condition and results of operations. We are subject to general business regulations and laws **and executive orders**, as well as **those regulations and laws** specifically governing the internet and ecommerce. Existing and future regulations and laws **and executive orders** could impede the growth of the internet, ecommerce or mobile commerce. These regulations and laws **and executive orders** may involve taxes, tariffs, privacy and data security, artificial intelligence, anti-spam, pricing, content protection, electronic contracts and communications, mobile communications, consumer protection, information reporting requirements, the design and operation of websites and internet neutrality. **Since January 2025, President Trump has signed numerous executive orders, including some revoking executive orders and actions from the previous administration**. It is not clear how existing **and changing** laws governing issues such as property ownership, sales and other taxes and consumer privacy apply to the internet as the vast majority of these laws were adopted prior to the advent of the internet and do not contemplate or address the unique issues raised by the internet or ecommerce. It is possible that general business regulations and laws **and executive orders**, or those specifically governing the internet or ecommerce, may be interpreted and applied in a manner that is inconsistent from one market segment to another and may conflict with other rules or our practices. For example, federal, state and local regulation regarding privacy, data protection and information security has become more significant, and these evolving regulations may increase our costs of compliance. We cannot be sure that our practices have complied, comply or will comply fully with all such laws and regulations. The enactment of new laws and regulations **and executive orders, and their interpretation**, or the interpretation of existing laws and regulations in an unfavorable way may affect the operation of our business, directly or indirectly, which could result in substantial regulatory compliance costs, civil or criminal penalties, including fines, adverse publicity, decreased revenues and increased expenses. Risks Related to Our Use of Data and Technology Our **success in utilizing the** CarStory ~~business~~ **Real Market Price** is dependent on our ability to offer accurate and~~

competitive pricing for vehicles. We provide suggested offer pricing to our dealer partners as part of the CarStory platform using data science and proprietary algorithms based on a number of factors, including mechanical soundness, consumer desirability, vehicle history, market prices and relative value as prospective inventory. **We also may leverage the CarStory Real Market Price for vehicle valuations in UACC's underwriting and servicing.** If we are unable to provide accurate and competitive pricing ~~to our dealer partners through the CarStory Real Market Price~~, our revenue, gross margins and results of operations would be affected, which could have an adverse effect on our business, financial condition and results of operations. Our platform utilizes open- source software, and any defects or security vulnerabilities in the open- source software could negatively affect our business. Our platform ~~employs~~ **utilizes** open- source software, and we expect to use open- source software in the future **in connection with our platform**. To the extent that our platform depends upon the successful operation of open- source software, any undetected errors or defects in this open- source software could prevent the deployment or impair the functionality of our platform, delay the introduction of new solutions, result in a failure of our platform **, introduce cybersecurity vulnerabilities,** and injure our reputation. For example, undetected errors or defects in open- source software could render it vulnerable to breaches or security attacks, and, in conjunction, make our systems more vulnerable to data breaches. In addition, the terms of various open- source licenses have not been **fully** interpreted by United States courts, and there is a risk that such licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to market our platform. **Our utilization of Some some** open- source licenses **in conjunction with our proprietary software** might require us to make ~~our the~~ source code **for our proprietary software publicly** available at no cost or require us to make our source code publicly available for modifications or derivative works **, including** if our source code is based upon, incorporates, or was created using the open- source software **. Although we monitor our use of open- source software to license avoid subjecting our software to such requirements or other conditions we do not intend, we cannot assure you that our processes for controlling our use of open- source code under software will always be effective. Furthermore, we could be subject to third- party claims asserting ownership of, or demanding release of, the open- source software or derivative works that we developed using such software, or otherwise seeking to enforce the terms of the particular applicable open- source license. While we try to insulate Such claims could result in litigation and / our or substantial costs to defend and resolve proprietary code from the effects of such open- source license provisions, we cannot guarantee we will be successful.** In addition to risks related to open- source license requirements, usage of open- source software can lead to greater risks than use of third- party commercial software, as open- source licensors generally do not provide warranties **, support services, indemnification or other contractual provisions regarding the quality of the code or intellectual property infringement claims protections, or nor** controls on the origin of the software. Many of the risks associated with usage of open- source software cannot be eliminated and could materially and adversely affect our business, financial condition and results of operations. A significant disruption in service on our platform could damage our reputation and result in a loss of customers, which could harm our brand or our business, financial condition and results of operations. Our brand, reputation and ability to attract customers depend on the reliable performance of our platform and the supporting systems, technology and infrastructure. We may experience significant interruptions to our systems in the future. Interruptions in these systems, whether due to system failures or lack of upgrades, programming or configuration errors, computer viruses or physical or electronic break- ins, could affect the availability of our inventory on our platform and prevent or inhibit the ability of customers to access our platform. In addition, we expect that we will need to invest in and upgrade the UACC systems over time. Problems with the reliability or security of our systems could harm our reputation, result in a loss of customers and result in additional costs. UACC operates a data center at a colocation facility in California to support its operations. This data center is vulnerable to damage or interruption from fire, flood, power loss, telecommunications failures, terrorist attacks, acts of war, electronic and physical break- ins, computer viruses, ransomware, earthquakes and similar events. The occurrence of any of these events could render communications between our offices inoperable and our results of operations could be harmed. Problems faced by our third- party web- hosting providers, including AWS ~~and Google Cloud~~, could inhibit the functionality of our platform. For example, our third- party web- hosting providers could close their facilities without adequate notice or suffer interruptions in service caused by cyber- attacks, natural disasters or other phenomena. Disruption of their services could cause our website to be inoperable and could have a material adverse effect on our business, financial condition and results of operations. Any financial difficulties, up to and including bankruptcy, faced by our third- party web- hosting providers or any of the service providers with whom they contract may have negative effects on our business, the nature and extent of which are difficult to predict. In addition, if our third- party web- hosting providers are unable to keep up with our growing capacity needs, our business, financial condition and results of operations could be harmed. Any errors, defects, disruptions, or other performance or reliability problems with our platform could interrupt our **dealer's customers' access to our inventory and our** access to data that drives our **originations inventory purchase operations**, which could harm our ~~reputation or our~~ business, **and** financial condition and results of operations. Our CarStory business relies on artificial intelligence to facilitate the automotive retail experience. If our use of artificial intelligence results in inaccurate data, regulatory scrutiny, privacy concerns or is otherwise unsuccessful, it could adversely affect our business, results of operations, and financial condition. We have made significant investments in artificial intelligence (“ AI ”) initiatives, including through our CarStory business and offerings. CarStory provides AI- powered analytics and digital services, including predictive market data, **for supporting the automotive retail industry**. CarStory relies on AI, machine learning, automated decision making, data analytics and similar tools to analyze market trends, improve our services, provide insights to our customers and tailor our interactions with our customers (“ AI Tools ”). Certain of these AI Tools are proprietary to CarStory, and certain are third party AI Tools that CarStory has obtained a right to use from the applicable provider. Pursuant to our Value Maximization Plan, we are shifting focus in part to our CarStory business and expect to expand our use and offerings of our AI Tools. We intend to leverage our CarStory data and technology, including our AI Tools, to enhance operations at UACC. As with many technological innovations, there are significant risks

involved in developing, maintaining and utilizing AI Tools and no assurance can be provided that CarStory's use of AI Tools will enhance our products or services, **be commercially viable**, or continue to be successful. If the models underlying our AI Tools are inadequately or incorrectly designed, improperly trained or used, or the data used to train them is incomplete, inadequate or biased in some way, our use of AI Tools may inadvertently reduce our efficiency or cause unintentional or unexpected outputs that are incorrect, insufficient, do not match our business goals, do not comply with our policies or standards, adversely affect our financial condition, business and reputation. Further if we are deemed to not have sufficient rights to use such data to train our AI Tools, then we may be subject to litigation by the owners of the content or other materials that comprise such data, similar to the litigation that is currently pending in various U. S. courts against other developers of AI Tools, and which has an uncertain outcome. The market for AI Tools is complex and rapidly evolving, and we face significant competition from other companies as well as an evolving regulatory landscape. To the extent AI development and utilization from our industry competitors prove to be successful, or more successful, than our approach, the demand for our CarStory platform, and thus our business, could be adversely affected. Our efforts to continuously improve our AI Tools, including the introduction of new products or capabilities or changes to existing products or capabilities, may result in new or enhanced governmental or regulatory scrutiny, litigation, privacy or ethical concerns, or other complications that could adversely affect our business, reputation, or financial results. For example, the use of datasets to develop AI models, the content generated by AI systems, or the application of AI systems may be found to be insufficient, biased, or harmful, or violate current or future laws and regulations or deviate from consumers' expectations of privacy. In addition, market acceptance of AI technologies is uncertain, especially in the automotive retail industry. The rapid evolution of AI will require the application of resources to develop, test, maintain and improve our products and services to help ensure that **the our AI is Tools are, and remain**, accurate and efficient. The continuous development, testing, maintenance and deployment of our AI Tools may also increase the cost profile of our offerings due to the nature of the computing costs involved in such systems, and may involve unforeseen difficulties including material performance problems, undetected defects or errors. We may encounter technical obstacles, and it is possible that we may discover additional problems that may prevent our proprietary AI Tools from operating properly, which could adversely affect our business, customer relationships and reputation. See "**—** Any actual or perceived failure to comply with evolving regulatory frameworks around the development and use of AI could adversely affect our business, results of operations, and financial condition." Any actual or perceived failure to comply with the evolving regulatory frameworks around the development and use of AI could adversely affect our business, results of operations, and financial condition. The regulatory framework around the development and use of these emerging technologies is rapidly evolving, and many federal, state and foreign government bodies and agencies have introduced and / or are currently considering additional laws and regulations. Both in the United States and internationally, the development and use of AI Tools are the subject of evolving regulation by various governmental and regulatory agencies, and changes in laws, rules, directives and regulations governing the use of AI Tools may adversely affect the ability of our business to use or rely on AI Tools. As a result, implementation standards and enforcement practices are likely to remain uncertain for the foreseeable future, and we cannot yet determine the impact future laws, regulations, standards, or perception of their requirements may have on our business. Already, there are some existing legal regimes that regulate certain aspects of AI, and new laws regulating AI Tools **have either entered into force in the United States and the EU in 2024 or** are expected to enter into force in **2025. In the United States, there has already been significant change at the federal level regarding the regulation of AI technologies. The Trump administration has rescinded and** an executive order relating to the safe and secure development of AI that was previously implemented by the Biden administration. **The Trump administration the then EU in 2024. In October 2023, the President of the United States issued a broad new Executive executive Order order on that, among the other Safe things, Secure requires certain agencies to develop and Trustworthy Development submit to the president action plans to "sustain and Use of enhance America's global AI (dominance, " and to specifically review and, if possible, rescind rulemaking taken pursuant to the rescinded Biden executive order. Thus, the Trump administration may continue to rescind the other existing federal orders and / or administrative policies relating to AI, or may implement new executive orders and / or rule making relating to AI in the future. Any such changes at the federal level could require us to expend significant resources to modify our products, services, or operations to ensure compliance or remain competitive. Further, U. S. legislation related to AI has been introduced at the federal level and has passed at the state level. For example, California enacted seventeen new laws in 2024 that further regulate use of AI and provide consumers with additional protections around companies' use of AI, such as requiring companies to disclose certain uses of generative AI. Other states have also passed AI- focused legislation, such as Colorado's Artificial Intelligence Act, which will require developers and deployers of " Order high- risk ")-AI systems to implement certain safeguards against algorithmic discrimination, emphasizing the need and Utah's Artificial Intelligence Policy Act, which establishes disclosure requirements and accountability measures for transparency, accountability and fairness in the development and use of generative AI in Tools. The Order established certain consumer interactions new requirements for the training, testing and cybersecurity of sophisticated AI models and large- scale compute centers used to train AI models. Such The Order also instructed several other federal agencies to promulgate certain additional regulations may impact our ability to within specific timeframes from the date of the Order regarding the development ---- develop, use, procure and commercialize marketing of AI Tools in the future. Any of the foregoing, together with developing guidance and / or decisions in this area, may affect our ability to use AI Tools, require additional compliance measures and changes to our operations and processes regarding AI Tools, prevent us from being able to utilize third party AI Tools, and result in increased compliance costs, and potential increases in the risk of civil claims against us. Any actual or perceived failure to comply with evolving regulatory frameworks around the development and use of AI Tools, could adversely affect our brand, reputation, business, results of operations, and financial condition. It is possible that further new laws and regulations will be adopted in the United States and in other non- U. S. jurisdictions, or that existing laws and**

regulations, including competition and antitrust laws, may be interpreted in ways that would limit our ability to use AI Tools for our business, or require us to change the way we use AI Tools in a manner that negatively affects the performance of our products, services, and business and the way in which we use AI Tools. We may need to expend resources to adjust our products or services in certain jurisdictions if the laws, regulations, or decisions are not consistent across jurisdictions. Further, the cost to comply with such laws, regulations, or decisions and / or guidance interpreting existing laws, could be significant and would increase our operating expenses (such as by imposing additional reporting obligations regarding our use of AI Tools). Such an increase in operating expenses, as well as any actual or perceived failure to comply with such laws and regulations, could adversely affect our business, financial condition and results of operations.

Risks Related to Intellectual Property Failure to adequately protect our intellectual property, technology and confidential information could harm our business, financial condition and results of operations. The protection of intellectual property, technology and confidential information is crucial to the success of our businesses. Moreover, we will work to preserve the value of our Vroom® intellectual property rights where appropriate following the **Ecommerce wind - Wind - down** **Down** of our ecommerce operations. We rely on a combination of trademark, trade secret, patent and copyright law, as well as contractual restrictions, to protect our intellectual property (including our brand, technology and confidential information). While it is our policy to protect and defend our rights to our intellectual property, we cannot predict whether steps taken by us to protect our intellectual property will be adequate to prevent infringement, misappropriation, dilution or other violations of our intellectual property rights. We also cannot guarantee that others will not independently develop technology that has the same or similar functionality as our technology. Unauthorized parties may also attempt to copy or obtain and use our technology to develop competing solutions, and policing unauthorized use of our technology and intellectual property rights may be difficult and ineffective. Changes in the law or adverse court rulings may also negatively affect our ability to prevent others from using our technology. If our intellectual property rights are used or misappropriated by third parties, the value of our brand and intellectual property may be diminished and competitors may be able to more effectively mimic our products and methods of operations. Any of these events could materially adversely affect our business, financial condition or results of operations. Furthermore, we may face claims of infringement of third- party intellectual property that could interfere with our ability to market, promote and sell our brands, products and services. Any litigation to enforce our intellectual property rights or defend ourselves against claims of infringement of third- party intellectual property rights, regardless of merit, could be costly, divert attention of management and may not ultimately be resolved in our favor. Moreover, if we are unable to successfully defend against claims that we have infringed the intellectual property rights of others, we may be prevented from using certain intellectual property and may be liable for damages, which in turn could materially adversely affect our business, financial condition or results of operations. Even if we were to prevail, the time and resources necessary to resolve such disputes could be costly, time- consuming and divert the attention of management from our business operations. A number of aspects of intellectual property protection in the field of AI and machine learning are currently under development, and there is uncertainty and ongoing litigation in different jurisdictions as to the degree and extent of protection warranted for AI and machine learning systems and relevant system input and outputs. If we fail to obtain protection for the intellectual property rights concerning our AI Tools, or later have our intellectual property rights invalidated or otherwise diminished, our competitors may be able to take advantage of our research and development efforts to develop competing products. Given the long history of development of AI Tools, other parties may have (or in the future may obtain) patents or other proprietary rights that would prevent, limit or interfere with our ability to make, use or sell our own AI Tools. We are currently the registrant of the vroom. com, texasdirectauto. com, carstory. com, vast. com and unitedautocredit. net internet domain names and various other related domain names. The regulation of domain names in the United States is subject to change. Regulatory bodies could establish additional top- level domains, appoint additional domain name registrars or modify the requirements for holding domain names. As a result, we may not be able to acquire or maintain domain names that are important for our business. In addition, we have registered certain trademarks that are important to our business, such as the “ Vroom® ”, “ Sell Us Your Car® ”, “ CarStory® ”, “ Vast® ” and “ United Auto Credit® ” trademarks. While we are seeking, and have secured registration of several of our trademarks in the U. S. and other foreign jurisdictions (including Canada and Europe), it is possible that others may assert senior rights to similar trademarks and seek to prevent our use and further registration of our trademarks in certain jurisdictions. Additionally, our pending trademark or service mark applications may not result in such marks being registered in a timely manner or at all. If we fail to adequately protect or enforce our rights under these trademarks, we may lose the ability to use those trademarks or to prevent others from using them, which could adversely harm our reputation and our business, financial condition and results of operations. While software can be protected under copyright law, we have chosen not to register any copyrights in our proprietary software, and instead, primarily rely on trade secret law to protect our proprietary software. In order to bring a copyright infringement lawsuit in the United States, the copyright must be registered. Accordingly, the remedies and damages available to us for unauthorized use of our software may be limited. Furthermore, our trade secrets, know- how and other proprietary materials may be revealed to the public or our competitors or independently developed by our competitors and, as a result, may no longer provide protection for the related intellectual property. Our CarStory business has a number of patents and we may obtain additional patents in the future. We may fail to apply for patents on important products, methods and technologies in a timely fashion or at all, or we may fail to apply for patents in potentially relevant jurisdictions. Moreover, we may fail to obtain issuance of any of the patent applications we do file. Effective protection of patents is complex, expensive and difficult to maintain, both in terms of filing costs as well as the costs of defending and enforcing our rights in our patents. For example, the U. S. Patent and Trademark Office and various foreign governmental patent agencies require compliance with a number of procedural requirements to complete the patent application process and to maintain issued patents, and noncompliance or non- payment could result in abandonment or lapse of a patent or patent application, resulting in partial or complete loss of patent rights in a relevant jurisdiction. Our agreements with employees and consultants may not effectively

prevent unauthorized use of our intellectual property, and we may be subject to claims asserting that our employees or, consultants have wrongfully used or disclosed alleged trade secrets of their current or former employers or claims asserting ownership of what we regard as our own intellectual property. As part of our efforts to protect our intellectual property, technology and confidential information, we require employees and contractors who may be involved in the creation or development of intellectual property to enter into confidentiality and assignment of inventions agreements, and we also require certain third parties to enter into nondisclosure agreements. However, we may not be successful in having all such employees, contractors or third parties enter into such agreements. These agreements may not effectively grant all necessary rights to any inventions that may have been developed by our employees and consultants. In addition, while these agreements will give us contractual remedies upon unauthorized use or disclosure of our intellectual property or confidential information, these agreements may not effectively prevent unauthorized use or disclosure of our confidential information, intellectual property or technology and we may not be able to detect such unauthorized activity. Although we try to ensure that our employees, consultants and advisors do not use the proprietary information or know- how of others in their work for us, we may be subject to claims that we or these individuals have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such individual' s current or former employer. Litigation may be necessary to defend against these claims, which could be costly and time- consuming. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. Even if we are successful in defending against such claims, litigation could result in substantial costs and divert the attention of management. We rely on licenses to use the intellectual property rights of third parties which are incorporated into our products and services. Failure to renew or expand existing licenses may require us to modify, limit or discontinue certain offerings, which could materially affect our business, financial condition and results of operations. We rely on products, technologies and intellectual property that we license from third parties for use in our products and services. We cannot assure that these third- party licenses, or support for such licensed products and technologies, will continue to be available to us on commercially reasonable terms, if at all. In the event that we cannot renew or expand existing licenses, we may be required to discontinue or limit our use of the products or services that include or incorporate the licensed intellectual property. We cannot be certain that our licensors are not infringing the intellectual property rights of others or that our suppliers and licensors have sufficient rights to the technology in all jurisdictions in which we may operate. If we are unable to obtain or maintain rights to any of this technology because of intellectual property infringement claims brought by third parties against our suppliers and licensors or against us, or if we are unable to continue to obtain the technology or enter into new agreements on commercially reasonable terms, our ability to develop our products and services containing that technology could be severely limited and our business could be harmed. Additionally, if we are unable to obtain necessary technology from third parties, we may be forced to acquire or develop alternate technology, which may require significant time and effort and may be of lower quality or performance standards. This would limit and delay our ability to provide new or competitive offerings and increase our costs. If alternate technology cannot be obtained or developed, we may not be able to offer certain functionality as part of our products and services, which could adversely affect our business, financial condition and results of operations. We utilize third party open- source software components in some of the solutions we license to our clients deliverables we develop and create for our clients, and failure to comply with the terms of the underlying open- source software licenses could subject us or our clients to possible litigation. We use open- source software in some of our proprietary software, and we expect to continue to use open- source software in the future. The use and distribution of open- source software is accompanied by the risk that open- source licensors generally do not provide warranties, indemnification or other contractual provisions regarding the quality of the code or intellectual property infringement claims protections. To the extent that our proprietary software depends upon the successful operation of open- source software, any undetected errors or defects in this open- source software could prevent the deployment or impair the functionality of such technologies and injure our reputation. In addition, some open source licenses contain terms requiring us to make available source code for modifications or derivative works we create based upon the type of open- source software we use or grant other licenses to our intellectual property. Although we monitor our use of open- source software to avoid subjecting our software to conditions we do not intend, we cannot assure you that our processes for controlling our use of open- source software in our software will be effective. Additionally, we could be subject to third- party claims asserting ownership of, or demanding release of, the open- source software or derivative works that we developed using such software, or otherwise seeking to enforce the terms of the applicable open- source license. Such claims could result in litigation and / or substantial costs to defend and resolve. We may be subject to claims asserting that our employees, consultants or advisors have wrongfully used or disclosed alleged trade secrets of their current or former employers or claims asserting ownership of what we regard as our own intellectual property. Although we try to ensure that our employees, consultants and advisors do not use the proprietary information or know- how of others in their work for us, we may be subject to claims that we or these individuals have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such individual' s current or former employer. Litigation may be necessary to defend against these claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management. In addition, while it is our policy to require our employees and contractors who may be involved in the creation or development of intellectual property on our behalf to execute agreements assigning such intellectual property to us, we may be unsuccessful in having all such employees and contractors execute such an agreement. The assignment of intellectual property may not be self- executing or the assignment agreement may be breached, and we may be forced to bring claims against third parties or defend claims that they may bring against us to determine the ownership of what we regard as our intellectual property. Risks Related to Ownership of Our Common Stock

Trading in our securities is highly speculative and poses substantial risks, and our securities were subject to dilution following effectiveness of the Plan. In connection with the Prepackaged Chapter 11 Case and our emergence from

bankruptcy, trade creditors and all other general unsecured creditors were unimpaired. Upon the Company's emergence from the Prepackaged Chapter 11 Case, our former noteholders received, among other things, their pro rata share of 92.94 % of the common stock in the reorganized company, and the holders of the existing common stock of the Company received their pro rata share of 7.06 % of the common stock in the reorganized Company and their pro rata share of the new warrants exercisable upon the Company reaching certain benchmarks pursuant to the terms of the proposed new warrants. In addition, 15 % of the our common stock outstanding as of immediately following the effectiveness of the Plan was reserved for issuance as awards under a post-restructuring management incentive plan consisting of 10 % restricted stock units and 5 % options. Issuances of common stock (or securities convertible into or exercisable for common stock) under the Plan, any equity awards or management incentive plan and any exercises of the warrants or conversion rights for shares of common stock diluted the voting power of the outstanding common stock, and may adversely affect the trading price of our common stock in the future. Following our emergence from the Prepackaged Chapter 11 Case, a former holder of our previously issued Notes has the ability to significantly influence all matters submitted to stockholders of the reorganized company for approval. A former holder of our previously issued Notes acquired a significant ownership interest in the common stock issued pursuant to the Plan. As of the date of this Annual Report, Mudrick Capital Management, L. P. and its affiliates (collectively, the "Significant Stockholder") owned 76.5 % of our outstanding common stock. The Significant Stockholder may be in a position to control the outcome of all actions requiring stockholder approval, including the election of directors, without the approval of other stockholders. This concentration of ownership could also facilitate or hinder a negotiated change of control of us and, consequently, have an impact upon the value of our common stock. The significant ownership stake allows the Significant Stockholder to appoint a majority of the board of directors, influencing the company's management and strategic direction. This could lead to changes in corporate governance practices, business strategies, and capital allocation policies that align with the interests of the Significant Stockholder. The concentrated ownership might also affect the liquidity of our common stock in the market, potentially impacting its trading price and volatility. The interests of the Significant Stockholder may not always align with those of other shareholders or us, potentially leading to conflicts in decision-making. Additionally, this ownership structure could either attract potential acquirers due to the ease of negotiating with a small group of major shareholders or deter them if the holders are not interested in selling their stakes. Notably, a single party alone holds sufficient voting power to control stockholder approval on most matters, potentially marginalizing minority shareholders.

Our common stock price may be volatile and the value of our common stock has declined since our initial public offering and may continue to decline regardless of our operating performance, and you may not be able to resell your shares at or above the price which you paid for them. It is possible that an active trading market for shares of our common stock will not be sustained, which could make it difficult for you to sell your shares of common stock at an attractive price or at all. An inactive market may also impair our ability to raise capital by selling our common stock, and it may impair our ability to attract and motivate our employees through equity incentive awards and our ability to acquire other companies by using our common stock as consideration. In addition, the Company is exploring potential listing of the warrants on a national stock exchange. However, there is no guarantee that the Company will succeed in doing so or that, if it does, an active trading market for the warrants will develop. Many factors, some of which are outside our control, may cause the market price of our common stock to fluctuate significantly, including those described in this "Risk Factors" section and the "Risk Factors" section in our Annual Report, as well as the following:

- the reorganization of our capital structure and related risks following our emergence from the Prepackaged Chapter 11 Case;
- our operating and financial performance and prospects, including as a result of operational changes and initiatives resulting from the we are taking as part of our Value Maximization Plan and our emergence of bankruptcy;
- the discontinuation of our e-commerce operations and wind-down of our used vehicle dealership business and our ability to reduce the related costs;
- potential the delisting -- listing status of our common stock, as described below on a national securities exchange;
- our ability to grow and develop the UACC and CarStory businesses;
- our liquidity and ability to raise or restructure our existing capital;
- our quarterly or annual earnings or those of other companies in our industry compared to market expectations;
- our guidance regarding future quarterly or annual earnings, and our financial results in relation to previously issued guidance;
- our ability to achieve the benefits of any cost saving measures or of our bankruptcy;
- future announcements concerning our businesses or our competitors' businesses;
- the public's reaction to our press releases, other public announcements and filings with the SEC;
- coverage by or changes in financial estimates by securities analysts or failure to meet their expectations;
- market and industry perception of our success, or lack thereof, in pursuing our business strategy;
- changes in market sentiment regarding growth companies that are not yet profitable;
- strategic actions by us or our competitors, such as acquisitions or restructurings;
- changes in laws or regulations or executive orders which adversely affect our industry or us;
- changes in accounting standards, policies, guidance, interpretations or principles;
- changes in senior management or key personnel and the impact of reductions in our workforce;
- issuances, exchanges or sales, or expected issuances, exchanges or sales of our capital stock;
- changes in our dividend policy;
- new, or adverse resolution of pending, litigation or other claims against us;
- global political unrest and wars, including geopolitical conflicts and war in Europe and the Middle East, which could delay and disrupt our business, and if such political unrest further escalates or leads to disruptions in the financial markets or puts further pressure on global supply chains, it could heighten many of the other risk factors included in the other risk factors included in this section Item 1A;
- the current impacts of the inflationary environment in the United States and in other global economies, the impact of high or fluctuating interest rates, and the impact of any recession-recessions or general economic downturn-downturns, and tariffs;
- potential volatility in the banking industry; and
- other changes in general market, economic and political conditions in the United States and global economies or financial markets, including those resulting from the federal government's ongoing negotiations regarding the federal debt limit, tariffs, natural disasters, climate change, terrorist attacks, global pandemics, and

responses to such events. As a result, volatility in the market price of our common stock may prevent investors from being able to sell their common stock at or above the price which they paid for them. These broad market and industry factors may materially reduce the market price of our common stock, regardless of our operating performance. In addition, price volatility may be greater if the public float and trading volume of our common stock is low. As a result, you may suffer a loss on your investment. Broad market and industry fluctuations, as well as general economic, political, regulatory, and market conditions, may negatively impact the market price of our common stock. We have experienced significant declines in the market price of our common stock, and it could continue to decline in the future, including as a result of the execution and implementation of our Value Maximization Plan **or our emergence from bankruptcy as a result of the Prepackaged Chapter 11 Case. Accordingly, any trading in our common stock following our emergence from bankruptcy will be highly speculative and pose substantial risks to purchasers of our common stock.** Further declines in our stock price could, among other things, make it more difficult to raise **or restructure** capital on terms acceptable to us, or at all, and make it difficult for our investors to sell their shares of common stock. ~~If our stock price again closes below \$ 1.00 per share minimum bid price for 30 consecutive business days, we would be out of compliance with the \$ 1.00 per share minimum bid price requirement for continued inclusion on the Nasdaq Global Select Market and our stock would be at risk of delisting. See " Risk Factors — We may be unable to satisfy a continued listing rule from the Nasdaq" and " Risk Factors — 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" for more information on the risk of delisting from the Nasdaq Global Select Market.~~ In addition, companies that experience volatility in the market price of their securities often are the subject of securities class action litigation. For example, a consolidated class action is pending in the U. S. District Court for the Southern District of New York against us, certain of our officers, and certain of our directors, among others, alleging violations of the federal securities laws. See Part **III**, Item **1.3**, " Legal Proceedings. " We do not intend to pay dividends on our common stock for the foreseeable future. We currently intend to retain all available funds and any future earnings to fund the development and growth of our businesses. As a result, we do not anticipate declaring or paying any cash dividends on our common stock in the foreseeable future. Any decision to declare and pay dividends in the future will be made at the discretion of our board of directors and will depend on, among other things, our business prospects, results of operations, financial condition, cash requirements and availability, industry trends and other factors that our board of directors may deem relevant. Any such decision also will be subject to compliance with contractual restrictions and covenants in the agreements governing our current indebtedness. In addition, we may incur additional indebtedness, the terms of which may further restrict or prevent us from paying dividends on our common stock. As a result, you may have to sell some or all of your common stock after price appreciation in order to generate cash flow from your investment, which you may not be able to do. Our inability or decision not to pay dividends could also adversely affect the market price of our common stock. We may issue shares of preferred stock in the future, which could make it difficult for another company to acquire us or could otherwise adversely affect holders of our common stock, which could depress the price of our common stock. Our amended and restated certificate of incorporation authorizes us to issue one or more series of preferred stock. Our board of directors has the authority to determine the preferences, limitations and relative rights of the shares of preferred stock and to fix the number of shares constituting any series and the designation of such series, without any further vote or action by our stockholders. Our preferred stock could be issued with voting, liquidation, dividend and other rights superior to the rights of our common stock. The potential issuance of preferred stock may delay or prevent a change in control of us, discouraging bids for our common stock at a premium to the market price, and materially and adversely affect the market price and the voting and other rights of the holders of our common stock. The issuance by us of additional shares of common stock or convertible securities would significantly dilute your ownership of us and could adversely affect our stock price. We may seek additional equity or debt financing. The issuance of any additional capital stock would result in significant dilution to our stockholders. We also expect to continue to grant equity awards to employees, directors and consultants under our equity incentive plans. From time to time in the future, we may also issue additional shares of our common stock or securities convertible into common stock pursuant to a variety of transactions, including acquisitions. The issuance by us of additional shares of our common stock or securities convertible into our common stock would dilute your ownership of us and the sale of a significant amount of such shares in the public market could adversely affect prevailing market prices of our common stock. The issuance or sale of shares of our common stock, or rights to acquire shares of our common stock, could depress the trading price of our common stock ~~and our notes~~, and would significantly dilute existing stockholders. We may conduct future offerings of our common stock, preferred stock or other securities that are convertible into or exercisable for our common stock to finance our operations or fund acquisitions, or for other purposes. ~~On December 1, 2023, we filed a prospectus supplement with the SEC under which we may offer and sell from time to time and at our discretion shares of our common stock having an aggregate offering price of up to \$ 50.0 million pursuant to an " at the market " offering program (the " ATM Program "). As of December 31, 2023, we had issued 43, 483 shares of common stock under the ATM program for net proceeds of \$ 2. 4 million. In addition, as of December 31, 2023, we had reserved 53, 537 shares of our common stock for issuance under our equity incentive plans. The Indenture for our Notes does not restrict our ability to issue additional equity securities.~~ If we issue or sell additional shares of our common stock or rights to acquire shares of our common stock, if any of our existing stockholders sells a substantial amount of our common stock, or if the market perceives that such issuances or sales may occur, then the trading price of our common stock ~~, and, accordingly, our Notes~~ may significantly decline. In addition, our issuance or sale of additional shares of common stock would significantly dilute the ownership interests of our existing common stockholders ~~, including noteholders who receive shares of our common stock upon conversion of their Notes~~. Future sales, or the perception of future sales, by us or our existing stockholders in the public market could cause the market price for our common stock to decline. The sale of substantial amounts of shares of our common stock in the public market, or the perception that such sales could occur, could harm the prevailing market price of shares of our

common stock. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate. **On January 14, 2025, we entered into a warrant agreement (Other than the "Warrant Agreement") with Equiniti Trust Company LLC, as warrant agent. In accordance with the Prepackaged Chapter 11 Case and pursuant to the Warrant Agreement, on January 14, 2025, the Company issued warrants to purchase an aggregate of 364,516 shares held by our affiliates, stockholders who held our capital stock prior to completion of the Company's our IPO now hold freely tradable shares of our common stock without restriction at an exercise price of \$ 60.95 per share, to or our further stockholders. Each warrant was immediately exercisable upon the issuance date and will expire five years from the issuance date. We have filed** registration requirements under the Securities Act, and therefore they may take steps to sell their shares or otherwise secure any unrecognized gains on those shares. Additionally, any shares of common stock held by our affiliates are eligible for resale pursuant to Rule 144 under the Securities Act, subject to the volume, manner of sale, holding period and other limitations of Rule 144. On December 1, 2023, we filed a prospectus supplement with the SEC for our ATM Program. As of December 31, 2023, we had issued 43,483 shares of common stock under our ATM program for net proceeds of \$ 2.4 million. In addition, we filed a registration statement **statements** on Form S-8 to register shares of our common stock issued or reserved for issuance under our 2020 **equity incentive incentive compensation plans** Award Plan and Second Amended and Restated 2014 Equity Incentive Plan, as well as a registration statement on Form S-8 to register shares of our common stock issued or reserved for issuance under our 2022 Inducement Award Plan. Subject to the satisfaction of vesting conditions, shares registered under these registration statements on Form S-8 became available for resale immediately in the public market without restriction. Further, certain holders of our common stock have rights, subject to some conditions, to require us to file registration statements covering the sale of their shares or to include their shares in registration statements that we may file on our behalf or for other stockholders. We are unable to predict the timing of or the effect that such sales may have on the prevailing market price of our common stock, which in turn may impact our continued listing on Nasdaq. See "— We may be unable to satisfy a **continued Nasdaq** listing rule from the Nasdaq or that of another national securities exchange". We may be unable to satisfy a continued listing rule from Nasdaq. The Nasdaq Stock Market LLC ("Nasdaq") maintains several requirements for continued listing of our common stock, one of which is the maintenance of a minimum closing bid price of \$ 1.00. On **December November 21, 2023-2024, in connection with our commencement of the Prepackaged Chapter 11 Case**, we received written notice from Nasdaq notifying us that, for **Nasdaq had determined to delist the Company's** prior 30 consecutive business days, the bid price for our common stock had closed below the \$ 1.00 minimum bid price requirement for continued inclusion **On November 28, 2024, we appealed that decision and requested a hearing before a Nasdaq Hearing Panel to appeal Nasdaq's delisting determination. During the pendency of our appeal, on December 2** the Nasdaq Global Select Market. On February 13, 2024, after obtaining stockholder approval, we effected a 1-for-80 reverse stock split (the "Reverse Stock Split"), and our stock began trading on a post-split adjusted basis on February 14, 2024. On February 29, 2024, we were notified by Nasdaq Listing Qualifications that the closing bid price of our common stock **was suspended** had been at \$ 1.00 per share or greater for 11 consecutive business days, from February 14, 2024 to February 28, 2024. Accordingly, the Company has regained compliance with Nasdaq Listing Rule 5450 (a) (1) and this matter is now closed. However, if our common stock again closes below the \$ 1.00 per share minimum bid price required by Nasdaq for 30 consecutive business days, we would receive another notice of non-compliance with Nasdaq's listing standards and may be provided a period of 180 calendar days from the date of such notice to regain compliance with the minimum bid closing price requirement of at least \$ 1.00 per share for a minimum of 10 consecutive business days. However, there can be no assurance that our common stock will continue to close at or above the \$ 1.00 per share minimum bid price as required by Nasdaq, or that we will otherwise meet the requirements of Nasdaq for continued inclusion for trading on Nasdaq Global Select Market. We intend to continue to actively monitor the closing bid price of our common stock and, if we lose compliance with Nasdaq's minimum bid price closing requirements, will consider all available options to regain compliance. If our common stock is delisted in the future, it is unlikely that we will be able to list our common stock on another national securities exchange and, as **was** a result, we expect our securities would be quoted on an over-the-counter market. **Following the Company's emergence from the Prepackaged Chapter 11 Case on January 14, 2025, all previously issued and outstanding equity interests in Vroom were cancelled and extinguished, all trading of our common stock ceased on the over-the-counter market, and Nasdaq issued a Moot Letter to cancel the hearing and close the matter. On February 20, 2025, our newly issued common stock was relisted for trading on the Nasdaq Global Market. We are exploring the potential listing of our warrants on a national stock exchange. There can also be no assurance that we will continue to meet Nasdaq listing requirements, or those of any other national securities exchange. If this were we are unable to occur remain listed on a national securities exchange**, we and our stockholders could face significant material adverse consequences, including limited availability of market quotations and analyst coverage for our common stock, and reduced liquidity for the trading of our securities. In addition **Delisting from or suspension of trading on Nasdaq has, and any failure to remain listed on a national securities exchange** delisting would constitute a fundamental change **exchange** under in the **future** terms of our Indenture and make our Notes redeemable at par upon delisting (as described further below), and we could, also experience a decreased ability to issue additional securities and obtain additional financing in the future. Delisting also could result in, among other things, a loss of investor confidence or interest in strategic transactions or opportunities, us being subject to regulation in each state in which we offer our securities, and difficulty in recruiting and retaining personnel through equity incentive awards. The obligations associated with being a public company require significant resources and management attention. As a public company, we face significant legal, accounting, administrative and other costs and expenses. We are subject to the Exchange Act, the rules and regulations implemented by the SEC, the Sarbanes-Oxley Act of 2002, as amended (the "Sarbanes-Oxley Act"), the Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act"), the Public Company Accounting Oversight Board ("PCAOB") and **Nasdaq the** rules and standards **of any**

national securities exchange on which our securities are listed, each of which imposes additional reporting and other obligations on public companies. As a public company, we are required to, among other things: • prepare, file and distribute annual, quarterly and current reports with respect to our business and financial condition; • prepare, file and distribute proxy statements and other stockholder communications; • retain financial and accounting personnel and other experienced accounting and finance staff with the expertise to address complex accounting matters applicable to public companies; • institute comprehensive financial reporting and disclosure compliance procedures; • involve and retain outside counsel and accountants to assist us with the activities listed above; • enhance our investor relations function; • enforce new internal policies, including those relating to trading in our securities and disclosure controls and procedures; • comply with **the Nasdaq's listing standards of any national securities exchange on which we are listed**; and • comply with the Sarbanes- Oxley Act. These rules and regulations and changes in laws, regulations and standards relating to corporate governance and public disclosure, which have created uncertainty for public companies, have and will continue to increase our legal and financial compliance costs and make some activities more time consuming and costly. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies **and new laws, regulations, or executive orders are issued**. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. Our investment in compliance with existing and evolving regulatory requirements has and will continue to result in increased administrative expenses and a diversion of management' s time and attention from revenue- generating activities to compliance activities, which could have a material adverse effect on our businesses, financial condition and results of operations. In addition, the need to continue to develop the corporate infrastructure demanded of a public company may also divert management' s attention from implementing our business strategy, including our Value Maximization Plan **and our Prepackaged Chapter 11 Case**, which could prevent us from improving our businesses, financial condition and results of operations. If we do not continue to develop and implement the right processes and tools to manage our changing enterprise and maintain our culture, our ability to compete successfully and achieve our business objectives could be impaired, which could negatively impact our business, financial condition and results of operations. In addition, we cannot predict or estimate the amount of additional costs we may incur to comply with these requirements. We anticipate that these costs will materially increase our general and administrative expenses. Being a public company and complying with applicable rules and regulations could also make it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified people to serve on our board of directors, our board committees or as executive officers. We are a “ smaller reporting company ” and the reduced disclosure requirements applicable to smaller reporting companies may make our common stock less attractive to investors. As of December 31, **2023-2024**, we are a “ smaller reporting company ” as defined under the rules promulgated under the Exchange Act. We will remain a smaller reporting company until the fiscal year following the determination that either (i) the value of our voting and non- voting common shares held by non- affiliates is \$ 250 million or more measured on the last business day of our second fiscal quarter or (ii) our annual revenues are \$ 100 million or more during the most recently completed fiscal year and the value of our voting and non- voting common shares held by non- affiliates is \$ 700 million or more measured on the last business day of our second fiscal quarter. Smaller reporting companies are able to provide simplified executive compensation disclosure and have certain other reduced disclosure obligations, including, among other things, being required to provide only two years of audited financial statements and not being required to provide selected financial data, or supplemental financial information. We cannot predict whether investors will find our common stock less attractive because we have chosen to rely on any **of** these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be reduced or more volatile. As a public reporting company, we are subject to rules and regulations established from time to time by the SEC and Nasdaq regarding our internal control over financial reporting. If we experience material weaknesses or otherwise fail to maintain effective internal control over financial reporting and disclosure controls and procedures, we may not be able to accurately report our financial results or report them in a timely manner, which may adversely affect investor confidence in us and, as a result, the value of our common stock. We are a public reporting company subject to the rules and regulations established from time to time by the SEC and Nasdaq. These rules and regulations require, among other things, that we establish and periodically evaluate procedures with respect to our disclosure controls and procedures and our internal control over financial reporting. Reporting obligations as a public company place a considerable strain on our financial and management systems, processes and controls, as well as on our personnel. In addition, as a public company, we are required to document and test our internal control over financial reporting pursuant to Section 404 of the Sarbanes- Oxley Act so that our management can certify as to the effectiveness of our internal control over financial reporting. Section 404 (a) of the Sarbanes- Oxley Act (“ Section 404 (a) ”) requires that management assess and report annually on the effectiveness of our internal control over financial reporting and identify any material weaknesses in our internal control over financial reporting. ~~Additionally, Section 404 (b) requires our independent registered public accounting firm to issue an annual report that addresses the effectiveness of our internal control over financial reporting.~~ Our compliance with Section 404 (a) will require that we incur substantial expenses and expend significant management efforts. **However, while we will remain a non-accelerated filer, we will not be required to include an attestation report on internal control over financial reporting issued by our independent registered public accounting firm.** If we identify material weaknesses in our internal control over financial reporting, our management will be unable to assert that our disclosure controls and procedures and our internal control over financial reporting is effective. If we are unable to assert that our internal control over financial reporting is effective ~~, or if our independent registered public accounting firm is unable to express an unqualified opinion as to the effectiveness of our internal control over financial reporting~~, investors may lose confidence in the accuracy and completeness of our financial

reports, the market price of our common stock could be adversely affected and we could become subject to litigation or investigations by Nasdaq, the SEC, or other regulatory authorities, which could require additional financial and management resources. If our estimates or judgments relating to our critical accounting policies prove to be incorrect, our operating results could be adversely affected. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, as provided in the section titled “ Management’ s Discussion and Analysis of Financial Condition and Results of Operations- Critical Accounting Policies and Estimates ” in Part II, Item 7 of this Annual Report on Form 10- K. The results of these estimates form the basis for making judgments about the carrying values of assets, liabilities, expenses and related disclosures. On an ongoing basis, we evaluate our estimates, including, among others, those related to income taxes, the realizability of inventory, stock- based compensation, revenue- related reserves, as well as impairment of goodwill and long- lived assets. Our operating results may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our operating results to fall below the expectations of securities analysts and investors, resulting in a decline in the price of our common stock. The implementation of new accounting requirements or other changes to GAAP could have a material adverse effect on our reported results of operations and financial condition. Increased scrutiny and changing expectations from investors, consumers, employees, regulators, and others regarding our environmental, social and governance practices and reporting could cause us to incur additional costs, devote additional resources and expose us to additional risks, which could adversely impact our reputation, customer attraction and retention, access to capital and employee recruitment and retention. **Expectations Companies across all industries are shifting facing increasing scrutiny related to their companies’ environmental, social and governance (“ ESG ”) practices and reporting. Investors, consumers, employees and other stakeholders Stakeholders’ expectations continue to evolve; moreover, have focused increasingly on ESG practices and placed increasing importance on the they are not uniform implications and social cost of their investments, purchases and other interactions at times are conflicting. Addressing these expectations comes with inherent costs companies. With this increased focus, public reporting regarding ESG practices is becoming more broadly expected. If our ESG practices and complexity reporting do not meet investor, consumer or employee and any failure to successfully navigate these expectations may adversely impact , which continue to evolve, our brand, reputation and, customer retention may , or other aspects of our business. Any efforts to improve our ESG profile or respond to stakeholder expectations can be negatively impacted costly and may not have the desired effect .** Our ability to achieve any ESG objective is subject to numerous risks, many of which are outside of our control. Examples of such risks include: • the availability and cost of low- or non- carbon- based energy sources; • the evolving regulatory requirements affecting ESG standards or disclosures; • **evolving methodologies, standards, and data availability and quality, as well as stakeholder perceptions;** • the availability of suppliers that can meet sustainability, **diversity- human capital** and other ESG standards ~~that we may set~~; • our ability to recruit, develop and retain ~~diverse~~ talent in our labor markets; and • the success of our organic growth and acquisitions or dispositions of businesses or operations. If we fail, or are perceived to be failing, to meet the standards included in any sustainability disclosure or the expectations of our various stakeholders, it could negatively impact our reputation, customer attraction and retention, access to capital and employee retention. In addition, new sustainability rules and regulations have been adopted and may continue to be introduced in various states and other jurisdictions . **Such laws are complex and at times divergent, which may increase costs and complexity of compliance and any associated risks .** Our failure to comply with any applicable rules or regulations could lead to penalties and adversely impact our reputation, customer attraction and retention, access to capital and employee retention . ~~Provisions in the Indenture governing our outstanding convertible notes could delay or prevent an otherwise beneficial takeover of us. On June 18, 2021, we issued \$ 625. 0 million aggregate principal amount of Notes, of which \$ 290. 5 million aggregate principal amount are still outstanding. Certain provisions in our Notes and our indenture governing our Notes could make a third party attempt to acquire us more difficult or expensive. For example, if a takeover constitutes a fundamental change, then noteholders will have the right to require us to repurchase their Notes for cash. In addition, if a takeover constitutes a make- whole fundamental change, then we may be required to temporarily increase the conversion rate. In either case, and in other cases, our obligations under our Notes and our indenture could increase the cost of acquiring us or otherwise discourage a third party from acquiring us or removing incumbent management, including in a transaction that our security holders may view as favorable.~~ We may need to seek or raise additional debt or equity capital to pursue our business objectives and respond to business opportunities, challenges or unforeseen circumstances. If such capital is not available to us, our business, financial condition and results of operations would be materially and adversely affected. We may need to seek or raise additional debt or equity capital to in pursuit of various goals, including without limitation to fund our operations, pursue our business objectives, respond to business opportunities, challenges or unforeseen circumstances, successfully execute on our **Value Maximization- Long- Term Strategic** Plan, develop new products or services or further improve existing products and services, and acquire complementary businesses and technologies. To the extent we decide to seek or raise additional capital, there can be no assurance that additional funds, including any additional equity or debt financings, will be available in amounts or on terms acceptable to us, if at all. Moreover, any debt financing that we secure would result in additional debt service obligations and the instruments governing such debt could provide for restrictive operating and financial covenants, security interests on our assets, and other terms that could be adverse to our current stakeholders, which may make it more difficult for us to obtain additional capital and to pursue business opportunities. Volatility in the credit markets may also have an adverse effect on our ability to obtain debt financing. If we raise additional funds through further issuances of equity or convertible debt securities, our existing stockholders would suffer significant dilution, and any new equity securities we issue could have rights, preferences and privileges superior to those of holders of our common stock. If we require but are unable to obtain adequate financing or financing on terms or conditions satisfactory to us, we may be forced to obtain financing on undesirable terms or

our ability to continue to pursue our business objectives, successfully respond to business opportunities, challenges or unforeseen circumstances, would be significantly limited, and our business, financial condition and results of operations would be materially and adversely affected. Anti- takeover provisions in our governing documents and under Delaware law could make an acquisition of our company more difficult, limit attempts by our stockholders to replace or remove our current management, and depress the market price of our common stock. Our amended and restated certificate of incorporation, amended and restated bylaws and Delaware law contain provisions that could have the effect of rendering more difficult, delaying or preventing an acquisition deemed undesirable by our board of directors. Among others, our amended and restated certificate of incorporation and amended and restated bylaws include the following provisions: • limitations on convening special stockholder meetings, which could make it difficult for our stockholders to adopt desired governance changes; • advance notice procedures, which apply for stockholders to nominate candidates for election as directors or to bring matters before an annual meeting of stockholders; • a prohibition on stockholder action by written consent ~~at any time at which means the Significant Stockholder owns in the aggregate less than our 50 % of the total voting power of the outstanding shares of common stock of the Company entitled to vote at an election of directors;~~ • directors can be removed by stockholders and stockholders can will fill only any vacancy or newly created directorship on the Board, in each case, by the affirmative vote of the holders of a majority of the voting power of the stock outstanding and entitled to vote thereon, provided, however, if the Significant Stockholder beneficially owns in the aggregate less than 50 % of the total voting power of the outstanding shares of stock of the Corporation entitled to vote at an election of directors, the affirmative vote of the holders of at least two- thirds of the total voting power of the outstanding shares of capital stock of the Corporation entitled to vote thereon, voting together as a single class, shall be required for the removal ~~able to take action at a meeting of stockholders~~ any director with or without cause; • a forum selection clause, which means certain litigation against us can only be brought in Delaware; • no authorization of cumulative voting, which limits the ability of minority stockholders to elect director candidates; • **if the Significant Stockholder beneficially owns in the aggregate less than 50 % of the total voting power of our outstanding shares entitled to vote, then** certain amendments to our certificate of incorporation will require the approval of two- thirds of the then outstanding voting power of our capital stock; • our bylaws provide that **if the Significant Stockholder beneficially owns in the aggregate less than 50 % of the total voting power of our outstanding shares entitled to vote then** the affirmative vote of two- thirds of the then- outstanding voting power of our capital stock, voting as a single class, is required for stockholders to amend or adopt any provision of our bylaws; and • the authorization of undesignated or “ blank check ” preferred stock, the terms of which may be established and shares of which may be issued without further action by our stockholders. These provisions, alone or together, could delay or prevent hostile takeovers and changes in control or changes in our management. As a Delaware corporation, we are also subject to provisions of Delaware law, including Section 203 of the Delaware General Corporation Law (the “ DGCL ”), which prevents interested stockholders, such as certain stockholders holding more than 15 % of our outstanding common stock from engaging in certain business combinations unless (i) prior to the time such stockholder became an interested stockholder, the board approved the transaction that resulted in such stockholder becoming an interested stockholder, (ii) upon consummation of the transaction that resulted in such stockholder becoming an interested stockholder, the interested stockholder owned 85 % of the common stock or (iii) following board approval, the business combination receives the approval of the holders of at least two- thirds of our outstanding common stock not held by such interested stockholder. Any provision of our amended and restated certificate of incorporation, amended and restated bylaws or Delaware law that has the effect of delaying, preventing or deterring a change in control could limit the opportunity for our stockholders to receive a premium for their shares of our common stock and could also affect the price that some investors are willing to pay for our common stock. Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware will be the sole and exclusive forum for substantially all disputes between us and our stockholders, and federal district courts will be the sole and exclusive forum for Securities Act claims, which could limit our stockholders’ ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees. Our amended and restated certificate of incorporation provides that, unless we consent to the selection of an alternative forum, the Court of Chancery of the State of Delaware is the sole and exclusive forum for: (a) any derivative action or proceeding brought on our behalf; (b) any action asserting a claim of breach of fiduciary duty owed by any of our directors, officers or other employees to us or to our stockholders; (c) any action asserting a claim arising pursuant to the DGCL, our amended and restated certificate of incorporation or amended bylaws, or as to which the DGCL confers exclusive jurisdiction on the Court of Chancery of the State of Delaware; or (d) any action asserting a claim governed by the internal affairs doctrine; provided that the exclusive forum provisions will not apply to suits brought to enforce any liability or duty created by Exchange Act or to any claim for which the federal courts have exclusive jurisdiction. Our amended and restated certificate of incorporation further provides that, unless we consent in writing to the selection of an alternative forum, the federal district courts are the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. The choice of forum provisions may limit a stockholder’ s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits against us and our directors, officers and other employees. Alternatively, if a court were to find the choice of forum provisions contained in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, financial condition and results of operations. If securities analysts continue not to publish research or reports about our company, or if they issue unfavorable commentary about us or our industry or downgrade our common stock, the price of our common stock could decline. Our stock price and trading volume may be influenced by the way analysts and investors interpret our financial information and other disclosures. If securities or industry analysts continue not to publish research or reports about our business, delay publishing reports about our business, or publish negative reports about our businesses, regardless of accuracy, our common stock price and trading volume

could decline. The trading market for our common stock depends, in part, on the research and reports that securities or industry analysts publish about us or our business, if any. Currently, no analysts cover our company. The lack of analyst coverage could decrease demand for our common stock and our common stock price and trading volume may decline even further. Even if our common stock is actively covered by analysts in the future, we do not have any control over the analysts or the measures that analysts or investors may rely upon to forecast our future results. Over-reliance by analysts or investors on any particular metric to forecast our future results may result in forecasts that differ significantly from our own. Regardless of accuracy, unfavorable interpretations of our financial information and other public disclosures could have a negative impact on our stock price. If our financial performance fails to meet analyst estimates, for any of the reasons discussed above or otherwise, or one or more of the analysts who cover us downgrade our common stock or change their opinion of our common stock, our stock price would likely decline.

Risks Related to Tax Matters We may be limited in our ability to utilize, or may not be able to utilize, net operating loss carryforwards to reduce our future tax liability. As of December 31, 2023-2024, we had substantial U. S. federal net operating loss (“NOL”) carryforwards, the utilization of which may be limited annually due to certain change in ownership provisions of Section 382 of the Internal Revenue Code of 1986, as amended (the “Code”). Some of our U. S. federal NOL carryforwards will begin to expire in 2028, with the remaining losses having no expiration. Please refer to Note 20-18 of our consolidated financial statements appearing elsewhere in this Annual Report on Form 10-K for a further discussion of the carryforward of our NOLs. As of December 31, 2023-2024, we maintain a full valuation allowance for our net deferred tax assets. An “ownership change” (generally defined as greater than 50- percentage- point cumulative changes in the equity ownership of certain stockholders over a rolling three- year period) under Section 382 of the Code may limit our ability to utilize fully our pre- change NOL carryforwards to reduce our taxable income in periods following the ownership change. In general, an ownership change would limit our ability to utilize U. S. federal NOL carryforwards to an amount equal to the aggregate value of our equity at the time of the ownership change multiplied by a specified tax- exempt interest rate, subject to increase by certain built- in gains. Similar provisions of state tax law may also apply to our state NOL carryforwards. We believe we have undergone an ownership change for purposes of Section 382 of the Code in each of 2013, 2014, 2015 and 2021, which substantially limits our ability to use U. S. federal NOL carryforwards generated prior to each such ownership change, **and as discussed below, we also believe that the consummation of the Plan has resulted in an ownership change**. In addition, future changes in our stock ownership, some of which may be beyond our control, could result in additional ownership changes under Section 382 of the Code. Tax matters could impact our results of operations and financial condition. We are subject to U. S. federal income tax, as well as income tax in certain states. Our provision for income taxes and cash tax liability in the future could be adversely affected by numerous factors including, changes in tax laws, regulations, accounting principles or interpretations thereof, which could materially and adversely impact our cash flows and our business, financial condition and results of operations in future periods. Increases in our effective tax rate could also materially affect our net results. In addition, the U. S. government may enact significant changes to the taxation of business entities including, among others, an increase in the corporate income tax rate and the imposition of minimum taxes, **which may have a material adverse effect on our customers, our business, results of operations and financial condition**. The likelihood of these changes being enacted or implemented is unclear. We are currently unable to predict whether such changes will occur and, if so, the ultimate impact on our business. Further, we are subject to the examination of our income and other tax returns by the IRS and state and local tax authorities, which could have an impact on our business, financial condition and results of operations. **Our tax attributes and future tax deductions may be reduced or significantly limited as a result of the consummation of the Plan and any restructuring or reorganization in connection therewith. Generally, any discharge of our debt obligations as a result of the Prepackaged Chapter 11 Case for an amount less than the debt’s adjusted issue price may give rise to cancellation of indebtedness income, which will reduce our tax attributes. Certain tax attributes otherwise available and of value to us may be reduced, in most cases by the principal amount of the indebtedness forgiven. U. S. federal income tax attributes subject to reduction generally include (i) NOLs and NOL carryforwards; (ii) general business credit carryovers; (iii) minimum tax credit carryovers; (iv) capital loss carryovers; (v) tax basis in assets (but not below the amount of liabilities to which the taxpayer remains subject immediately after the indebtedness forgiven); (vi) passive activity loss and credit carryovers; and (vii) foreign tax credit carryovers. Loss of these tax attributes may have an adverse effect on our prospective cash flow. To the extent that U. S. federal NOL carryforwards, other losses and credits generated by us prior to emergence from bankruptcy are available as deductions after emergence, our ability to utilize such deductions may be limited by Section 382 of the Code. Section 382 of the Code provides rules limiting the utilization of a corporation’s NOLs and other losses, deductions and credits following an ownership change (as described above). An exception to the limitations under Section 382 of the Code generally applies when, among other requirements, so- called “qualified creditors” and shareholders of a corporation in Chapter 11 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”). We believe that the transactions consummated pursuant to the Plan have resulted in an ownership change, and we expect that the application of the 382 (l) (5) Exception could result in significant future cash tax savings over other alternative approaches. However, if we utilize the 382 (l) (5) Exception and have an ownership change within two years of the issuance of shares pursuant to the Plan, we may lose all of our NOL carryforwards. Although we believe that the transactions consummated pursuant to the Plan satisfy the requirements of the 382 (l) (5) Exception, the requirements are complex and no assurances can be provided as to their satisfaction. More generally, the rules relating to the use of pre- bankruptcy tax attributes by a corporation emerging from a bankruptcy are inherently uncertain. Accordingly, there cannot be any assurance that we will be entitled to use such attributes following our emergence from the Prepackaged Chapter 11 Case.** General Risk Factors Our business is subject to the risk of natural disasters, adverse weather events and other catastrophic events, such as war and terrorism. Our business is vulnerable to damage

or interruption from earthquakes, fires, floods, hurricanes, power losses, telecommunications failures, terrorist attacks, acts of war, global pandemics, human errors and similar events. The third- party systems and operations on which we rely are subject to similar risks. For example, a significant natural disaster, such as an earthquake, fire, flood or hurricane could have an adverse effect on our businesses, financial condition and operating results, and our insurance coverage may be insufficient to compensate us for losses that may occur. Global climate change is resulting in certain types of natural disasters occurring more frequently or with more intense effects. We may not have sufficient protection or recovery plans in some circumstances. As we rely heavily on our computer and communications systems and the internet to conduct our businesses and provide high- quality customer service, any disruptions could negatively affect our ability to run our businesses, which could have an adverse effect on our businesses, financial condition, and operating results. War and acts of terrorism in the United States and abroad could also cause disruptions in our businesses, consumer demand or the economy as a whole. For example, ~~the ongoing geopolitical conflicts and war~~ **around in Europe and the world Middle East** could result in a slowdown in global economic growth, rising inflation, market disruptions and increased volatility in commodity prices in the United States. The extent and duration of the military actions, sanctions and resulting market disruptions could be significant and could potentially have substantial impact on the global economy and our business for an unknown period of time. The broader consequences of geopolitical tensions, such as embargoes, regional instability and geopolitical shifts; airspace bans relating to certain routes, or strategic decisions to alter certain routes; and potential retaliatory action by governments against companies, cannot be predicted. We may incur expenses or delays relating to such events outside of our control, which could have a material adverse impact on our business, operating results and financial condition. Any such disruptions may also magnify the impact of other risks described in this Risk Factors section. We may acquire other companies or technologies, which could divert our management' s attention, result in additional dilution to our stockholders and otherwise disrupt our operations and harm our results of operations. Our success will depend, in part, on our ability to ~~successfully develop and evolve the UACC and CarStory businesses following the Ecommerce~~ **Wind - down Down our ecommerce business and develop and evolve UACC and CarStory**. Although we have no plans to do so as of the filing of this Annual Report on Form 10- K, we may in the future determine to grow our businesses through the acquisition of complementary businesses and technologies rather than through internal development, as we did with our prior acquisitions of UACC and CarStory. The identification of suitable acquisition candidates can be difficult, time- consuming and costly, and we may not be able to successfully complete identified acquisitions or realize their intended benefits. The risks we face in connection with acquisitions include: • use of capital that could be used to improve our operations instead, and additional strain on our liquidity; • diversion of management time and focus from operating our business to addressing acquisition integration challenges; • coordination of technology, research and development and sales and marketing functions; • retention of employees from the acquired company; • potential adverse reactions to the acquisition by an acquired company' s customers; • cultural challenges associated with integrating employees from the acquired company into our organization; • integration of the acquired company' s accounting, management information, human resources and other administrative systems; • the need to implement or improve controls, policies and procedures at a business that, prior to the acquisition, may have lacked effective controls, policies and procedures; • potential write- offs of intangibles or other assets acquired in such transactions that may have an adverse effect our results of operations; • liability for activities of the acquired company before the acquisition, including patent and trademark infringement claims, violations of laws, commercial disputes, tax liabilities and other known and unknown liabilities; and • litigation or other claims in connection with the acquired company, including claims from terminated employees, customers, former stockholders or other third parties. Our failure to address these risks or other problems encountered in connection with our past or future acquisitions and investments could cause us to fail to realize the anticipated benefits of these acquisitions or investments, cause us to incur unanticipated liabilities and otherwise harm our business. Future acquisitions also could result in dilutive issuances of our equity securities, the incurrence of debt, contingent liabilities or amortization expenses, any of which could harm our financial condition. Also, the anticipated benefits of any acquisitions may not materialize. Any of these risks, if realized, could materially and adversely affect our business, financial condition and results of operations. Our insurance may not provide adequate levels of coverage against claims. We believe that we maintain insurance customary for businesses of our size and type. However, there are types of losses we may incur that cannot be insured against or that we believe are not economically reasonable to insure. Moreover, any loss incurred could exceed policy limits and policy payments made to us may not be made on a timely basis. For example, insurance we maintain against liability claims may not continue to be available on terms acceptable to us and such coverage may not be adequate to cover the types of liabilities actually incurred. A successful claim brought against us, if not fully covered by available insurance coverage, could materially and adversely affect our business, financial condition and results of operations. If our operating and financial performance in any given period does not meet the guidance that we provide to the public, the market price of our common stock may decline. From time to time, we provide public guidance on our expected operating and financial results for future periods. Any such guidance will be comprised of forward- looking statements subject to the risks and uncertainties described in this Annual Report on Form 10- K and in our other public filings and public statements. Any such guidance is prepared by our management and is qualified by, and subject to, the assumptions and the other information contained or referred to in the relevant release and the factors described under “ Special Note Regarding Forward- Looking Statements ” in this Annual Report on Form 10- K and our current and periodic reports filed with the SEC. Guidance is based upon a number of assumptions and estimates that, although presented with numerical specificity, are inherently subject to business, economic and competitive uncertainties and contingencies, many of which are beyond our control and are based upon specific assumptions with respect to future business decisions, some of which will change. We generally state possible outcomes as high and low ranges which are intended to provide a sensitivity analysis as variables are changed but are not intended to represent that actual results could not fall outside of the estimated ranges. The principal reason that we release this guidance is to provide a basis for our management to discuss our business outlook with analysts and investors. We do not accept any responsibility for any projections or reports published by any third

parties. Moreover, even if we do issue public guidance, there can be no assurance that we will continue to do so in the future. Guidance is necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the guidance furnished by us will not materialize or will vary significantly from actual results. Our actual results may not always be in line with or exceed any guidance we have provided, especially in times of economic uncertainty. If, in the future, our operating or financial results for a particular period do not meet any guidance we provide or the expectations of investment analysts, or if we reduce our guidance for future periods, the market price of our common stock may decline. Short sellers of our stock may be manipulative and may drive down the market price of our common stock. Short selling is the practice of selling securities that the seller does not own, but rather has borrowed or intends to borrow from a third party with the intention of buying identical securities at a later date to return to the lender. A short seller hopes to profit from a decline in the value of the securities between the sale of the borrowed securities and the purchase of the replacement shares, as the short seller expects to pay less in that purchase than it received in the sale. It is therefore in the short seller's interest for the price of the stock to decline, and some short sellers publish, or arrange for the publication of, opinions or characterizations regarding the relevant issuer, often involving misrepresentations of the issuer's business prospects and similar matters calculated to create negative market momentum, which may permit them to obtain profits for themselves as a result of selling the stock short. As a public entity, we may be the subject of concerted efforts by short sellers to spread negative information in order to gain a market advantage. In addition, the publication of misinformation may also result in lawsuits, the uncertainty and expense of which could adversely impact our businesses, financial condition, and reputation. There are no assurances that we will not face short sellers' efforts or similar tactics in the future, and the market price of our common stock may decline as a result of their actions. Stockholder activism could disrupt our business, cause us to incur significant expenses, hinder execution of our business strategy, and impact our stock price. **We may in the future be subject to stockholder activism, which can arise in a variety of predictable or unpredictable situations, and can result in substantial costs and divert management's and our Board of Director's attention and resources from our businesses. Additionally, stockholder activism could give rise to perceived uncertainties as to our long- term businesses, financial forecasts, future operations and strategic planning, harm our reputation, adversely affect our relationships with our business partners, and make it more difficult to attract and retain qualified personnel. We may also be required to incur significant fees and other expenses related to activist matters, including for third- party advisors that would be retained by us to assist in navigating activist situations. Our stock price could fluctuate due to trading activity associated with various announcements, developments, and share purchases over the course of an activist campaign or otherwise be adversely affected by the events, risks and uncertainties related to any such stockholder activism.**