

Second Quarter 2018 Financial Highlights

TRUECar. August 9th 2018



SAFE HARBOR

This presentation contains forward-looking statements. All statements other than statements of historical facts contained in this presentation, including statements regarding our outlook for the third quarter and full year 2018, including expectations regarding future units, revenue and adjusted EBITDA, are forward-looking statements. These forward-looking statements are subject to a number of risks, uncertainties and assumptions that may prove incorrect, any of which could cause our results to differ materially from those expressed or implied by such forward-looking statements. Among the risks and uncertainties that could cause our results to differ materially from those expressed or implied by such forward-looking statements are: our ability to maintain and improve our relationship with, and perception among, car dealerships and grow our network of Certified Dealers, on an overall basis, among dealers representing high-volume brands and in important geographies; our ability to anticipate market needs and develop new and enhanced products and services to meet those needs, including new programs with automobile manufacturers, and our ability to successfully monetize them; our ability to successfully scale our automotive trade-in program to a nationwide offering; our ability to attract significant OEMs to participate, and remain participants, in our OEM incentive programs; our dependence upon affinity group marketing partners, especially USAA; our ability to comply with laws and regulations directly or indirectly applicable to our business, including newly-enacted and rapidly-changing data protection laws and regulations and changes in applicable tax laws and regulations; our ability to scale and compete effectively in an increasingly competitive market and to grow and enhance our brand; our ability to increase revenue from dealers on our subscription pricing model; our ability to timely and successfully implement our technology replatforming project; political and macro-economic issues that affect the automobile industry, including changes in interest rates, consumer demand and import tariffs; our ability to attract, retain and integrate qualified personnel, including the hiring of additional personnel in our dealer, product and technology teams; our ability to successfully resolve litigation to which we are subject; and other risks and uncertainties described more fully under the heading “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2017 filed with the Securities and Exchange Commission and our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2018 and June 30, 2018. Moreover, we operate in a very competitive and rapidly changing environment. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can management assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. All forward-looking statements in this presentation are based on information available to our management as of the date hereof, and except as required by law, management assumes no obligation to update these forward-looking statements, which speak only as of the date hereof.

In addition to U.S. GAAP financials, this presentation includes certain non-GAAP financial measures. These non-GAAP measures are in addition to, not a substitute for or superior to, measures of financial performance prepared in accordance with U.S. GAAP. A reconciliation of these non-GAAP financial measures to the most directly comparable GAAP measures is set forth in the Appendix to this presentation.

Q2 2018 HIGHLIGHTS

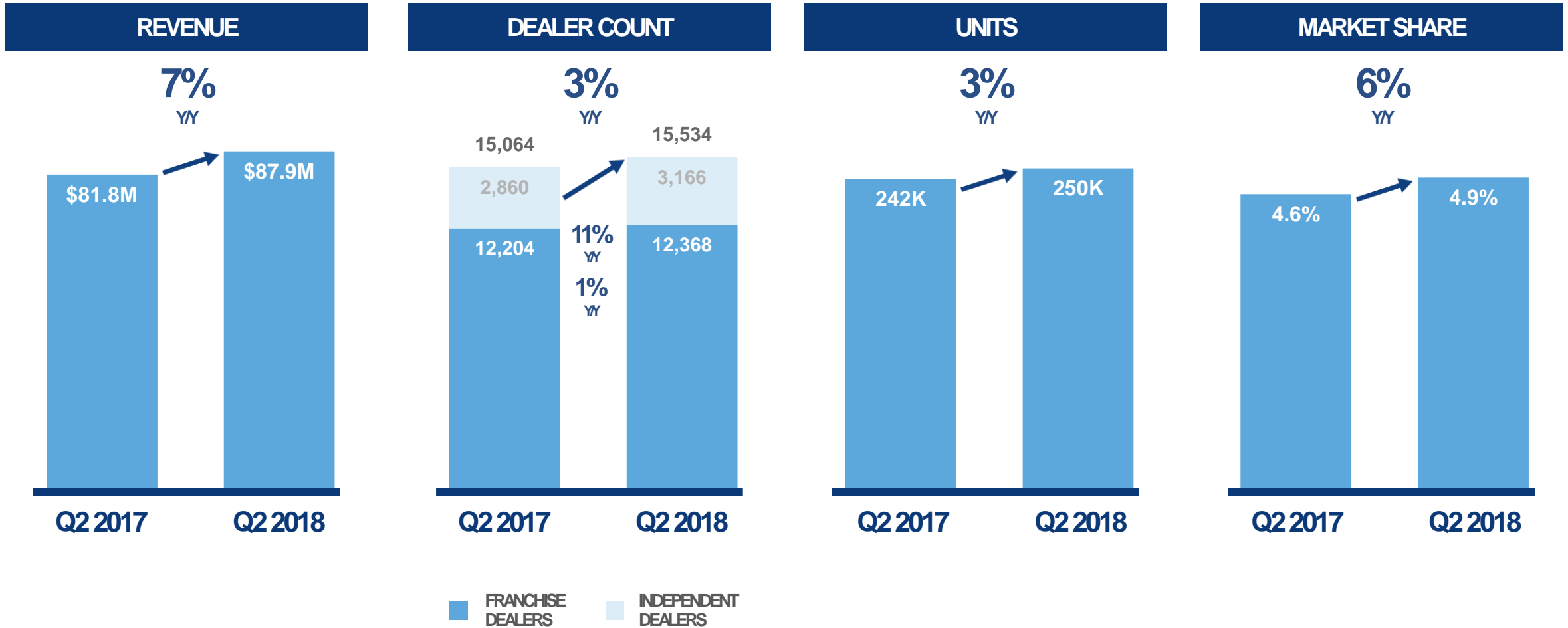
- Second quarter total revenue up 7% from a year ago to \$87.9 million
- Total dealer count of 15,534 dealers, up 3% year-over-year
 - Total franchise dealer count⁽¹⁾ of 12,368 dealers, up 1% year-over-year
 - Monthly franchise revenue per franchise dealer of \$1,803
 - Total independent dealer count of 3,166 dealers, up 11% year-over-year
 - Monthly independent revenue per independent dealer of \$951
- TrueCar users purchased 250,269 units from TrueCar Certified Dealers, up 3% year-over-year
- Adjusted EBITDA⁽²⁾ of \$8.7 million representing an Adjusted EBITDA margin⁽³⁾ of 9.9%
- New Car Market Share of 4.9%, up 6% year-over-year

(1) Note that this number excludes Genesis franchises on our program due to Hyundai's transition of Genesis to a stand-alone brand. In order to facilitate period over period comparisons, we have continued to count each Hyundai franchise that also has a Genesis franchise as one franchise dealer rather than two.

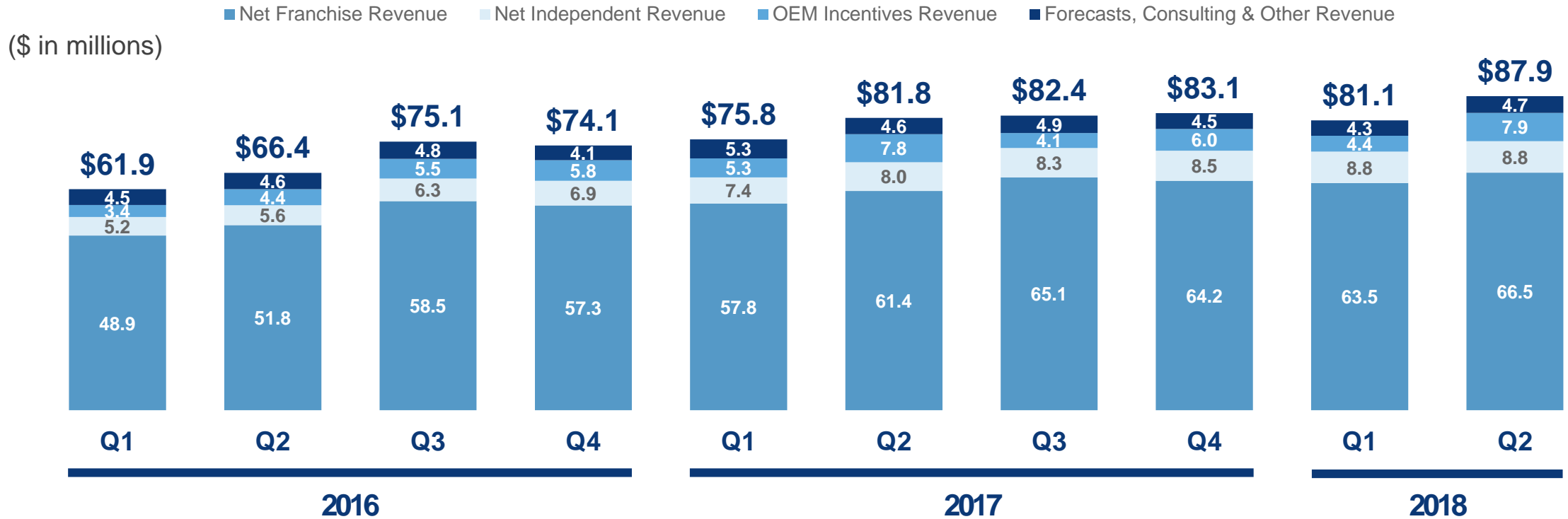
(2) See reconciliation of GAAP net loss to Adjusted EBITDA on page 17.

(3) Adjusted EBITDA margin is a Non-GAAP financial measure, calculated as Adjusted EBITDA, divided by total revenue.

Q2 2018 KEY HIGHLIGHTS

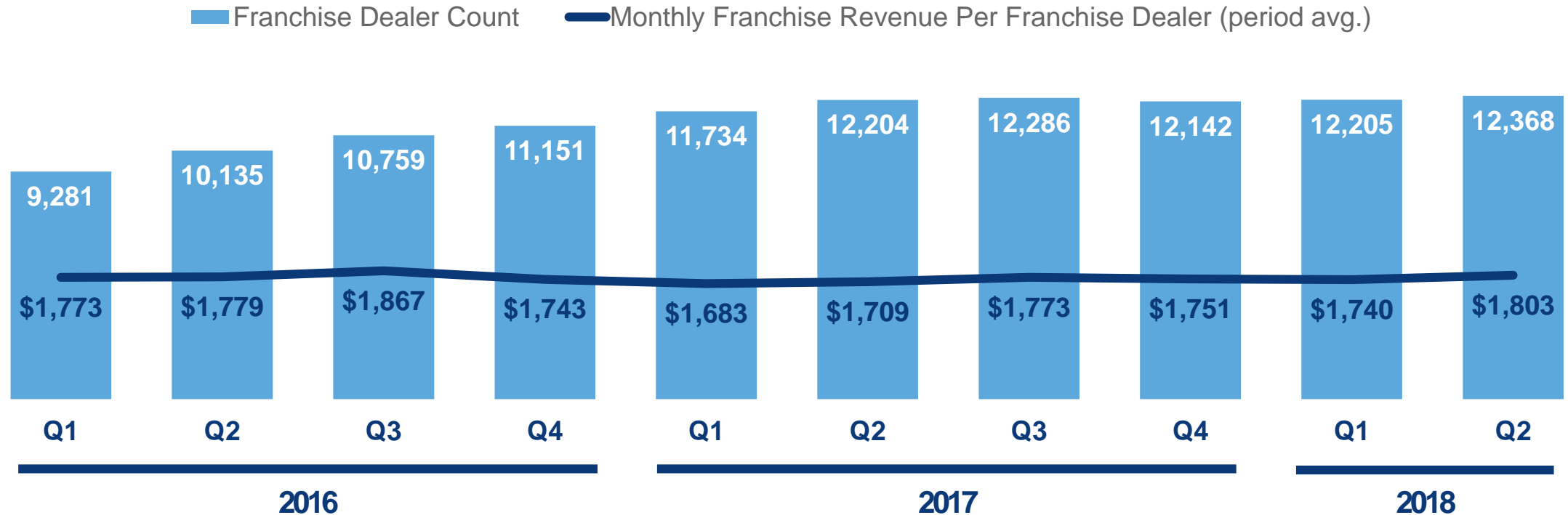


REVENUE



<i>Total Revenue Y/Y:</i>	10%	12%	7%	7%
<i>Forecasts, Consulting & Other Revenue Y/Y:</i>	2%	8%	(19%)	1%
<i>OEM Incentives Revenue Y/Y:</i>	(25%)	5%	(16%)	1%
<i>Net Independent Revenue Y/Y:</i>	31%	23%	19%	10%
<i>Net Franchise Revenue Y/Y:</i>	11%	12%	10%	8%

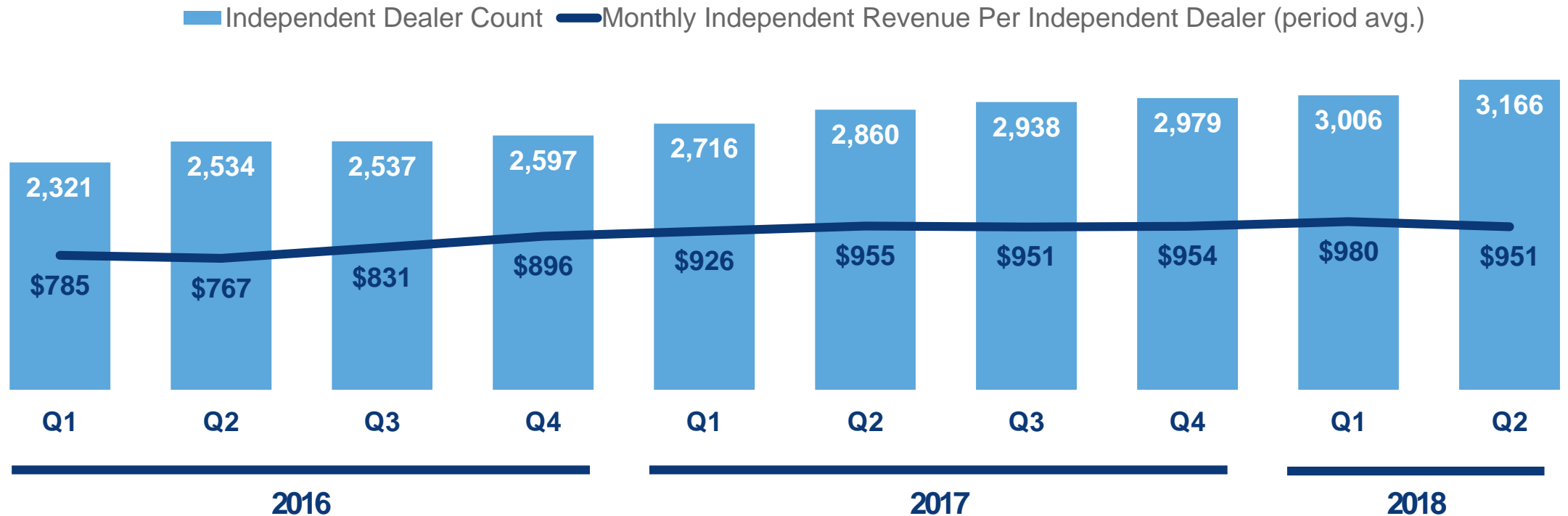
FRANCHISE DEALER OVERVIEW



Franchise Dealer Count Y/Y:	14%	9%	4%	1%
Franchise Revenue / Dealer Y/Y:	(5%)	0%	3%	5%
Franchise Dealer Count Q/Q:	1%	(1%)	1%	1%
Franchise Revenue / Dealer Q/Q:	4%	(1%)	(1%)	4%

Note: Represents Franchise Dealer count only. This number excludes Genesis franchises on our program that were spun off from Hyundai. In order to facilitate period over period comparisons, we have continued to count each Hyundai franchise that also has a Genesis franchise as one franchise dealer rather than two. Non-Franchise Dealer count was 3,166 for Q2 2018, bringing the network of TrueCar Certified Dealers to 15,534.

INDEPENDENT DEALER OVERVIEW

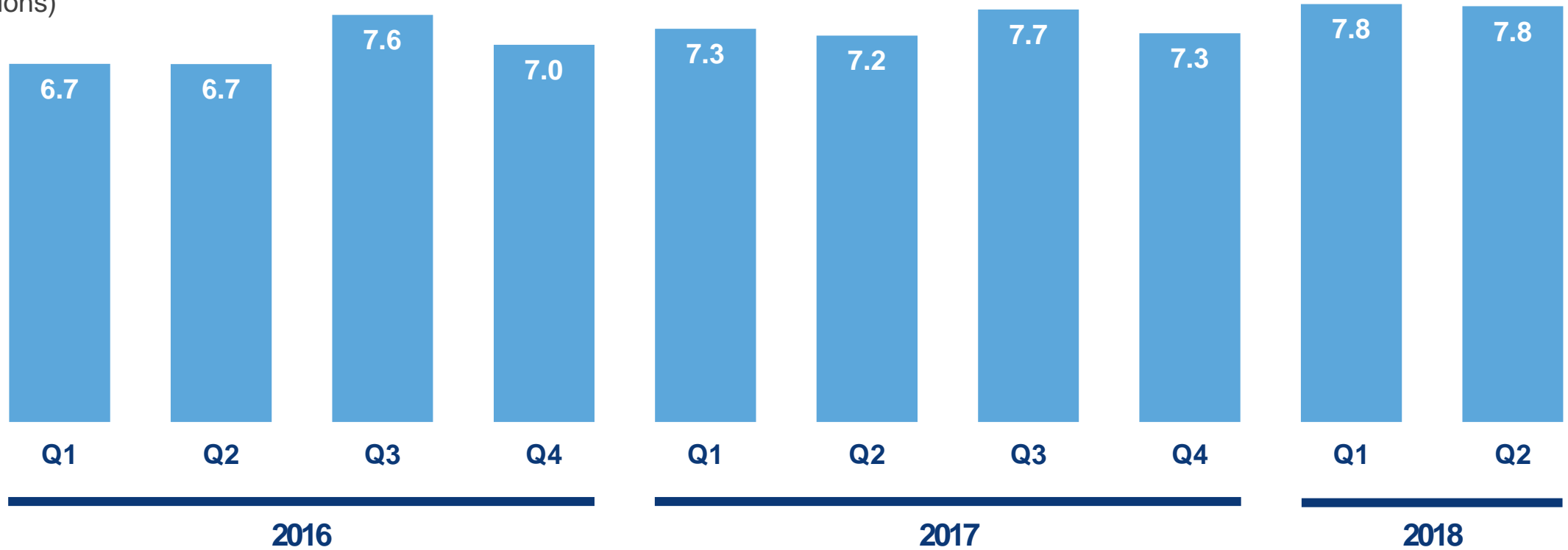


<i>Independent Dealer Count Y/Y:</i>	16%	15%	11%	11%
<i>Independent Revenue / Dealer Y/Y:</i>	14%	6%	6%	(0%)
<i>Independent Dealer Count Q/Q:</i>	3%	1%	1%	5%
<i>Independent Revenue / Dealer Q/Q:</i>	(0%)	0%	3%	(3%)

TRAFFIC

AVERAGE MONTHLY UNIQUE VISITORS

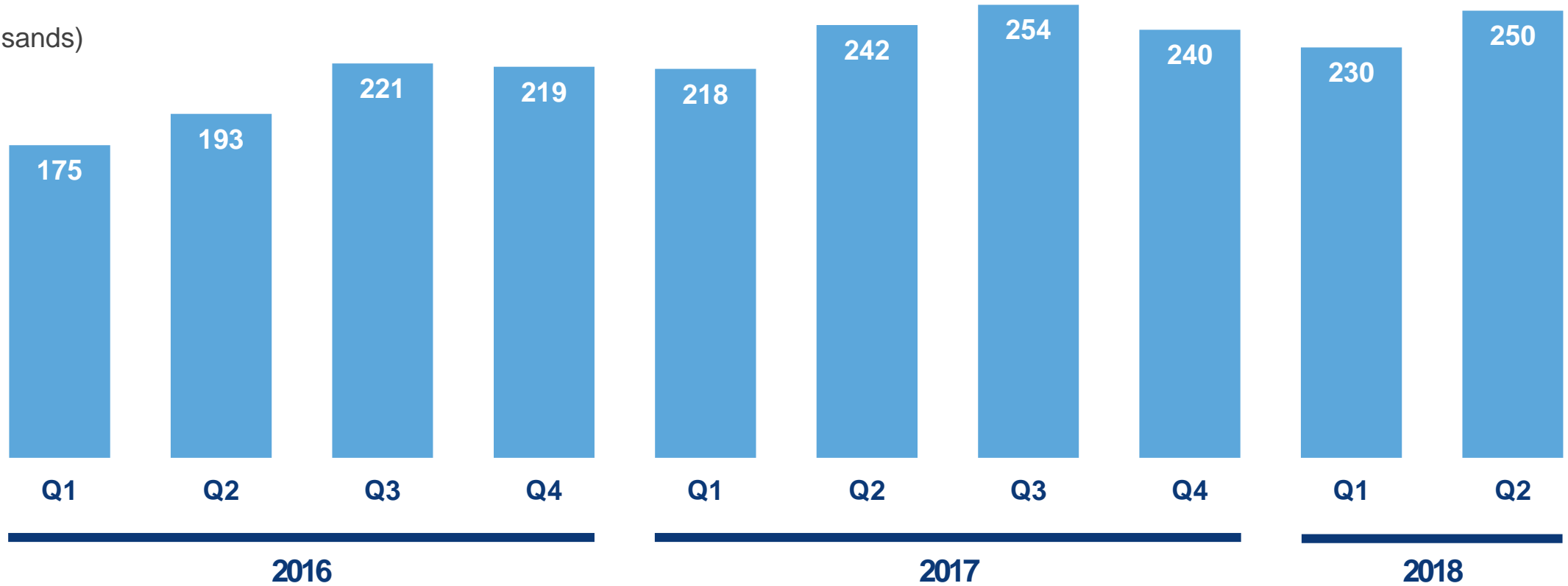
(millions)



Y/Y Growth:	1%	3%	6%	8%
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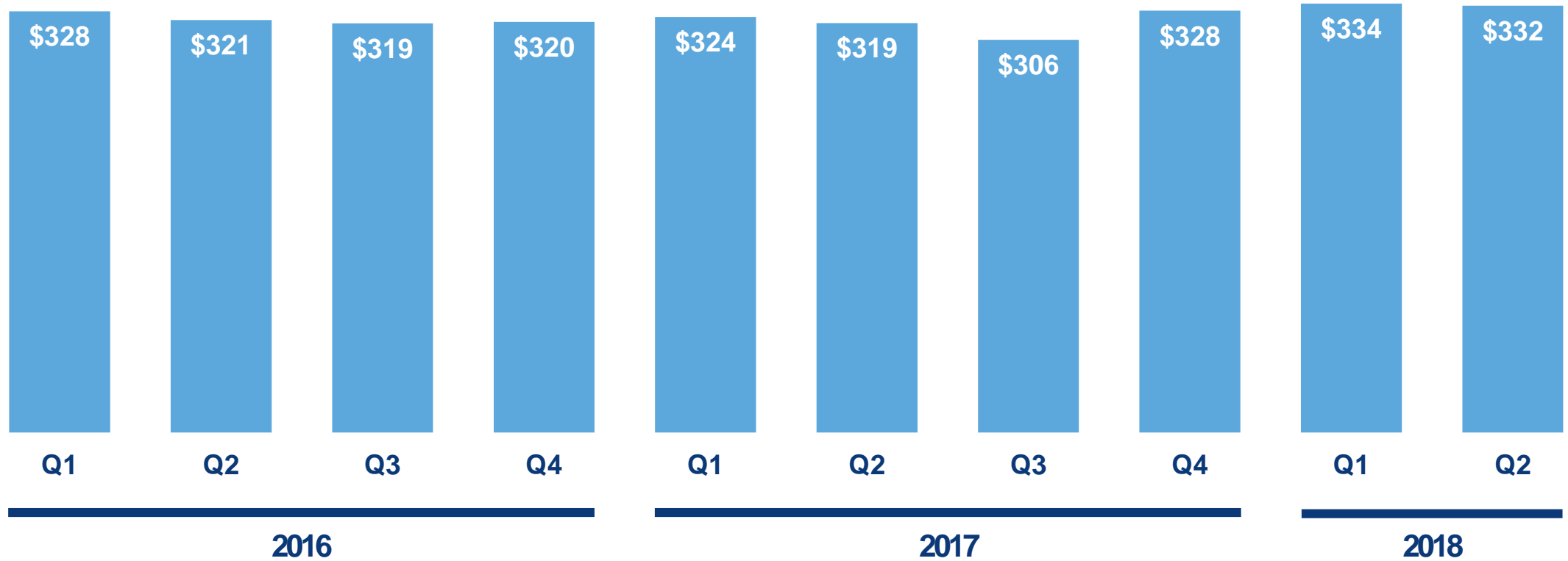
UNITS

(thousands)



Y/Y Growth:	15%	9%	6%	3%
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MONETIZATION



NON-GAAP EXPENSES (1)

EXPENSES

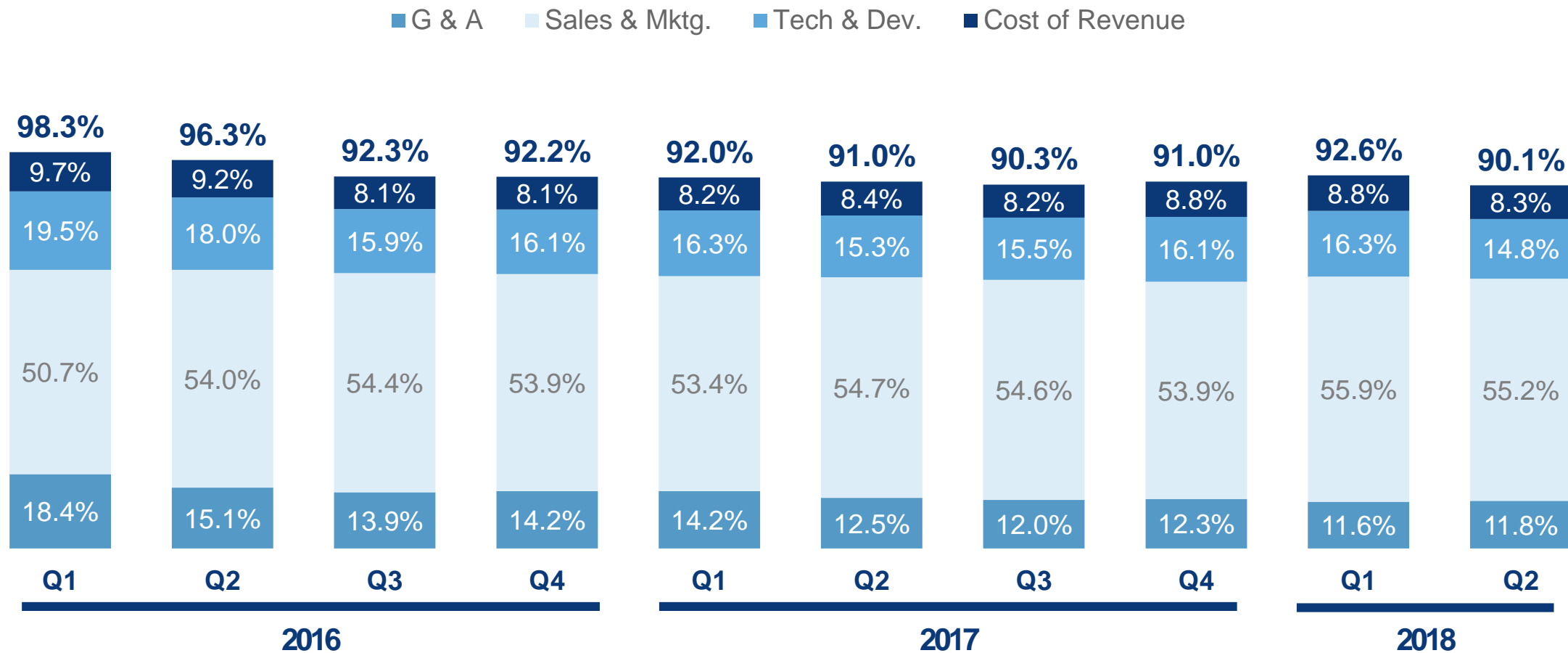
(\$ in millions)

■ G & A ■ Sales & Mktg. ■ Tech & Dev. ■ Cost of Revenue



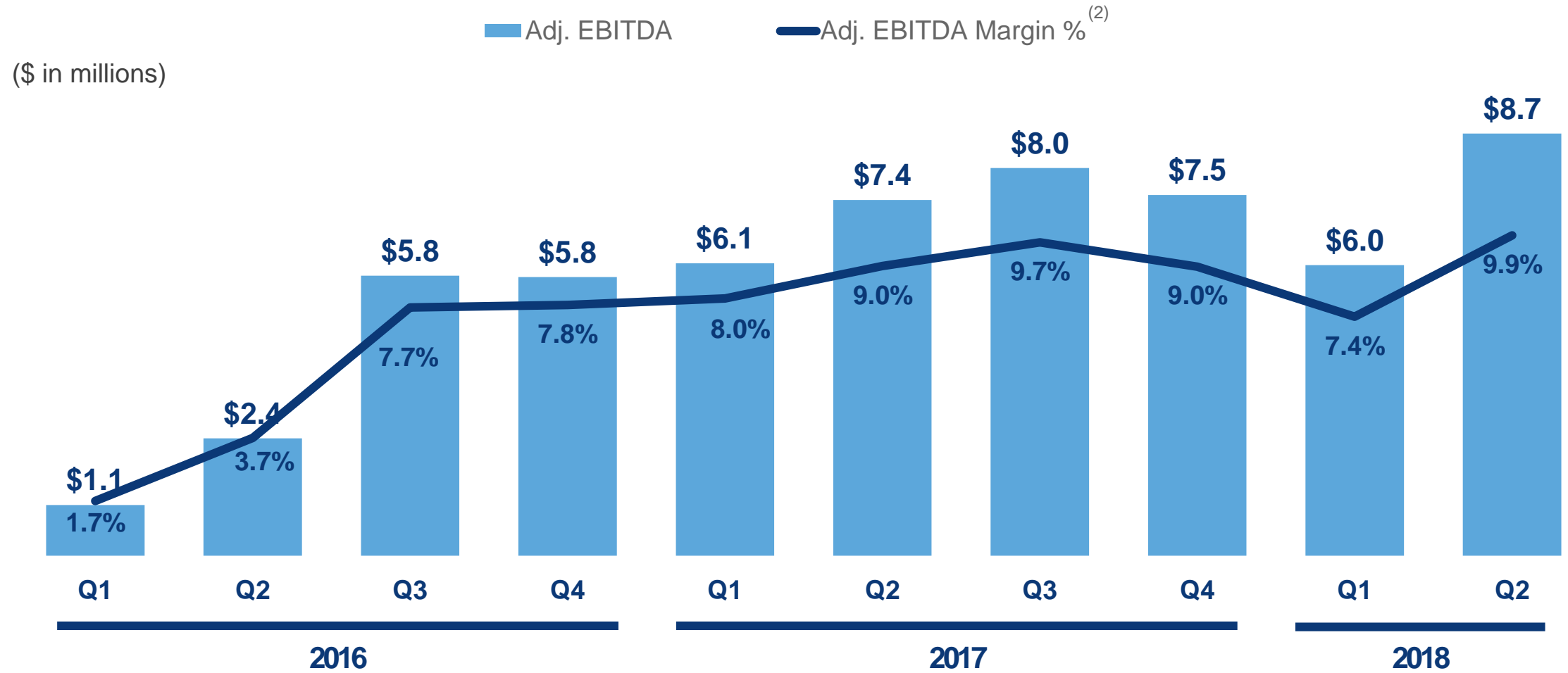
(1) See reconciliations of GAAP expenses to Non-GAAP expenses on page 18.

NON-GAAP EXPENSES AS A PERCENTAGE OF REVENUE (1)



(1) See reconciliations of GAAP expenses to Non-GAAP expenses on page 18.

ADJUSTED EBITDA ⁽¹⁾



(1) See reconciliation of GAAP net loss to Adjusted EBITDA on page 17.

(2) Adjusted EBITDA margin is a Non-GAAP financial measure, calculated as Adjusted EBITDA, divided by total revenue.

Q3 2018 OUTLOOK

	Low	High
Units	274K	279K
Revenue	\$93M	\$95M
Adjusted EBITDA ⁽¹⁾	\$10M	\$11M

(1) We are unable to provide reconciliations of forward-looking Adjusted EBITDA without unreasonable effort because of the uncertainty and potential variability of certain litigation costs, which are a reconciling item between GAAP net loss and Adjusted EBITDA and could have a significant impact on GAAP results.

2018 OUTLOOK

	Low	High
Units	1,030K	1,040K
Revenue	\$360M	\$365M
Adjusted EBITDA ⁽¹⁾	\$36M	\$40M

⁽¹⁾ We are unable to provide reconciliations of forward-looking Adjusted EBITDA without unreasonable effort because of the uncertainty and potential variability of certain litigation costs, which are a reconciling item between GAAP net loss and Adjusted EBITDA and could have a significant impact on GAAP results.

APPENDIX



RECONCILIATION OF NET LOSS TO ADJUSTED EBITDA (Unaudited)

(In thousands, except per share data)	3 Months Ended				FY 2016	3 Months Ended				FY 2017	3 Months Ended	
	Mar 31, 2016	Jun 30, 2016	Sep 30, 2016	Dec 31, 2016		Mar 31, 2017	Jun 30, 2017	Sep 30, 2017	Dec 31, 2017		Mar 31, 2018	Jun 30, 2018
Reconciliation of Net Loss to Adjusted EBITDA:												
Net loss	\$ (11,667)	\$ (14,655)	\$ (7,436)	\$ (7,950)	\$ (41,708)	\$ (6,795)	\$ (8,060)	\$ (9,519)	\$ (8,475)	\$ (32,849)	\$ (9,055)	\$ (6,622)
Interest income	(93)	(102)	(91)	(90)	(376)	(133)	(249)	(402)	(476)	(1,260)	(604)	(750)
Interest expense	608	632	645	645	2,530	649	652	654	655	2,610	661	662
Depreciation and amortization	5,904	5,868	6,035	5,538	23,345	6,084	5,668	5,765	4,955	22,472	5,175	5,641
Stock-based compensation	5,892	5,900	6,241	6,706	24,739	5,907	6,846	9,908	9,580	32,241	9,097	8,972
Warrant (reduction) expense	-	-	13	33	46	-	-	-	-	-	-	-
Certain litigation costs ⁽¹⁾	272	150	193	345	960	350	2,299	1,491	3,827	7,967	799	862
Severance charges ⁽²⁾	-	1,783	-	-	1,783	-	-	-	-	-	-	-
Lease exit costs ⁽³⁾	-	2,684	-	381	3,065	(133)	-	-	-	(133)	-	-
Provision for / (benefit from) income taxes	136	170	191	158	655	121	201	121	(2,607)	(2,164)	(61)	(35)
Adjusted EBITDA	\$ 1,052	\$ 2,430	\$ 5,791	\$ 5,766	\$ 15,039	\$ 6,050	\$ 7,357	\$ 8,018	\$ 7,459	\$ 28,884	\$ 6,012	\$ 8,730

- (1) The excluded amounts relate to legal costs incurred in connection with complaints filed by non-TrueCar dealers and the California New Car Dealers Association against TrueCar and consumer class action lawsuits. We believe the exclusion of these costs is appropriate to facilitate comparisons of our core operating performance on a period-to-period basis. Based on the nature of the specific claims underlying the excluded litigation matters, once these matters are resolved, we do not believe our operations are likely to entail defending against the types of claims raised by these matters. We expect the cost of defending these claims to continue to be significant pending that resolution.
- (2) We incurred \$1.3 million in severance costs in the second quarter of 2016 related to a reorganization of our product and technology teams to better align our resources with business objectives as we transition from multiple software platforms to a unified architecture. In addition, we incurred severance costs of \$0.5 million related to an executive who terminated during the second quarter of 2016. We believe excluding the impacts of these terminations is consistent with our use of Adjusted EBITDA and Non-GAAP net income (loss) as we do not believe they are useful indicators of ongoing operating results.
- (3) The excluded amounts represent updates to the initial estimate of lease termination costs associated with the consolidation of our office locations in Santa Monica, California in December 2015. We believe that their exclusion is appropriate to facilitate period-to-period operating performance comparisons.

RECONCILIATION OF GAAP EXPENSES TO NON-GAAP EXPENSES (Unaudited)

(In thousands, except per share data)	3 Months Ended				FY 2016	3 Months Ended				FY 2017	3 Months Ended	
	Mar 31, 2016	Jun 30, 2016	Sep 30, 2016	Dec 31, 2016		Mar 31, 2017	Jun 30, 2017	Sep 30, 2017	Dec 31, 2017		Mar 31, 2018	Jun 30, 2018
Reconciliation of GAAP Expenses to Non-GAAP Expenses:												
Cost of revenue, as reported	6,225	6,365	6,320	6,257	25,167	6,392	7,130	7,088	7,617	28,227	7,452	7,752
Stock-based compensation	222	233	256	249	960	203	233	339	330	1,105	298	443
Non-GAAP cost of revenue	\$ 6,003	\$ 6,132	\$ 6,064	\$ 6,008	\$ 24,207	\$ 6,189	\$ 6,897	\$ 6,749	\$ 7,287	\$ 27,122	\$ 7,154	\$ 7,309
Sales and marketing, as reported	32,111	38,129	42,557	41,609	154,406	42,182	46,933	48,383	47,899	185,397	48,418	52,014
Stock-based compensation	763	1,736	1,655	1,683	5,837	1,745	2,160	3,358	3,090	10,353	3,127	3,543
Warrant (reduction) expense	-	-	13	33	46	-	-	-	-	-	-	-
Severance charges ⁽¹⁾	-	508	-	-	508	-	-	-	-	-	-	-
Non-GAAP sales and marketing	\$ 31,348	\$ 35,885	\$ 40,889	\$ 39,893	\$ 148,015	\$ 40,437	\$ 44,773	\$ 45,025	\$ 44,809	\$ 175,044	\$ 45,291	\$ 48,471
Technology and development, as reported	13,140	14,022	13,153	13,265	53,580	13,629	14,131	15,357	15,953	59,070	15,594	15,694
Stock-based compensation	1,079	746	1,200	1,373	4,398	1,298	1,600	2,598	2,564	8,060	2,353	2,698
Severance charges ⁽¹⁾	-	1,304	-	-	1,304	-	-	-	-	-	-	-
Non-GAAP technology and development	\$ 12,061	\$ 11,972	\$ 11,953	\$ 11,892	\$ 47,878	\$ 12,331	\$ 12,531	\$ 12,759	\$ 13,389	\$ 51,010	\$ 13,241	\$ 12,996
General and administrative, as reported	15,496	15,998	13,765	14,649	59,908	13,628	15,413	14,993	17,612	61,646	13,481	13,494
Stock-based compensation	3,828	3,185	3,130	3,401	13,544	2,661	2,853	3,613	3,596	12,723	3,319	2,288
Certain litigation costs ⁽²⁾	272	150	193	345	960	350	2,299	1,491	3,827	7,967	799	862
Severance charges ⁽¹⁾	-	(29)	-	-	(29)	-	-	-	-	-	-	-
Lease exit costs ⁽³⁾	-	2,684	-	381	3,065	(133)	-	-	-	(133)	-	-
Non-GAAP general and administrative	\$ 11,396	\$ 10,008	\$ 10,442	\$ 10,522	\$ 42,368	\$ 10,750	\$ 10,261	\$ 9,889	\$ 10,189	\$ 41,089	\$ 9,363	\$ 10,344

- (1) We incurred \$1.3 million in severance costs in the second quarter of 2016 related to a reorganization of our product and technology teams to better align our resources with business objectives as we transition from multiple software platforms to a unified architecture. In addition, we incurred severance costs of \$0.5 million related to an executive who terminated during the second quarter of 2016. We believe excluding the impacts of these terminations is consistent with our use of Adjusted EBITDA and Non-GAAP net income (loss) as we do not believe they are useful indicators of ongoing operating results.
- (2) The excluded amounts relate to legal costs incurred in connection with complaints filed by non-TrueCar dealers and the California New Car Dealers Association against TrueCar and consumer class action lawsuits. We believe the exclusion of these costs is appropriate to facilitate comparisons of our core operating performance on a period-to-period basis. Based on the nature of the specific claims underlying the excluded litigation matters, once these matters are resolved, we do not believe our operations are likely to entail defending against the types of claims raised by these matters. We expect the cost of defending these claims to continue to be significant pending that resolution.
- (3) The excluded amounts represent updates to the initial estimate of lease termination costs associated with the consolidation of our office locations in Santa Monica, California in December 2015. We believe that their exclusion is appropriate to facilitate period-to-period operating performance comparisons.

RECONCILIATION OF NET LOSS TO NON-GAAP NET INCOME (LOSS) (Unaudited)

(In thousands, except per share data)	3 Months Ended				FY 2016	3 Months Ended				FY 2017	3 Months Ended	
	Mar 31, 2016	Jun 30, 2016	Sep 30, 2016	Dec 31, 2016		Mar 31, 2017	Jun 30, 2017	Sep 30, 2017	Dec 31, 2017		Mar 31, 2018	Jun 30, 2018
Reconciliation of GAAP Net Loss to Non-GAAP Net Income (Loss):												
Net loss, as reported	\$ (11,667)	\$ (14,655)	\$ (7,436)	\$ (7,950)	\$ (41,708)	\$ (6,795)	\$ (8,060)	\$ (9,519)	\$ (8,475)	\$ (32,849)	\$ (9,055)	\$ (6,622)
Stock-based compensation	5,892	5,900	6,241	6,706	24,739	5,907	6,846	9,908	9,580	32,241	9,097	8,972
Warrant (reduction) expense	-	-	13	33	46	-	-	-	-	-	-	-
Certain litigation costs ⁽¹⁾	272	150	193	345	960	350	2,299	1,491	3,827	7,967	799	862
Severance charges ⁽²⁾	-	1,783	-	-	1,783	-	-	-	-	-	-	-
Lease exit costs ⁽³⁾	-	2,684	-	381	3,065	(133)	-	-	-	(133)	-	-
Non-GAAP net income (loss) ⁽⁴⁾	\$ (5,503)	\$ (4,138)	\$ (989)	\$ (485)	\$ (11,115)	\$ (671)	\$ 1,085	\$ 1,880	\$ 4,932	\$ 7,226	\$ 841	\$ 3,212
Basic shares for non-GAAP EPS	83,462	83,931	84,822	85,698	84,483	86,783	93,745	98,665	100,081	94,865	100,571	101,150
Diluted shares for non-GAAP EPS	83,462	83,931	84,822	85,698	84,483	86,783	103,265	105,751	103,645	99,923	100,301	102,771
Non-GAAP net income (loss) per share - basic	\$ (0.07)	\$ (0.05)	\$ (0.01)	\$ (0.01)	\$ (0.13)	\$ (0.01)	\$ 0.01	\$ 0.02	\$ 0.05	\$ 0.08	\$ 0.01	\$ 0.03
Non-GAAP net income (loss) per share - diluted	\$ (0.07)	\$ (0.05)	\$ (0.01)	\$ (0.01)	\$ (0.13)	\$ (0.01)	\$ 0.01	\$ 0.02	\$ 0.05	\$ 0.07	\$ 0.01	\$ 0.03

(1) The excluded amounts relate to legal costs incurred in connection with complaints filed by non-TrueCar dealers and the California New Car Dealers Association against TrueCar and consumer class action lawsuits. We believe the exclusion of these costs is appropriate to facilitate comparisons of our core operating performance on a period-to-period basis. Based on the nature of the specific claims underlying the excluded litigation matters, once these matters are resolved, we do not believe our operations are likely to entail defending against the types of claims raised by these matters. We expect the cost of defending these claims to continue to be significant pending that resolution.

(2) We incurred \$1.3 million in severance costs in the second quarter of 2016 related to a reorganization of our product and technology teams to better align our resources with business objectives as we transition from multiple software platforms to a unified architecture. In addition, we incurred severance costs of \$0.5 million related to an executive who terminated during the second quarter of 2016. We believe excluding the impacts of these terminations is consistent with our use of Adjusted EBITDA and Non-GAAP net income (loss) as we do not believe they are useful indicators of ongoing operating results.

(3) The excluded amounts represent updates to the initial estimate of lease termination costs associated with the consolidation of our office locations in Santa Monica, California in December 2015. We believe that their exclusion is appropriate to facilitate period-to-period operating performance comparisons.

(4) There is no income tax impact related to the adjustments made to calculate Non-GAAP net income because of our available net operating loss carryforwards and the full valuation allowance recorded against our net deferred tax assets at June 30, 2018 and June 30, 2017.