

The RealReal
Q1 2026
Financial Results
May 7, 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, 2025 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

OBSESS
OVER
SERVICE

OPERATIONAL
EXCELLENCE

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**



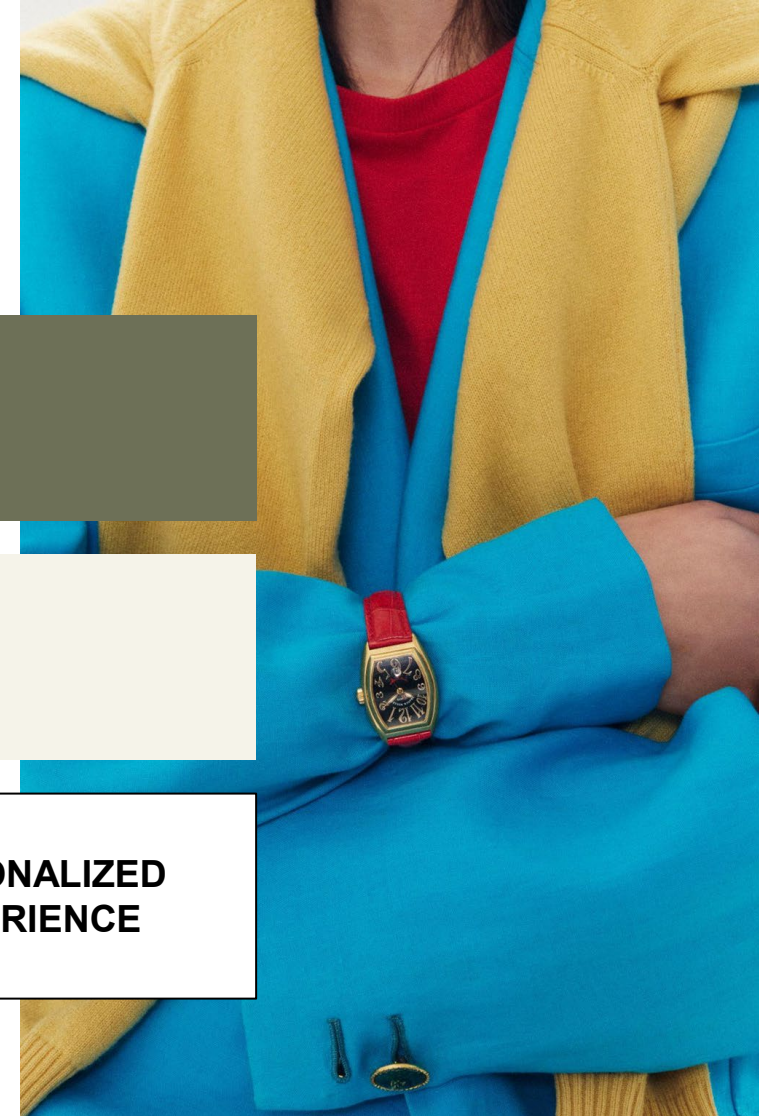
**ADVANCED AI
AND ANALYTICS**

**SOPHISTICATED
PRICING ALGORITHMS**

**BEST-IN-CLASS
AUTHENTICATION**

**AUTOMATED
WORKFLOW**

**PERSONALIZED
EXPERIENCE**



Q1 2026 Key Highlights

GROWTH & MARKET LEADERSHIP

- **Strong Top-Line Growth:** GMV reached \$606M (+24% Y/Y) and Total Revenue increased to \$190M (+19% Y/Y)
- **Engagement Accelerated:** Trailing 12-Month Active Buyers grew 10% Y/Y to 1.08M
- **Flywheel Momentum:** 43% of new sellers are now coming from our existing buyer base

AI-DRIVEN EFFICIENCY AND SCALABILITY

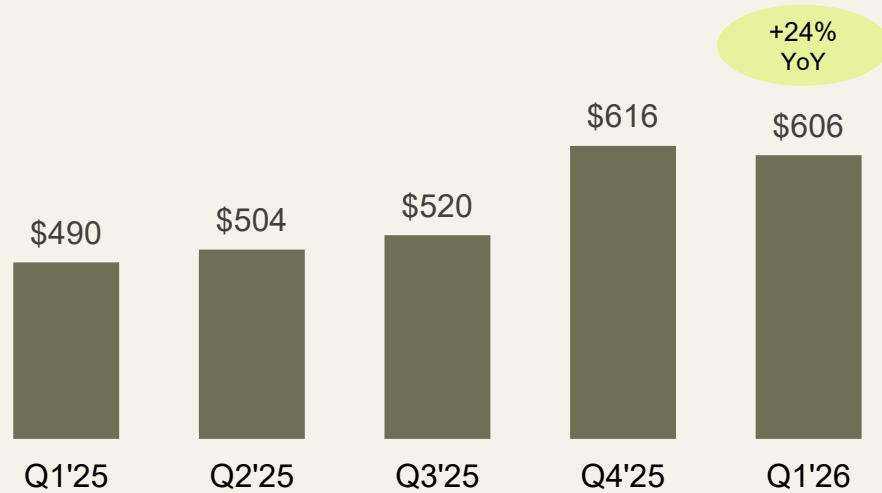
- **Significant OpEx Leverage:** Operating Expenses leveraged 730 basis points Y/Y as a percent of revenue
- **Athena AI Intake:** Continuing to evolve approach to incorporate more technology on our AI-enabled intake system
- **Smarter AI Pricing:** Using AI image embedding to refine pricing and maximize earnings

STRONG PROFITABILITY & FY'26 OUTLOOK

- **Expanded Margins:** Q1 Adj. EBITDA of \$13.1M (6.9% margin), up 430 bps Y/Y
- **Q2 2026 Outlook:** Projecting GMV of \$590M – \$600M and Adj. EBITDA of \$11.0M – \$12.0M
- **Raised FY'26 Outlook:** Projecting FY26 GMV of \$2.42B – \$2.47B and Adj. EBITDA of \$59M – \$67M

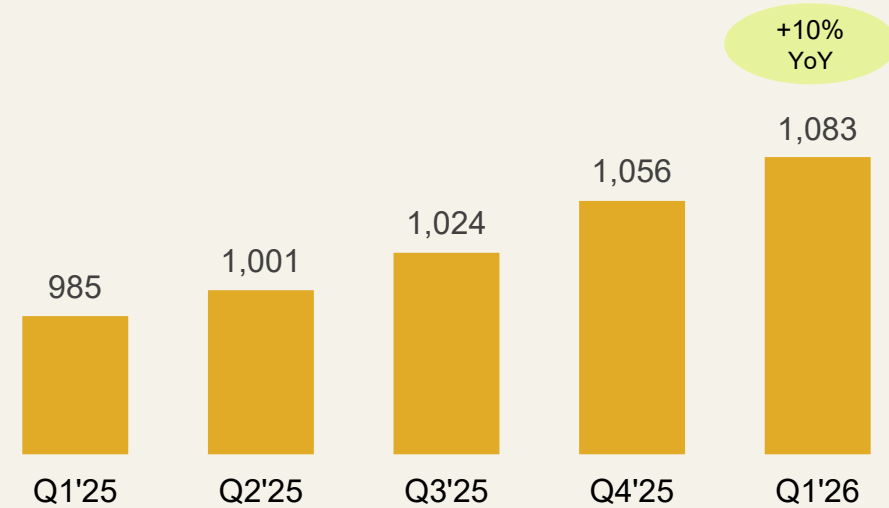
Q1 Financial Summary

GMV (\$M)



GMV growth driven by a combination of more orders and higher average order value

ACTIVE BUYERS - TTM (000s)



TTM Active Buyers grew double-digits year-over-year

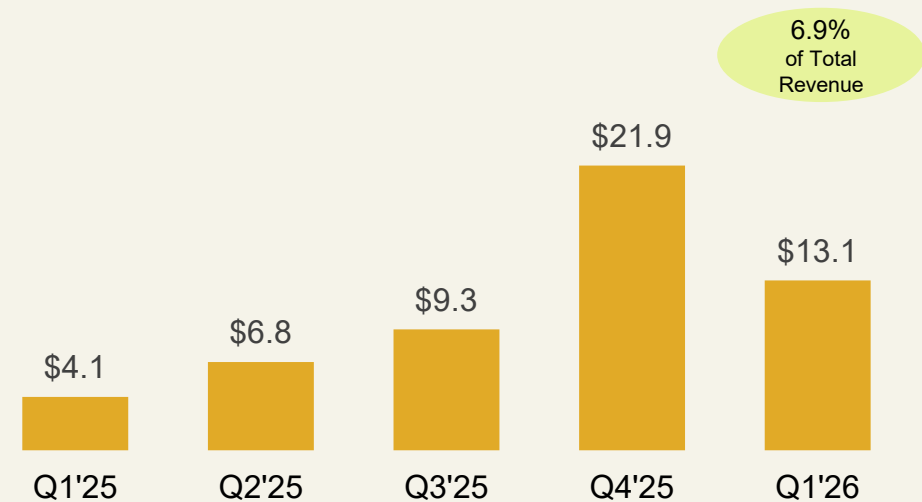
Q1 Financial Summary

REVENUE (\$M)



Revenue growth from Consignment Revenue up 18% and Direct Revenue up 26% YoY

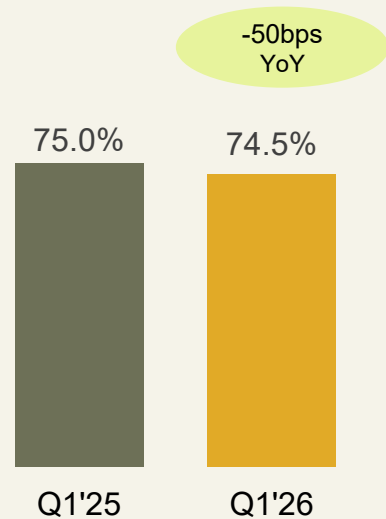
ADJUSTED EBITDA (\$M)



Adjusted EBITDA was \$13.1M, or 6.9% of Total Revenue, up 430 basis points YoY

Q1 Financial Summary

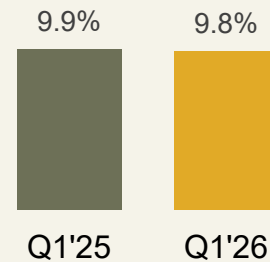
GROSS MARGIN



Gross Margin decreased 50 basis points YoY driven by a mix into higher value items

OPERATING EXPENSES (% of Total Revenue)

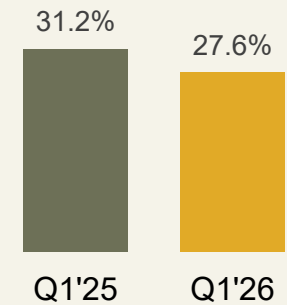
MARKETING



OPERATIONS & TECHNOLOGY



SELLING, GENERAL & ADMINISTRATIVE



Total Operating Expenses improved 730 bps YoY as a percent of revenue driven by AI and automation, sales and retail team productivity, and fixed cost leverage

2026 Outlook

Q2 2026	\$590M - \$600M	GMV	\$2.42B - \$2.47B	Full Year 2026
	\$186M - \$189M	REVENUE	\$770M - \$784M	
	\$11M - \$12M	ADJUSTED EBITDA	\$59M - \$67M	



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, obsessing over service, and operational excellence

Appendix

The RealReal



Q1 2026 Obsessions: Brands Trending on TRR



80's Opulence

Mugler
Alaïa
Fur
Schiaparelli
Roberto Cavalli



Top Tier Investments

Hermès
Chanel
Rolex
Bvlgari
Patek Philippe



Gen Z Favorites

Miu Miu
Chloé
Coach
Staud
Cult Gaia



American Brands*

The Row
Ralph Lauren
Calvin Klein Collection
Tom Ford
Kallmeyer

KEY FINANCIAL METRICS

Quarter ended March 31	2026	2025
<i>(in thousands, except AOV and percentages)</i>		
GMV	\$606,359	\$490,405
NMV	\$458,747	\$370,757
Consignment Revenue	\$145,893	\$123,814
Direct Revenue	\$25,808	\$20,454
Shipping Services Revenue	\$18,014	\$15,765
Number of Orders	938	869
Take Rate	36.4%	38.6%
Active Buyers	1,083	985
AOV	\$646	\$564

INCOME STATEMENT

Quarter ended March 31	2026	2025
<i>(in \$000's)</i>		
Total revenue	\$ 189,715	\$ 160,033
<u>Total cost of revenue</u>	48,381	40,010
Gross profit	\$ 141,334	\$ 120,023
<u>Total operating expenses</u>	143,608	132,794
Loss from operations	\$ (2,274)	\$ (12,771)
Change in fair value of warrant liability	47,335	42,503
Gain on extinguishment of debt	-	37,101
Interest income	1,001	1,374
Interest expense	(7,221)	(6,320)
<u>Other income, net</u>	203	608
Loss before provision for income taxes	39,044	62,495
<u>Provision for income taxes</u>	108	95
Net income (loss) attributable to common stockholders	\$ 38,936	\$ 62,400

BALANCE SHEET

1 of 2

<i>(in \$000s)</i>	3/31/26	12/31/25
Cash and cash equivalents	123,952	151,231
Short-term investments	-	-
Accounts receivable, net	24,884	23,822
Inventory	33,925	30,843
<u>Prepaid expenses and other current assets</u>	<u>20,199</u>	<u>21,595</u>
Total current assets	202,960	227,491
Property and equipment, net	97,870	96,148
Operating lease right-of-use assets	64,177	64,641
Restricted cash	14,808	14,808
<u>Other assets</u>	<u>6,097</u>	<u>5,945</u>
Total assets	\$ 385,912	\$ 409,033

BALANCE SHEET

2 of 2

<i>(in \$000s)</i>	3/31/26	12/31/25
Accounts payable	14,943	14,565
Accrued consignor payable	102,323	111,497
Operating lease liabilities, current portion	22,416	24,645
<u>Other accrued and current liabilities</u>	<u>101,417</u>	<u>113,533</u>
Total current liabilities	241,099	264,240
Operating lease liabilities, net of current portion	66,791	66,793
Convertible senior notes, net	231,163	230,833
Long term debt, net	144,159	140,980
Warrant liabilities	56,105	114,353
Other noncurrent liabilities	5,967	7,352
Total liabilities	\$ 745,284	\$ 824,551
Total stockholders' deficit	(359,372)	(415,518)
Total liabilities stockholders' deficit	\$ 385,912	\$ 409,033

FREE CASH FLOW

RECONCILIATION OF GAAP TO NON-GAAP RESULTS

	Quarter ended March 31	
	2026	2025
(in \$000's)		
Net cash provided by (used in) operating activities	\$ (16,623)	\$ (28,270)
<u>Purchase of property and equipment and capitalized proprietary software development costs</u>	<u>(10,640)</u>	<u>(7,578)</u>
Free (negative) cash flow	\$ (27,263)	\$ (35,848)

ADJUSTED EBITDA

RECONCILIATION OF GAAP TO NON- GAAP RESULTS

Quarter ended March 31	2026	2025
(in \$000's, except percentages)		
Net Income	\$ 38,936	\$ 62,400
Depreciation and amortization	8,094	8,375
Net Interest expense	6,220	4,946
<u>Provision for income taxes</u>	<u>108</u>	<u>95</u>
EBITDA	53,358	75,816
Stock-based compensation	6,273	7,359
Payroll tax expense on employee stock transactions	773	539
Gain on extinguishment of debt ⁽¹⁾	-	(37,101)
Change in fair value of warrant liability ⁽²⁾	(47,335)	(42,503)
<u>One-time expenses</u>	=	=
Adjusted EBITDA	\$ 13,069	\$ 4,110
Adjusted EBITDA (% of revenue)	6.9%	2.6%

(1) The gain on extinguishment of debt for the three months ended March 31, 2025 reflects the difference between the carrying value of the February 2025 Exchanged Notes and the fair value of the 2031 Notes.

(2) The change in fair value of warrant liability for the three months ended March 31, 2026 and March 31, 2025 reflects the remeasurement of the warrants issued by the Company in connection with the 2024 Note Exchange in February 2024.

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