



Q3 2024 Earnings Presentation
November 2024

TheRealReal

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 impacts of recent geopolitical events, including the conflict between Russia and Ukraine and the Israel-Hamas war, and uncertainty surrounding macro-economic trends, the debt exchange, financial guidance, anticipated growth in 2024, the anticipated impact of generative AI, and long-range financial targets 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 RealReal'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, 2023 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 presentation, 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 and Adjusted EBITDA Margin (Adjusted EBITDA as a percentage of revenue). These non-GAAP measures are presented for supplemental informational purposes only and should not be considered a substitute for financial information presented in accordance with GAAP. These non-GAAP measures have limitations as analytical tools and 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 outcome 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).

The RealReal

We are on a mission
to change the
way people shop -
for the better.

Who We Are

Leading Online Marketplace for
Authenticated, Luxury Resale Goods
with **\$1.7bn of annual GMV¹**

What We Do

Deliver an unmatched buying & selling
experience built on Service, Trust &
Expertise to our growing community of **37
million members²**

Why We Win

Consignors

- ✓ Full-Service, Luxury Selling Experience
- ✓ Sophisticated, Data-Driven Pricing
- ✓ Efficient Authentication
- ✓ Growing Awareness for High-End Resale

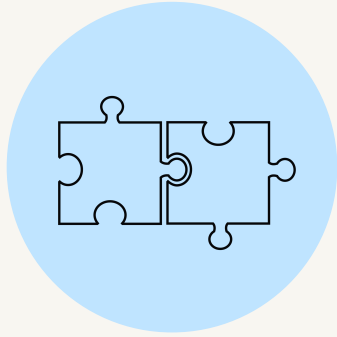
Buyers

- ✓ Coveted, Hard-to-Find SKUs
- ✓ Trusted Reputation for Rigorous Authentication Built Over 13+ Years
- ✓ Curated Online Experience Based on History of First-Party Data

1. Represents 2023 full year actual gross merchandise value.

2. As of September 30, 2024. Members include buyers and sellers, defined as any user who has registered an email address on our website or downloaded our mobile app.

The RealReal Difference



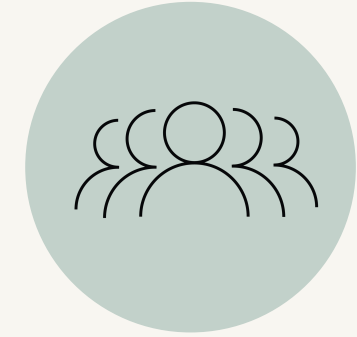
Product Market Fit

Unique business model satisfies void in resale and luxury markets



Luxury Resale at Scale

Tech-driven authentication and pricing create our scale advantage



Brand & Expertise

Strong engagement from affluent audience across age demographics



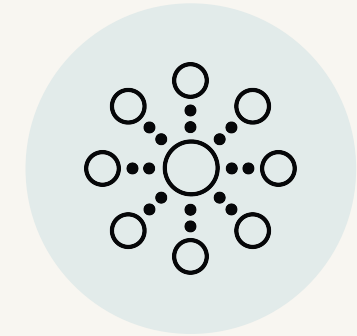
Asset Light Model

Consignment model with favorable working capital dynamic



Powerful Unit Economics

Strong flow-through on incremental revenue growth



Network Effects

Seller/Buyer flywheel drives momentum and engagement

Business & Financial Update

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Q3 2024 Key Highlights

Exceeded GMV, Total Revenue, and Adjusted EBITDA guidance

- GMV +6% vs. LY, and Revenue +11% vs. LY, led by strength in consignment revenue
- +\$2.3M Adjusted EBITDA, up \$9.3M vs. LY driven by gross margin expansion and Opex leverage

Continued strength in supply and demand

- Accelerating growth with trailing 3-month active buyers at 389,000 up +7% vs. LY
- Stable AOV at \$500+ demonstrates consumer strength

Leading the luxury resale conversation

- Customer and brand strength trending higher
- Annual resale report engagement at seven times historical levels
- Positive sentiment & social engagement scores increasing

Raised full year guidance

- Momentum from growth playbook continues into Q4
- Raised full year 2024 guidance for GMV, Total Revenue, and Adjusted EBITDA





Q3 2024 Financial Summary

Profit and Loss Statement

- GMV of \$433 million, an increase of 6% year-over-year
- Total Revenue of \$148 million, an increase of 11% year-over-year
- Total Gross Margin of 74.9% compared to 70.6% in Q3 2023
- Adjusted EBITDA of \$2.3 million, or 1.6% of Total Revenue compared to \$(7.0) million, or (5.2)% in Q3 2023

Balance Sheet and Cash Flow

- Free cash flow in Q3 2024 of +\$2 million
- \$168 million of cash and cash equivalents, and restricted cash
- \$20 million of inventory, net, a decrease of \$2 million versus year end 2023

Key Financial Metrics

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
	(In thousands, except AOV and percentages)			
GMV	\$ 433,074	\$ 407,608	\$ 1,325,929	\$ 1,275,315
NMV	\$ 335,191	\$ 302,912	\$ 999,428	\$ 934,635
Consignment revenue	\$ 116,908	\$ 102,852	\$ 345,270	\$ 302,072
Direct revenue	\$ 15,623	\$ 17,356	\$ 45,056	\$ 63,196
Shipping services revenue	\$ 15,224	\$ 12,964	\$ 46,163	\$ 40,663
Number of orders	829	794	2,489	2,474
Take rate	38.6 %	38.1 %	38.5 %	37.4 %
Active buyers ⁽¹⁾	389	364	795	755
AOV	\$ 522	\$ 513	\$ 533	\$ 515

(1) During the three months ended June 30, 2024, we updated active buyers to represent buyers who purchased goods through our online marketplace during the period presented. Active buyers for the nine months ended September 30, 2024 were buyers who purchased goods during the 9 months ended. Previously we had measured buyers who purchased goods during the 12 months ended on the last day of the period presented.

Q4 and Full Year 2024 Financial Guidance

Q4 2024

FY 2024

**GROSS MERCHANDISE VALUE
(GMV)**

\$484 - \$500 million
(7% - 11% growth)

\$1.810 - \$1.826 billion
(5% - 6%)

TOTAL REVENUE

\$158 - \$165 million

\$595 - \$602 million

ADJUSTED EBITDA

\$6.5 - \$9.5 million

\$4.7 - \$7.7 million

Appendix

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Non-GAAP Reconciliation

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
Adjusted EBITDA Reconciliation:				
Net loss	\$ (17,938)	\$ (22,949)	\$ (65,747)	\$ (146,779)
Depreciation and amortization	8,270	7,744	24,806	23,530
Interest income	(1,940)	(2,260)	(6,272)	(6,717)
Interest expense	5,948	2,673	15,468	8,018
Provision for income taxes	72	47	178	247
EBITDA	(5,588)	(14,745)	(31,567)	(121,701)
Stock-based compensation	7,758	8,536	22,580	26,293
Payroll taxes expense on employee stock transactions	76	74	250	142
Legal settlement	—	—	600	1,100
Restructuring charges ⁽¹⁾	—	(856)	196	37,396
Gain on extinguishment of debt ⁽²⁾	—	—	(4,177)	—
Change in fair value of warrant liability ⁽³⁾	(744)	—	9,209	—
One time expenses ⁽⁴⁾	822	—	1,211	159
Adjusted EBITDA	\$ 2,324	\$ (6,991)	\$ (1,698)	\$ (56,611)

(1) The restructuring charges for the three and nine months ended September 30, 2023 consist of impairment of right-of-use assets and property and equipment, employee severance charges, and other charges, including legal and transportation expenses. See "Note 10 - Restructuring" in the notes to the unaudited financial statements for disclosure regarding the restructuring expenses incurred.

(2) The gain on extinguishment of debt for the nine months ended September 30, 2024 reflects the difference between the carrying value of the Exchanged Notes and the fair value of the 2029 Notes.

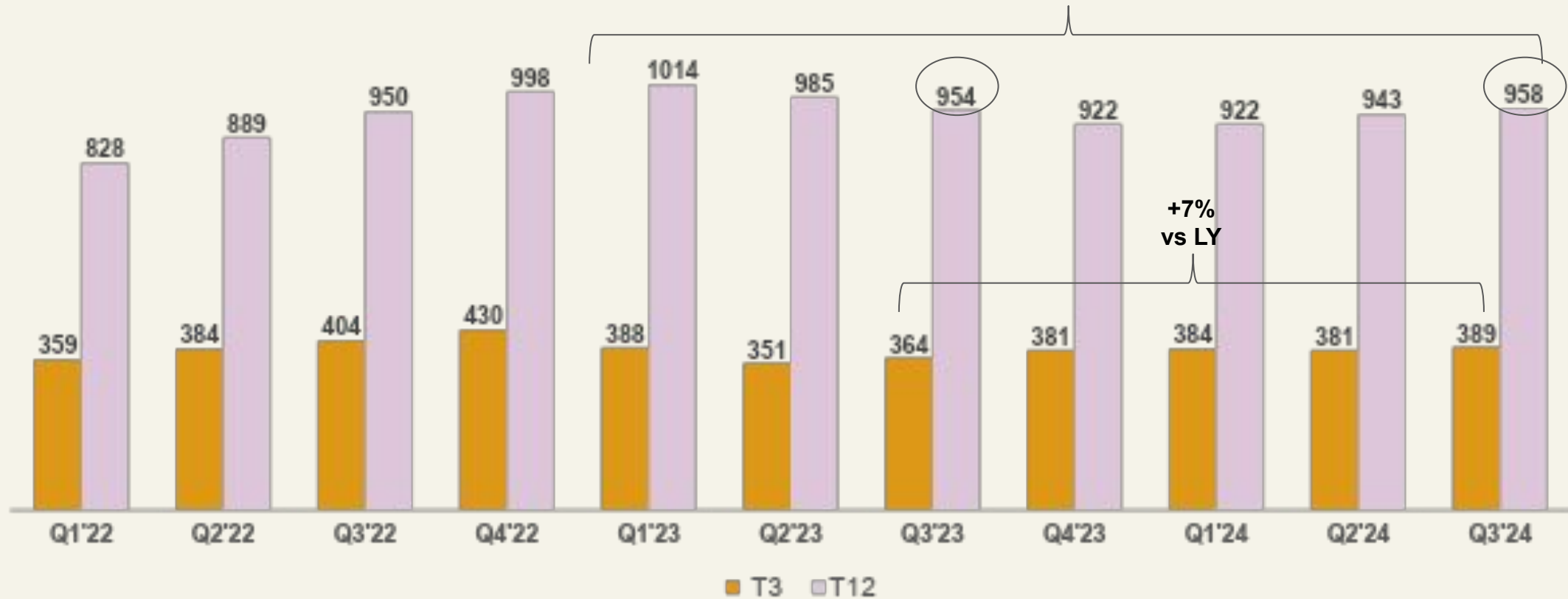
(3) The change in fair value of warrant liability for the three and nine months ended September 30, 2024 reflects the remeasurement of the warrants issued by the Company in connection with the Note Exchange in February 2024.

(4) One time expenses for the three and nine months ended September 30, 2024 consists of vendor services settlement and estimated losses, net of estimated insurance recoveries related to the fire at one of our New Jersey authentication centers. See "Note 11 - Commitments and Contingencies" in the notes to the unaudited financial statements for disclosure regarding the event. One time expenses for the nine months ended September 30, 2023 consists of retention bonuses for certain executives incurred in connection with our founder's resignation on June 6, 2022.

Active Customer Count

Intentional Repositioning to focus on high value inventory

Began de-emphasizing direct revenue and overhauled consignor commission structure in 2022 resulting in higher-than-average churn due to reduction in lower price/margin categories and brands. Q3 T3 active customers grew 7% versus last year and T12 customer count grew slightly.



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