



The RealReal
Q4 2025
Financial Results

February 26, 2026

Safe Harbor/Disclosure Statement

These materials contain forward-looking statements relating to, among other things, the future performance of The RealReal that are based on the company's current expectations, forecasts and assumptions and involve risks and uncertainties. In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “should,” “could,” “expect,” “plan,” “anticipate,” “target,” “contemplate,” “project,” “believe,” “estimate,” “predict,” “intend,” “potential,” “continue,” “ongoing” or the negative of these terms or other comparable terminology. These statements include, but are not limited to, statements about future operating and financial results, including our strategies, plans, commitments, objectives and goals, in particular in the context of the recent geopolitical events, and uncertainty surrounding macroeconomic trends, financial guidance, anticipated growth in 2026, the anticipated impact of generative AI, and financial targets, goals and projections. Actual results could differ materially from those predicted or implied and reported results should not be considered as an indication of future performance. Other factors that could cause or contribute to such differences include, but are not limited to, inflation, macroeconomic uncertainty, geopolitical instability, any failure to generate a supply of consigned goods, pricing pressure on the consignment market resulting from discounting in the market for new goods, failure to efficiently and effectively operate our merchandising and fulfillment operations, labor shortages and other reasons.

More information about factors that could affect the company's operating results is included under the captions “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in the company's most recent Annual Report on Form 10-K for the year ended December 31, 2024 and subsequent Quarterly Reports on Form 10-Q, copies of which may be obtained by visiting the company's Investor Relations website at <https://investor.therealreal.com> or the SEC's website at www.sec.gov. Undue reliance should not be placed on the forward-looking statements in this press release, which are based on information available to the company on the date hereof. The company assumes no obligation to update such statements.

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

In addition to financial information presented in accordance with U.S. generally accepted accounting principles (“GAAP”), this presentation includes the non-GAAP financial measures of Adjusted EBITDA, Free Cash Flow, and Adjusted EBITDA Margin (Adjusted EBITDA as a percentage of revenue). These non-GAAP measures are presented for supplemental information purposes only and should not be considered a substitute for financial information presented in accordance with GAAP. These non-GAAP measures have limitations as analytical tools and should not be considered in isolation or as substitutes for analysis of other GAAP financial measures. Reconciliations of these measures to the most directly comparable GAAP measures are included at the end of this presentation.

We have not reconciled forward-looking Adjusted EBITDA to the most directly comparable GAAP measures of Net Income (Loss) because we cannot predict with reasonable certainty the ultimate outcomes of certain components of such reconciliations, including payroll tax expense on employee stock transactions, that are not within our control, or other components that may arise, without unreasonable effort. For these reasons, we are unable to assess the probable significance of the unavailable information, which could materially impact the amount of future Net Income (Loss).

Changing The Way People Shop For the Better

- ✓ **Trusted market leader** in luxury resale across diverse categories & brands
- ✓ **Tenured sales team** nurtures highly-engaged community of buyers & consignors
- ✓ **Rich data and technology expertise** driving pricing and authentication
- ✓ **Full-service approach** reduces friction for consignors and unlocks supply
- ✓ **Capital-light** consignment business model with attractive margins



Clear and Focused Strategy



**UNLOCK SUPPLY
THROUGH
GROWTH PLAYBOOK**

**DRIVE
OPERATIONAL
EFFICIENCY**

**OBSESS
OVER
SERVICE**

SUPPORTED BY PROPRIETARY TECHNOLOGY AND DATA

Proprietary Technology and Data Is A Key Differentiator

~15 YEARS OF RICH DATA ON >50 MILLION ITEMS
Including luxury item images and attributes, pricing/transactions, and customer behavior

**PROPRIETARY
OPERATIONAL SYSTEMS**



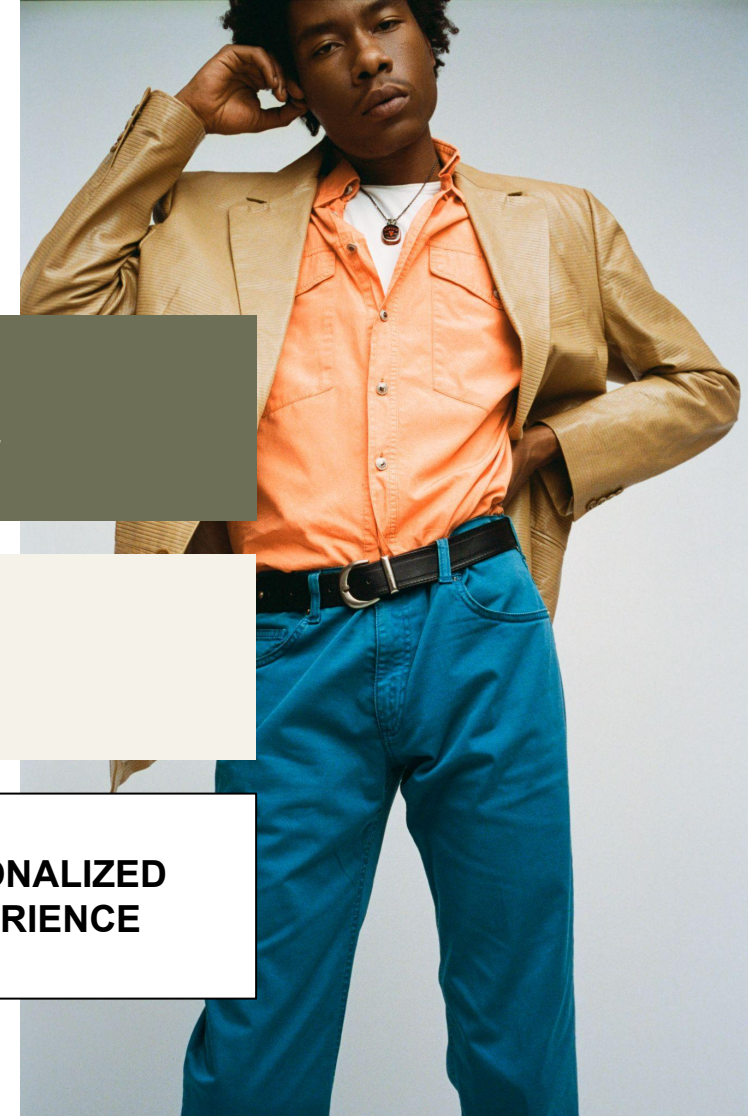
**ADVANCED AI
AND ANALYTICS**

**SOPHISTICATED
PRICING ALGORITHMS**

**BEST-IN-CLASS
AUTHENTICATION**

**AUTOMATED
WORKFLOW**

**PERSONALIZED
EXPERIENCE**



Q4 2025 Key Highlights

GROWTH & MARKET LEADERSHIP

- Surpassed \$2B GMV milestone: achieved \$2.13B in GMV for the full year 2025, up 16% YoY
- Trailing 12-month Active Buyers accelerated to +9% YoY
- GMV of \$616M in the fourth quarter, increased 22% YoY

AI-DRIVEN EFFICIENCY AND SCALABILITY

- Achieved year-end goal of 35% of all units fully flowing through Athena, our AI-enabled product intake process
- Delivered 600 bps of OpEx leverage YoY as a percent of revenue in Q4
- Deployed new AI search capabilities including natural language search, driving improved conversion

STRONG PROFITABILITY & FY'26 OUTLOOK

- Delivered first year with four quarters of positive Adjusted EBITDA, totaling \$42M (6% AEBITDA margin)
- Generated \$43M in Free Cash Flow in Q4, a \$23M improvement YoY
- Projecting FY26 GMV of \$2.39B–\$2.45B and Adjusted EBITDA of \$57M–\$65M (approx. 8% margin)

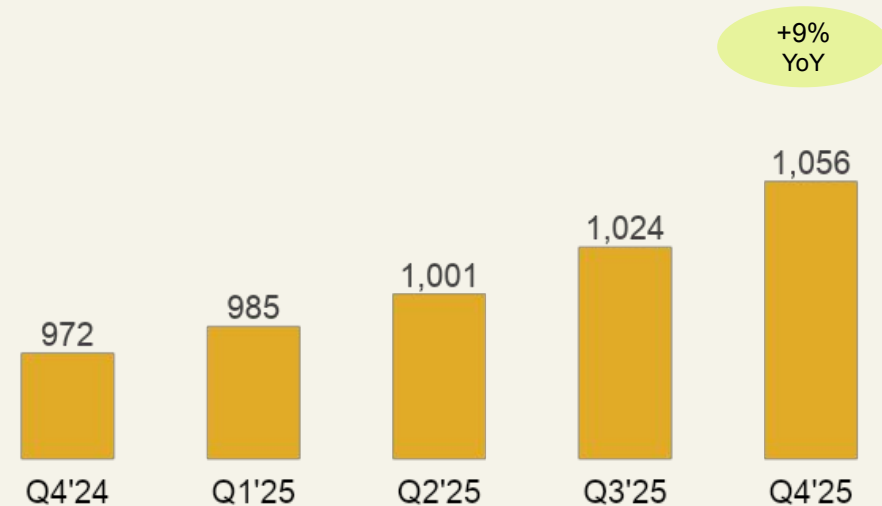
Q4 Financial Summary

GMV (\$M)



GMV of \$616M, increased 22% year-over-year, driven roughly evenly by unit volume and higher average selling prices

ACTIVE BUYERS - TTM (000s)



TTM Active Buyers accelerated sequentially to 9% year-over-year or 1.1M active buyers

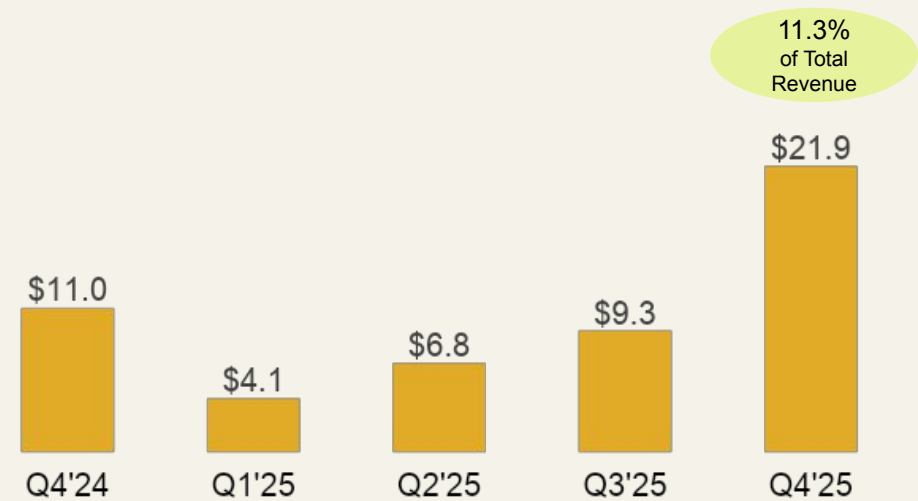
Q4 Financial Summary

REVENUE (\$M)



Revenue of \$194M increased 18% year-over-year, with Consignment Revenue up 16% and Direct Revenue up 39% YoY

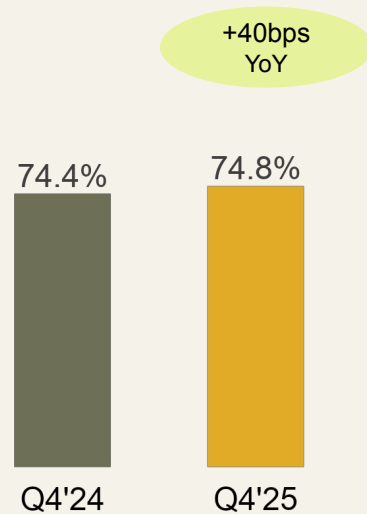
ADJUSTED EBITDA (\$M)



Adjusted EBITDA was \$21.9M, or 11.3% of Total Revenue increased 450 basis points YoY

Q4 Financial Summary

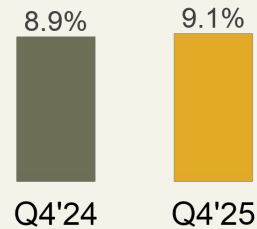
GROSS MARGIN



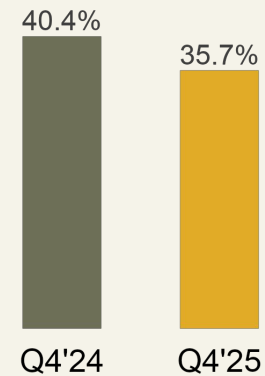
Gross Margin (GM) increased 40 basis points YoY. Consignment GM +60 bps and Direct GM +1200 bps YoY

OPERATING EXPENSES (% of Total Revenue)

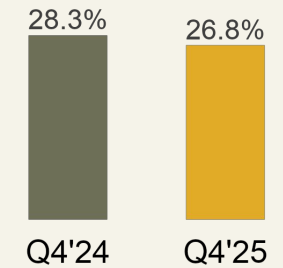
MARKETING



OPERATIONS & TECHNOLOGY



SELLING, GENERAL & ADMINISTRATIVE



Total Operating Expenses improved 600 bps YoY as a percent of revenue driven by increased use of AI and automation in our operations, sales and retail team productivity, and leverage on fixed costs

2026 Outlook

Q1 2026	\$585M - \$600M	GMV	\$2.39B - \$2.45B	Full Year 2026
	\$185M - \$189M	REVENUE	\$765M - \$780M	
	\$11M - \$13M	ADJUSTED EBITDA	\$57M - \$65M	



Key Advantages and Differentiators



LEADER IN LUXURY RESALE INDUSTRY

scaled platform with strong brand equity and rich data assets



A LARGE AND GROWING TAM supported by unique positioning and strong secular tailwinds



DIFFERENTIATED MODEL built on foundation of trust, expertise and unmatched end-to-end service



POWERFUL FLYWHEEL

Converting buyers into sellers and accelerating network effects



FOCUSED STRATEGY

unlocking supply, driving efficiencies, and obsessing over service

Appendix

The Real Real



Q4 2025 Obsessions: Brands Trending on TRR



Vintage Nostalgia

Balenciaga City Bag
Chloe Paddington
Roberto Cavalli dresses
Thierry Mugler jackets
Fendi baguettes



Modern Luxury

Khaite
The Row
TOTEME
Kallmeyer
Lemaire
Tibi



Gen Z Favorites

Miu Miu
Jacquemus
Staud
Cult Gaia
Christopher Esber
Coach



Gold Rush

Patek Philippe
Audemars Piguet
Cartier
Bvlgari
Van Cleef & Arpels

KEY FINANCIAL METRICS

Quarter ended December 31	2025	2024
<i>(in thousands, except AOV and percentages)</i>		
GMV	\$615,683	\$503,536
NMV	\$466,924	\$383,447
Consignment Revenue	\$149,014	\$128,126
Direct Revenue	\$27,214	\$19,524
Shipping Services Revenue	\$17,823	\$16,345
Number of Orders	960	870
Take Rate	36.5%	37.7%
Active Buyers	1,056	972
AOV	\$641	\$579

INCOME STATEMENT

Quarter ended December 31	2025	2024
<i>(in \$000's)</i>		
Total revenue	\$ 194,051	\$ 163,995
<u>Total cost of revenue</u>	<u>48,848</u>	<u>41,932</u>
Gross profit	\$ 145,203	\$ 122,063
<u>Total operating expenses</u>	<u>138,931</u>	<u>127,217</u>
Loss from operations	\$ 6,272	\$ (5,154)
Change in fair value of warrant liability	(38,881)	(58,958)
Gain on extinguishment of debt	-	-
Interest income	956	1,671
Interest expense	(7,258)	(5,916)
<u>Other income, net</u>	<u>284</u>	<u>-</u>
Loss before provision for income taxes	(38,627)	(68,357)
<u>Provision for income taxes</u>	<u>155</u>	<u>98</u>
Net income (loss) attributable to common stockholders	\$ (38,782)	\$ (68,455)

BALANCE SHEET

1 of 2

<i>(in \$000s)</i>	12/31/25	12/31/24
Cash and cash equivalents	151,231	172,212
Short-term investments	-	-
Accounts receivable, net	23,822	13,961
Inventory	30,843	23,583
<u>Prepaid expenses and other current assets</u>	<u>21,595</u>	<u>22,913</u>
Total current assets	227,491	232,669
Property and equipment, net	96,148	94,443
Operating lease right-of-use assets	64,641	75,714
Restricted cash	14,808	14,911
<u>Other assets</u>	<u>5,945</u>	<u>5,358</u>
Total assets	\$ 409,033	\$ 423,095

BALANCE SHEET

2 of 2

<i>(in \$000s)</i>	12/31/25	12/31/24
Accounts payable	14,565	11,004
Accrued consignor payable	111,497	89,718
Operating lease liabilities, current portion	24,645	22,835
Other accrued and current liabilities	113,533	98,466
<u>Convertible senior notes, net, current portion</u>	<u>-</u>	<u>26,653</u>
Total current liabilities	264,240	248,676
Operating lease liabilities, net of current portion	66,793	85,790
Convertible senior notes, net	230,833	276,807
Long term debt, net	140,980	134,470
Warrant liabilities	114,353	78,584
Other noncurrent liabilities	7,352	6,144
Total liabilities	\$ 824,551	\$ 830,471
Total stockholders' deficit	(415,518)	(407,376)
Total liabilities stockholders' deficit	\$ 409,033	\$ 423,095

FREE CASH FLOW

RECONCILIATION OF GAAP TO NON-GAAP RESULTS

	Quarter ended December 31	
	2025	2024
(in \$000's)		
Net cash provided by (used in) operating activities	\$ 49,520	\$ 27,994
<u>Purchase of property and equipment and capitalized proprietary software development costs</u>	<u>(6,920)</u>	<u>(8,829)</u>
Free (negative) cash flow	\$ 42,600	\$ 19,165

ADJUSTED EBITDA

RECONCILIATION OF GAAP TO NON-GAAP RESULTS

Quarter ended December 31	2025	2024
(in \$000's, except percentages)		
Net loss	\$ (38,782)	\$ (68,455)
Depreciation and amortization	8,164	8,294
Net Interest expense ⁽¹⁾	6,302	4,245
<u>Provision for income taxes</u>	<u>155</u>	<u>98</u>
EBITDA	(24,161)	(55,818)
Stock-based compensation	6,771	6,502
Payroll tax expense on employee stock transactions	370	121
CEO separation benefit and transition costs ⁽²⁾	-	782
Change in fair value of warrant liability ⁽³⁾	38,881	58,958
<u>One-time expenses</u> ⁽⁴⁾	<u>-</u>	<u>462</u>
Adjusted EBITDA	\$ 21,861	\$ 11,007
Adjusted EBITDA (% of revenue)	11.3%	6.7%

(1) Interest expense includes \$1.5 million of payment in kind ("PIK") interest for each of the quarters ended December 31, 2025 and December 31, 2024, which is a non-cash interest expense. PIK interest is added to the principal balance of the 2029 Notes semi-annually.

(2) The CEO separation benefits and transition costs for the quarter ended December 31, 2024 consist of severance and benefits payable to John Koryl pursuant to his separation agreement.

(3) The change in fair value of warrant liability for the three months ended December 31, 2025 and December 31, 2024 reflects the remeasurement of the Warrants issued by the Company in connection with the 2024 Note Exchange in February 2024.

(4) One time expenses for the three months ended December 31, 2024 consists of estimated losses, net of estimated insurance recoveries related to the fire at one of our New Jersey authentication centers.

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