

CarEurus[®]

HAS AGREED TO ACQUIRE A
MAJORITY INTEREST IN

 **CarOffer**[™]



CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain information contained in this presentation, other matters discussed today and answers that may be given in response to questions may include "forward-looking statements." We may, in some cases, use terms such as "anticipates," "believes," "could," "estimates," "expects," "intends," "likely," "may," "might," "plans," "potential," "predicts," "projects," "seeks," "should," "target," "will," "would," or other words that convey uncertainty of future events or outcomes to identify these forward-looking statements. In particular, statements in this presentation regarding: our expectations for the closing of the transaction with CarOffer and acquisition of additional equity interests; our expectation that the transaction will enhance our value proposition for dealers, including by creating the most complete solution for dealers to buy and sell vehicles at both retail and wholesale; our plans to independently operate CarOffer; the potential growth, scaling and efficiency of CarOffer, as well as the value proposition of CarOffer's business; expected transaction synergies; the value proposition of our products and our market awareness; and other statements regarding our plans, prospects and expectations, are examples of such forward-looking statements. These forward-looking statements are subject to a number of risks and uncertainties, including, without limitation, risks related to: regulatory approval of the transaction with CarOffer or that other conditions to the closing of the transaction may not be satisfied; the potential impact on our or CarOffer's business due to the announcement of the transaction; the occurrence of any event, change or other circumstances that could give rise to the termination of the definitive transaction agreement with CarOffer; our growth and ability to grow our revenue; our relationships with dealers; competition in the markets in which we operate; market growth; our ability to innovate; our ability to realize benefits from our acquisitions generally and successfully implement the integration strategies in connection therewith; natural disasters, epidemics or pandemics, like COVID-19 that has negatively impacted our business; our ability to operate in compliance with applicable laws, as well as other risks and uncertainties set forth in the "Risk Factors" section of our Quarterly Report on Form 10-Q, filed on November 5, 2020 with the Securities and Exchange Commission (SEC), and subsequent reports that we file with the SEC. Moreover, we operate in very competitive and rapidly changing environments. New risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, we cannot guarantee that future results, levels of activity, performance, achievements or events and circumstances reflected in the forward-looking statements will occur. We are under no duty to update any of these forward-looking statements after the date of this presentation to conform these statements to actual results or revised expectations, except as required by law. You should, therefore, not rely on these forward-looking statements as representing our views as of any date subsequent to the date of this presentation.

This presentation also contains estimates and other statistical data, including those relating to our industry and the market in which we operate, that we have obtained or derived from internally-prepared studies and surveys, third-party studies, industry publications and reports, as well as other publicly available information prepared by a number of third-party sources. We rely on both internal data and Google Analytics for data relating to our own key business metrics and, for consistency, we rely on Comscore and, as applicable, third party studies for data relating to comparisons with our competitors. We also rely on data prepared internally by CarOffer for data relating to CarOffer's key business metrics. Google Analytics, Comscore and applicable third-party studies use different methodologies to derive their data and therefore their data for similar statistics are not comparable. These third-party studies and industry publications and reports generally indicate that they have obtained their information from sources believed to be reliable, but do not guarantee the accuracy and completeness of their information. This information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to these estimates, as there is no assurance that any of them will be reached. Based on our experience, we believe that these third-party studies and industry publications and reports are reliable and that the conclusions contained therein are reasonable. In addition, you are cautioned not to rely on our extrapolations of internally-prepared studies and surveys and/or third-party studies, as these are estimates involving a number of assumptions and limitations, which we are unable to ensure will be reached.

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Our mission to disrupt the automotive market continues



Where we are

CarGurus operates the largest online automotive marketplace in the U.S. by visits and inventory.⁽¹⁾

Our technology foundation drives transparency, ease-of-use and market-leading ROI in the Listings industry.

Where we are going

Both the car shopping journey and dealer operations are increasingly moving online.

Listings are evolving to online transactions thus increasing dealers' geographic reach.

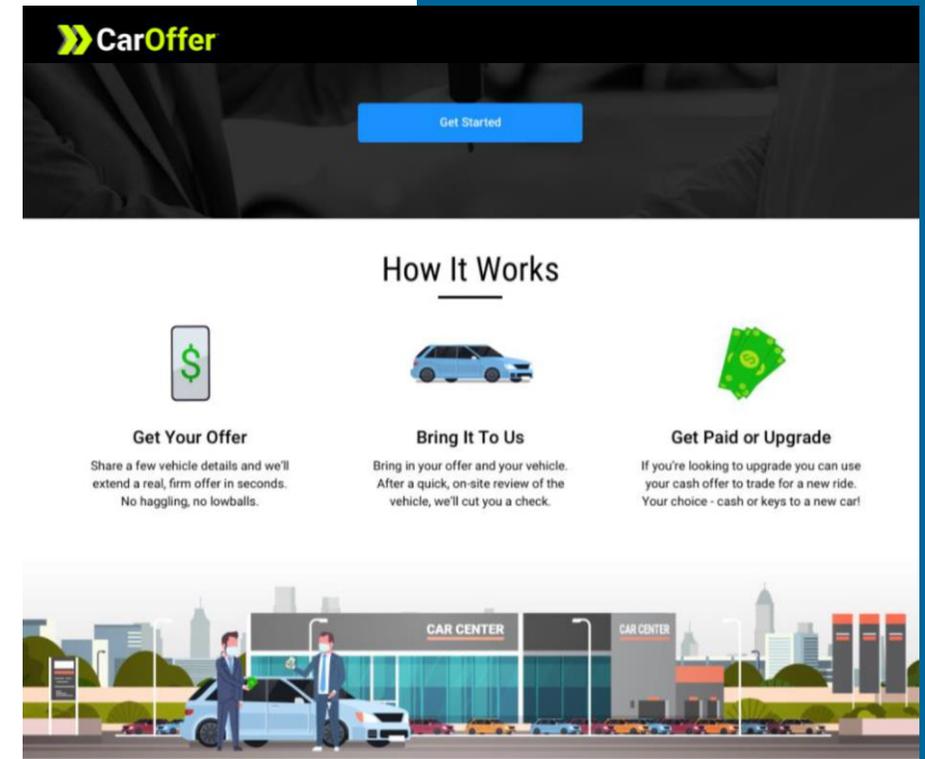
More ubiquitous retail inventory accessibility heightens the need for dealers to acquire the right wholesale inventory at the right price.

Combining technology solutions to solve both will change how consumers shop and how dealers buy and sell inventory.

⁽¹⁾ As measured by (i) total visits (source: Comscore Media Metrix® Multi-Platform, Automotive – Information/Resources, Total Audience, Q3 2020, U.S. (Competitive set includes: CarGurus.com, Autotrader.com, Cars.com, TrueCar.com)) and (ii) inventory (compared to major online automotive marketplaces in the U.S., defined as CarGurus.com, Autotrader.com, Cars.com, and TrueCar.com; based on publicly available information as of September 30, 2020, and the Comparative Analysis of US Vehicle Listing Platforms, Bates White Economic Consulting, June 2020).

Overview of CarOffer®

- CarOffer is disrupting the wholesale automotive market to create the industry's first instant trade platform—the Buying Matrix.
- The Buying Matrix aggregates buyer interests and intelligently maps it to seller interests, creating a highly efficient wholesale marketplace that eliminates the need for time-consuming auctions, where dealers can both sell and buy vehicles at any time.
- CarOffer also sells Guaranteed Bid contracts, which enable dealers to lock in a selling price for a vehicle 45 days in the future.
- CarOffer can provide value to dealers of all sizes—from single-rooftop independent dealerships to large, national franchise groups.



CarOffer's advantage over traditional wholesale auctions

FOR ALL DEALERS

Fair, flat fees

Fixed sell and buy fees regardless of vehicle price, with **no subscription fees**.

Nationwide reach

Buyers and sellers benefit from the size and scale of CarOffer's growing network.

Group trade

Dealers can trade privately amongst a separate, closed group of stores.

FOR SELLING DEALERS

Always be selling

Receive bids on inventory without having to send the car to the auction lane.

Full transparency...always

Dealers can view live offers directly in their inventory management system.

Eliminate aged inventory

Liquidate inventory either through the Buying Matrix or a 45-day Guaranteed Bid contract.

FOR BUYING DEALERS

Save time

Avoid spending hours monitoring auction lanes and bidding on cars one at a time.

Dynamic bidding

Create dynamic bid strategies using market data.

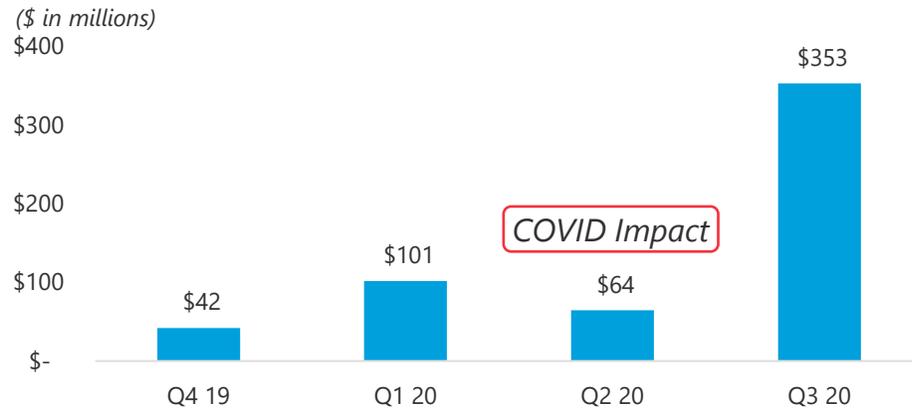
Reduce surprises

Transparency through detailed condition reports and inspections.

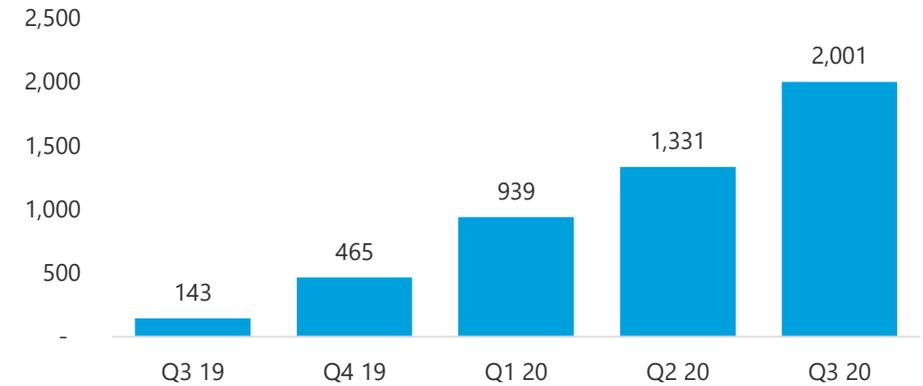


The CarOffer network is scaling fast

Gross Transaction Volume – Quarterly ⁽¹⁾



Installed Dealer Rooftops (End of Quarter) ⁽²⁾



CarOffer is the best tool we've seen in years—it's powerful and simple to use. We have successfully bought and sold units on CarOffer, and the system has allowed us to trade for 20-25% more vehicles due to its real-time offers at point of appraisal. I encourage every dealer to look at CarOffer."

CHUCK KRAMER, COO, Foundation Auto Corp

"I am excited about the unique ways to acquire trades. The instant offers will be the most impactful tool seen with CarOffer knowing that it is going to reduce costs and improve speed."

TIM POHANKA, Pohanka Auto Group

(1) Total CarOffer transaction volume including gross vehicle value of Buying Matrix buy and sell transactions and Buy Center transactions as well as applicable fees and transportation costs. Date of transaction is determined upon seller's acceptance of offer, which precedes title transfer and completed inspection.

(2) CarOffer installed dealers are dealers that have signed an agreement with CarOffer to participate on the platform and have completed the onboarding process.

Proposed purchase steps

Step 1 consideration will comprise 50% stock and 50% cash and is expected to close in January 2021. CarGurus did not issue debt to finance this transaction.

STEP	ESTIMATED DATE	CONTEMPLATED TRANSACTION	% INTEREST ACQUIRED IN CAROFFER	VALUATION
Step 1	Jan 2021	CG acquires 51% stake	51%	\$275M
Step 2	2H 2022	CG has option to acquire up to an additional 25% ⁽²⁾	76% ⁽²⁾	Multiple of TTM adjusted gross profit ⁽¹⁾
Step 3	2H 2024	CG has option to acquire final 24-49% ⁽²⁾	100%	Multiple of TTM EBITDA ⁽¹⁾

(1) Valuation to be determined in accordance with the terms of the Second Amended and Restated Limited Liability Company Agreement, dated December 9, 2020, by and among CarGurus, Inc., CarOffer Investors Holding, LLC ("TopCo"), the Members of TopCo, and CarOffer MidCo, LLC (the "Operating Agreement").

(2) Step 2 call option, including the extent of the eligible interest to be acquired, can be exercised at CarGurus' discretion. All remaining equity is eligible to be transacted in Step 3. In addition to CarGurus' call option at Step 3, the representative of the holders of the remaining equity will have a put right, exercisable in his, her or their sole discretion, to have the holders of the remaining equity sell to CarGurus all of the remaining equity at a valuation determined in accordance with the Operating Agreement. The determination of whether the call or put option would ultimately be exercised at Step 3 is as set forth in the Operating Agreement.

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