



The RealReal

Investor Presentation

August 2020

Safe Harbor

This presentation contains 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,” “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 results, including the amounts of our operating expense and capital expenditure investments or reductions and our strategies, plans, commitments, objectives and goals, in particular in the context of the impacts of the COVID-19 pandemic and the recent social unrest. 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, the impact of the COVID-19 pandemic and the recent social unrest on our operations and business environment, 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 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 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.

In addition to financial information presented in accordance with U.S. generally accepted accounting principles (“GAAP”), this presentation includes non-GAAP financial measures adjusted EBITDA, Contribution Margin and Contribution Profit. 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 a substitute for analysis of other GAAP financial measures. A reconciliation of these measures to the most directly comparable GAAP measures are included at the end of this presentation.

This presentation and the accompanying oral presentation 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.



The RealReal

Q2 Highlights

Q2 Negatively Impacted by COVID-19, Trends Improving Since May

- GMV of \$182.8 million, down 20% Y/Y; exited Q2 with June GMV down 8% Y/Y
- Earlier than expected GMV recovery prompted us to begin reinvesting in growth
- Supply trends improved each month in Q2
- 82.3% of GMV from repeat buyers
- Revenue of \$57.4 million, down 21% Y/Y; Direct revenue of \$10.5 million, down 13% Y/Y
- Gross Profit of \$35.8 million, down 22% Y/Y
- Raised \$143.3 million in net proceeds through a convertible note offering
- Well capitalized with \$410.3 million in cash, short term investments and cash equivalents

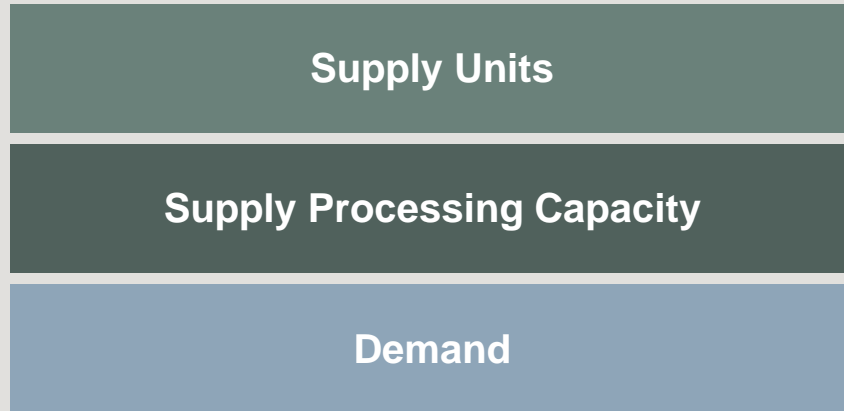
COVID-19 Safety Response

- Health and safety of our team, consignors and buyers is paramount
 - Replacing in-person White Glove consignment appointments with virtual appointments and temporarily closing our stores and Luxury Consignment Offices (LCOs) for the majority of Q2, though all stores and LCOs are open now;
 - Implementing Health and Temperature Screening upon entry at all locations and social distancing of six feet minimum between people onsite, with signage and markers throughout all locations to direct traffic and spacing;
 - Cleaning and sanitizing throughout the day and weekly deep cleanings;
 - Requiring masks at all locations for employees, customers and guests, and providing personal protective equipment, including masks to employees and visitors upon entry at all locations;
 - Designating and training Safety Committee Members to conduct social distancing, PPE and general COVID safety checks throughout business hours;
 - Establishing a separate Emergency Sick Leave program to help ensure employees who are sick, are required to quarantine or have been exposed to COVID and are staying home; and
 - Providing a transportation allowance for private transportation to work in Q2

Early Signs of GMV Recovery

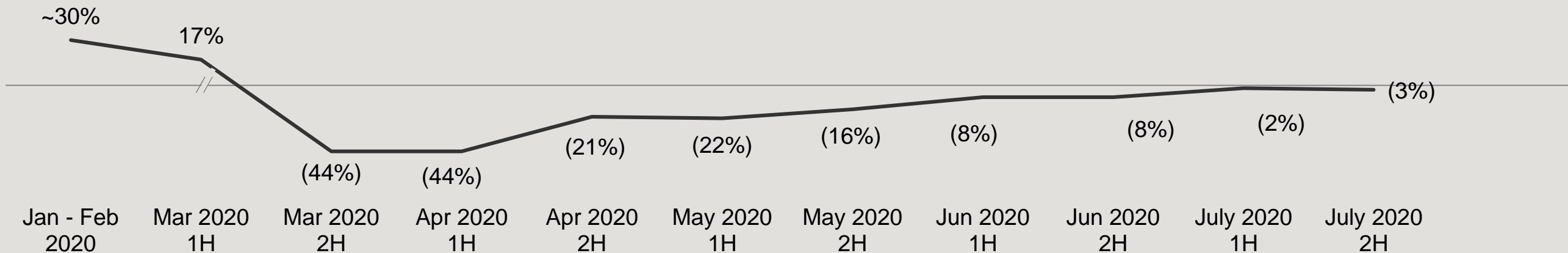
Positive Business Trends Enabled Earlier Reinvestment in Growth than Previously Expected

Q2 AND JULY TRENDS



- Declined 29% y/y in Q2 with gradual improvement each month; June down 15%; July +3%
- NYC recovering; declined 49% y/y in Q2, 35% in June and 1% in July
- Excluding NYC and LA, declined 20% y/y in Q2, declined 5% in June and +8% in July
- Operating capacity limits in early Q2 loosened; no longer a constraint to growth
- Recalled a substantial portion of furloughed employees
- Supply processing also benefitting from automation investments
- Strong sell-through throughout COVID
- Resumed marketing investments in May and June, approaching pre-COVID levels
- Traffic trends remain healthy despite lower advertising spend; sessions +20% Y/Y in Q2

GMV (Y/Y Change %)



Green Shoots in the Business

- Reinvented our supply acquisition strategy with a focus on the digital experience
- Launched virtual appointments (completed ~25K in Q2), appointment self-scheduling and curbside pick-up
- Potential for virtual appointments, self-scheduling and van pick-up to efficiently unlock supply
- NYC and LA recovering, should benefit from advertising investments and store openings; COVID headwinds remain in both markets
- Supply units shipped excluding NYC and LA +8% Y/Y in July
- The RealReal B2B vendor performance remains resilient; vendor channel GMV +19% Y/Y
- Traffic trends remained healthy in Q2; sessions up 20% Y/Y despite advertising pullback early in Q2
- 4-day sales sell-through rate at pre-COVID levels; new supply continues to sell quickly
- Expect value orientation to position us well to emerge from the pandemic with strong momentum
- Believe the online/offline retail landscape will be transformed over the next 12 months to our benefit

Positioned to Rebound Strongly and Fuel Growth

LARGEST ONLINE MARKETPLACE FOR AUTHENTICATED, CONSIGNED LUXURY GOODS

Founder-led business with nearly a decade focused on **authenticated luxury goods**

— 100% authenticated marketplace

— ESG dedicated

— Virtual appointments recently added

— Efficient operations supported by automation

— Omnichannel supply activation

— Brand partnerships



ENTERED 2020 WITH STRONG MOMENTUM

- **Significant scale** – over \$1bn in GMV in 2019
- **Strong repeat customer base** – over 80% of GMV from repeat buyers/consignors in 2019
- 1Q 2020, **GMV growth** ~30% Y/Y pre-COVID
- Growing luxury, and resale, **TAM**
- **Strong unit economics** and operating leverage

COVID-19 RESULTING IN SHORT-TERM DISRUPTION, BUT MAY INCREASE OUR LONG-TERM OPPORTUNITY

1

Implemented **expense and capex reductions** across the business during peak disruption, and recently started to invest again

2

Introduced **virtual appointments, appointment scheduling** and **curbside pick-ups**

3

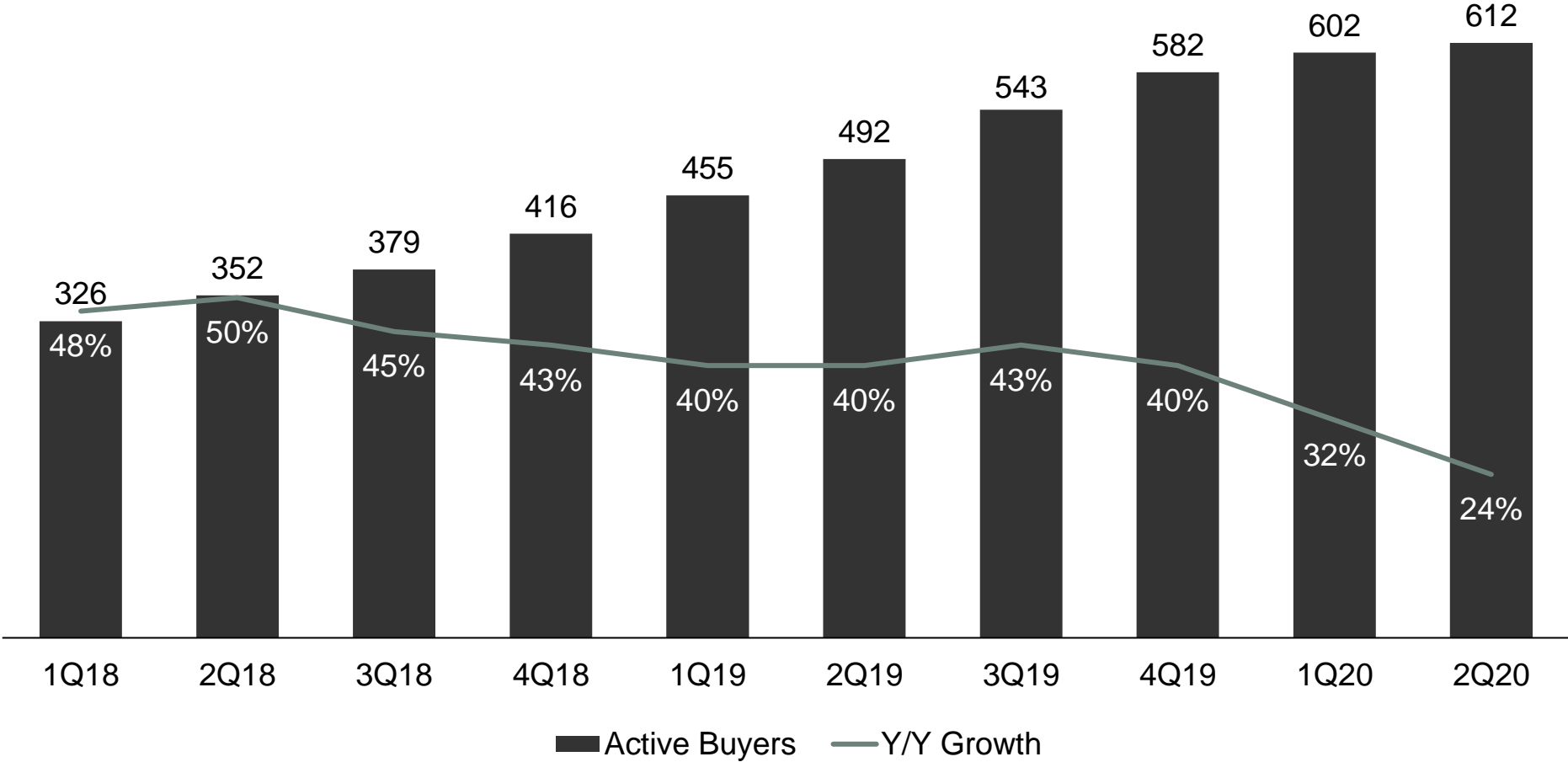
Decline of traditional retail and **growth of e-commerce** reshaping competitive landscape

4

Greater consumer **awareness of sustainability**

Q2 TTM Active Buyer Growth 24% Y/Y

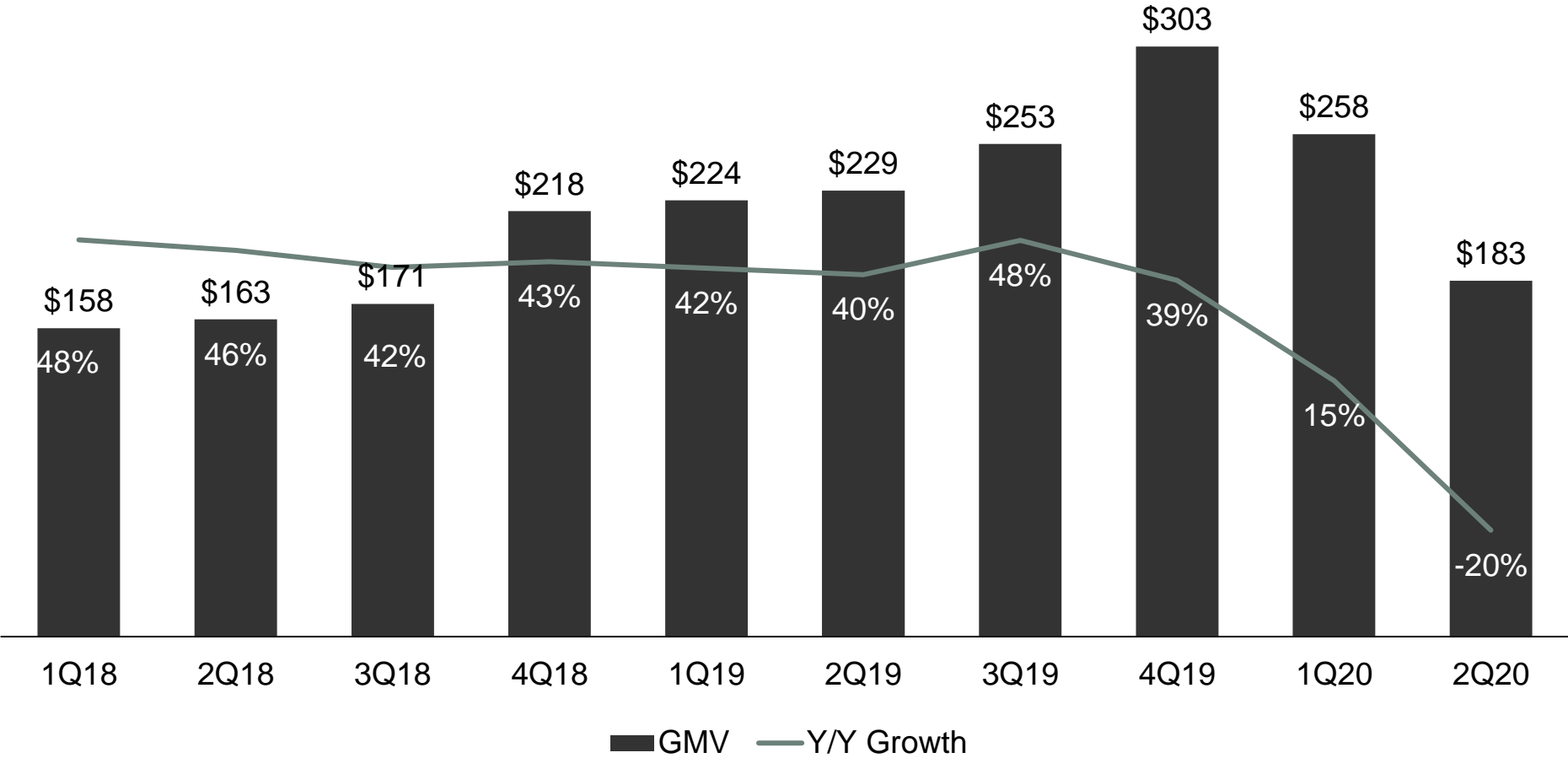
(in thousands)



TTM Active buyer growth increased 24% Y/Y; Added 10K active buyers in Q2 as we significantly reduced our ad spend in early Q2

Q2 GMV Declined 20% Y/Y

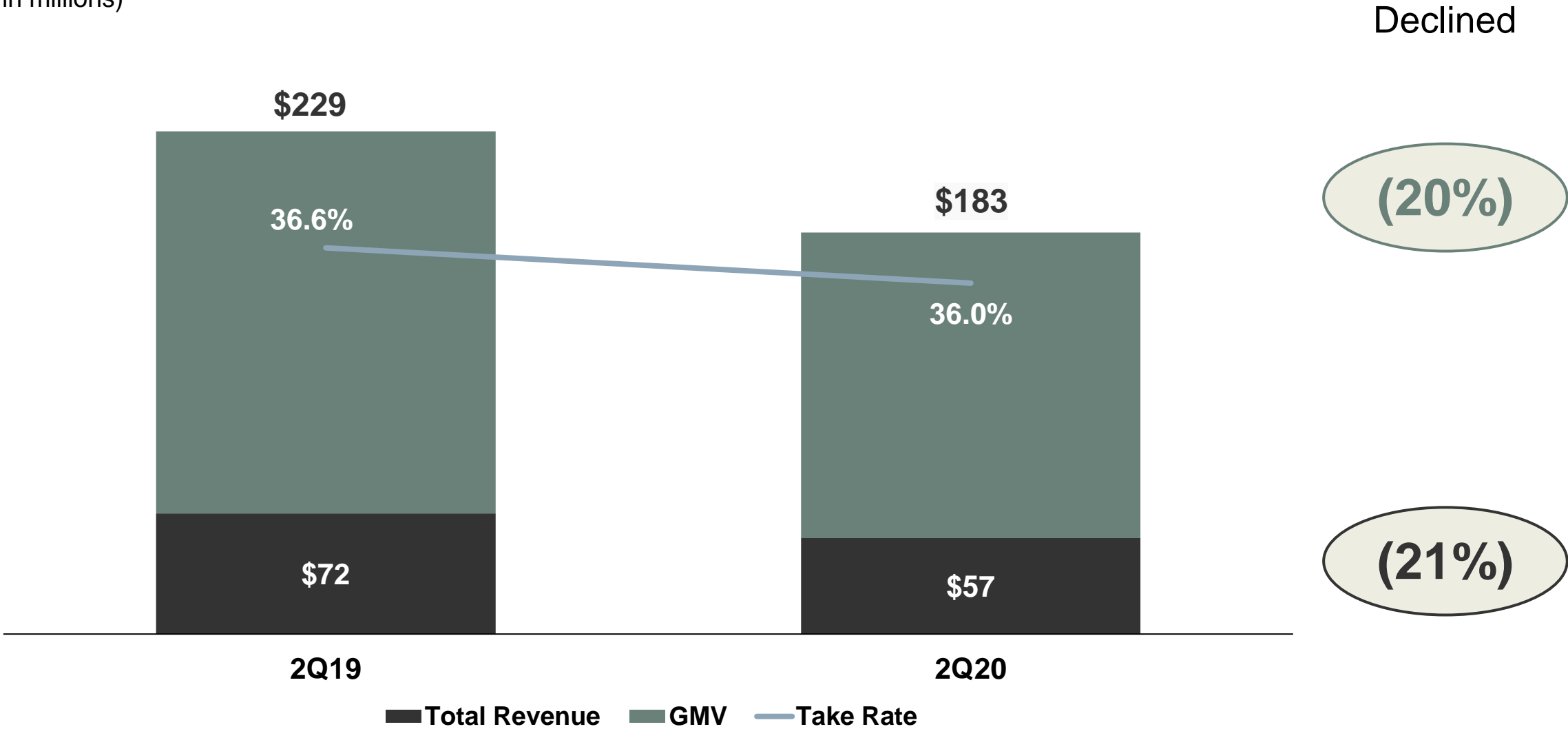
(\$MM)



GMV negatively impacted by COVID-19 headwinds that started in mid-March when shelter-in-place directives were implemented

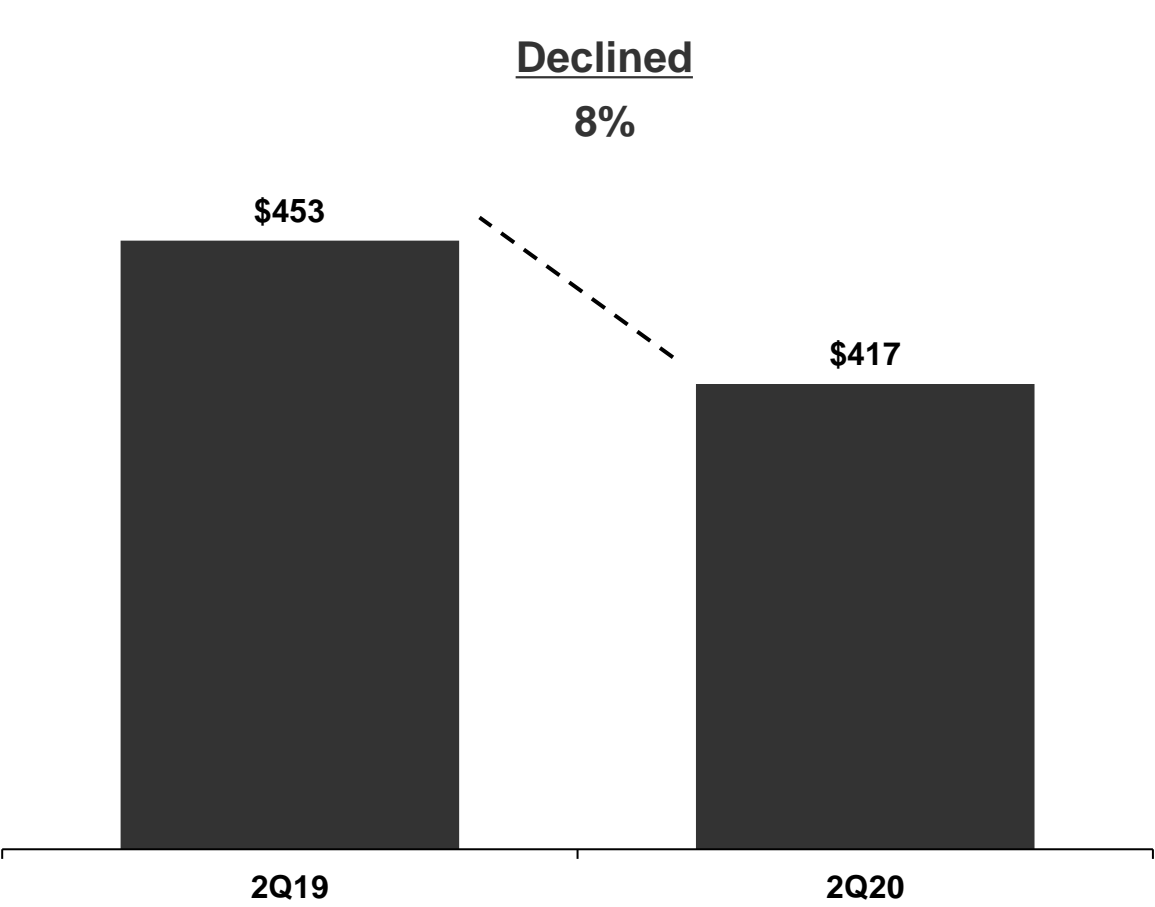
Q2 Take Rate Decreased 60bps Y/Y Due to Mix of Higher ASP Sales

(\$ in millions)

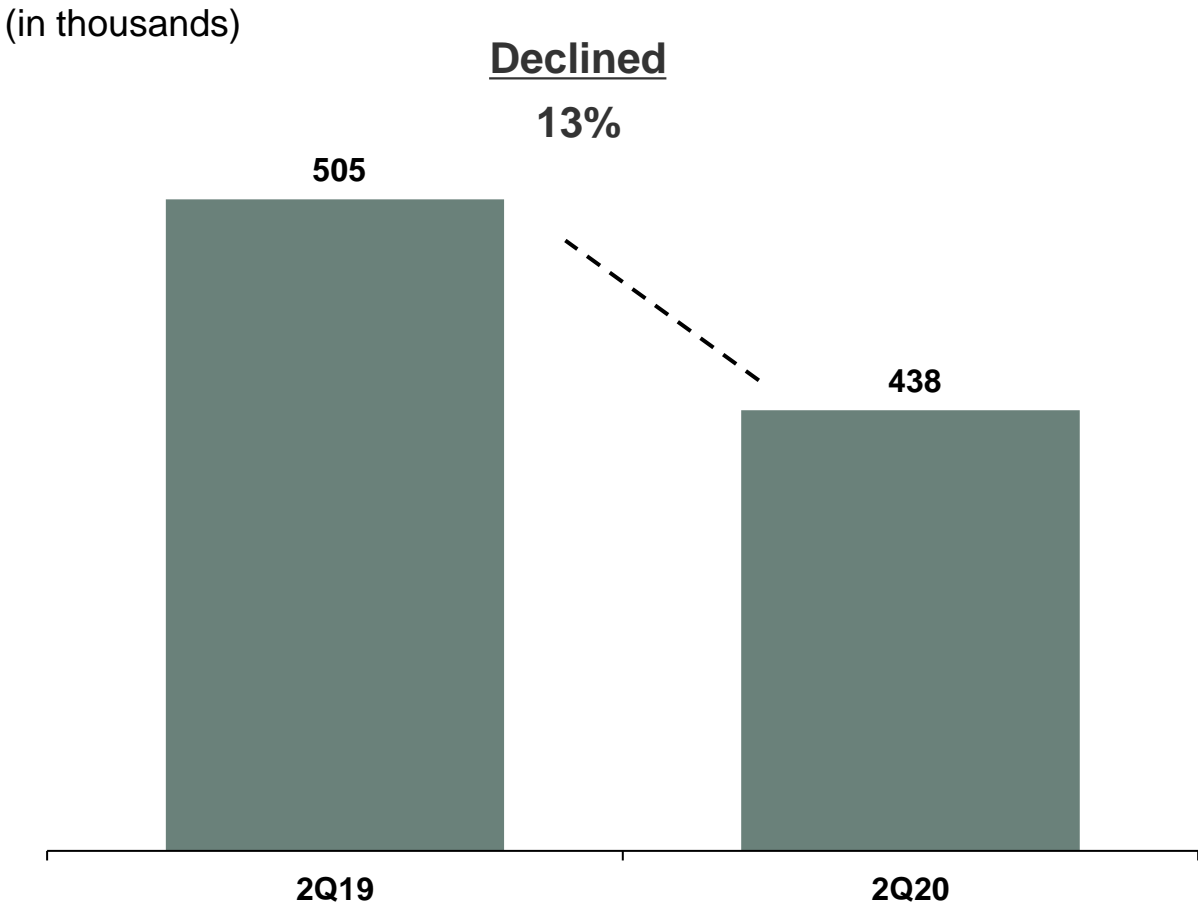


GMV Decline Driven By Order and AOV Decline

Average order value (AOV)



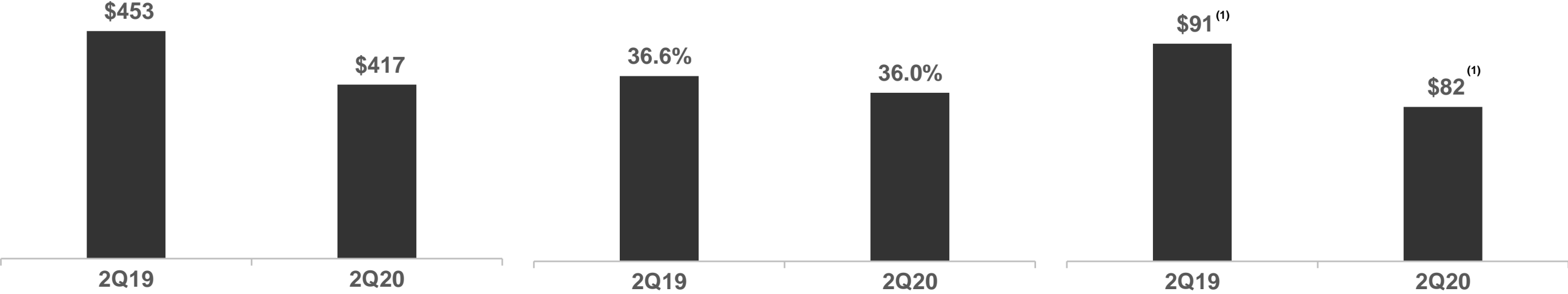
Number of orders



The primary driver of the lower AOV was a 7% Y/Y decline in Units per Transaction (UPT). ASP and UPT were negatively impacted by lack of fresh supply in April. ASPs started to recover in May and turned positive in June.

Top Line Leverage

Leverage drivers



AOV

AOV declined 8% Y/Y; AOV primarily impacted by a 7% decline in UPT. ASPs were positive in June.

Take Rate

Down 60bps Y/Y; Decrease driven by higher mix of lower take rate categories such as handbags, jewelry and sneakers.

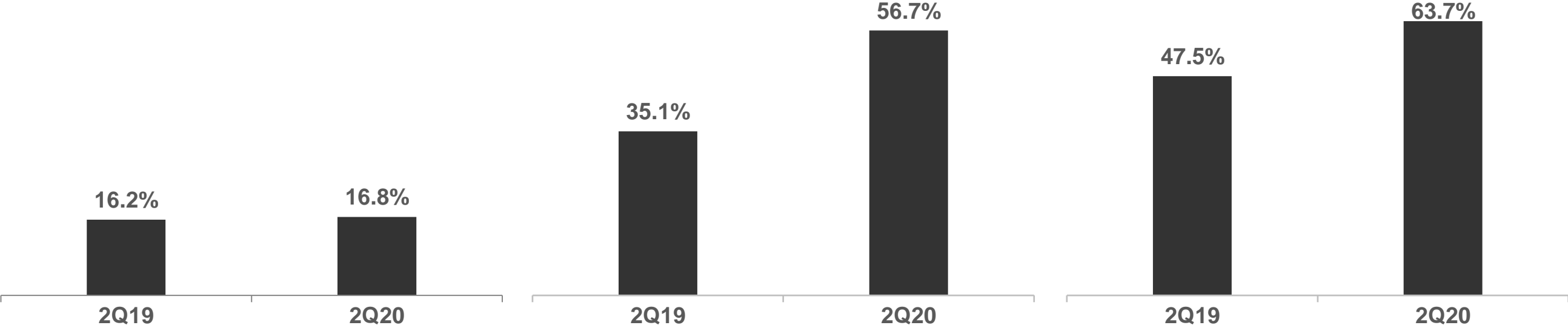
Gross Profit Per Order

Down 10% Y/Y; Shipping leverage was offset by the AOV decline and the fixed nature of certain expenses within cost of sales.

(1) Calculated by dividing Gross Profit by the number of orders for the applicable quarter..

Operating Leverage

Operating Expenses (% of Revenue) Negatively Impacted by COVID-19 GMV Headwinds



Marketing

BAC declines and healthy retention were offset by the GMV decline in Q2, especially early in Q2.

SG&A

Deleverage driven by the GMV decline in Q2, especially early in Q2, as well as rent, COVID related expenses and public company costs.

Ops & Tech

Automation benefits and payroll reductions were offset by the GMV decline in Q2, especially in early Q2, and increased fixed expenses.

3Q and Full Year 2020 Outlook

- Withdrew our 2020 outlook on March 17th
- Not providing a 3Q or updated 2020 outlook at this time given limited near-term visibility

Investment Highlights



Largest Online Marketplace for Authenticated, Consigned Luxury Goods

Large and Attractive TAM

Superior Marketplace Due to Service, Trust, Technology and Data

Powerful Financial Model

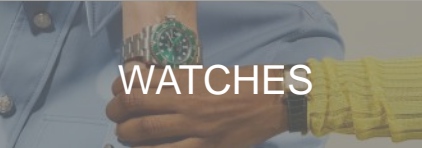
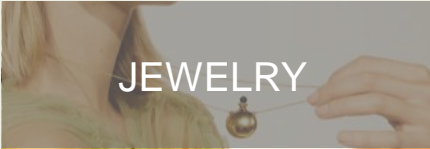
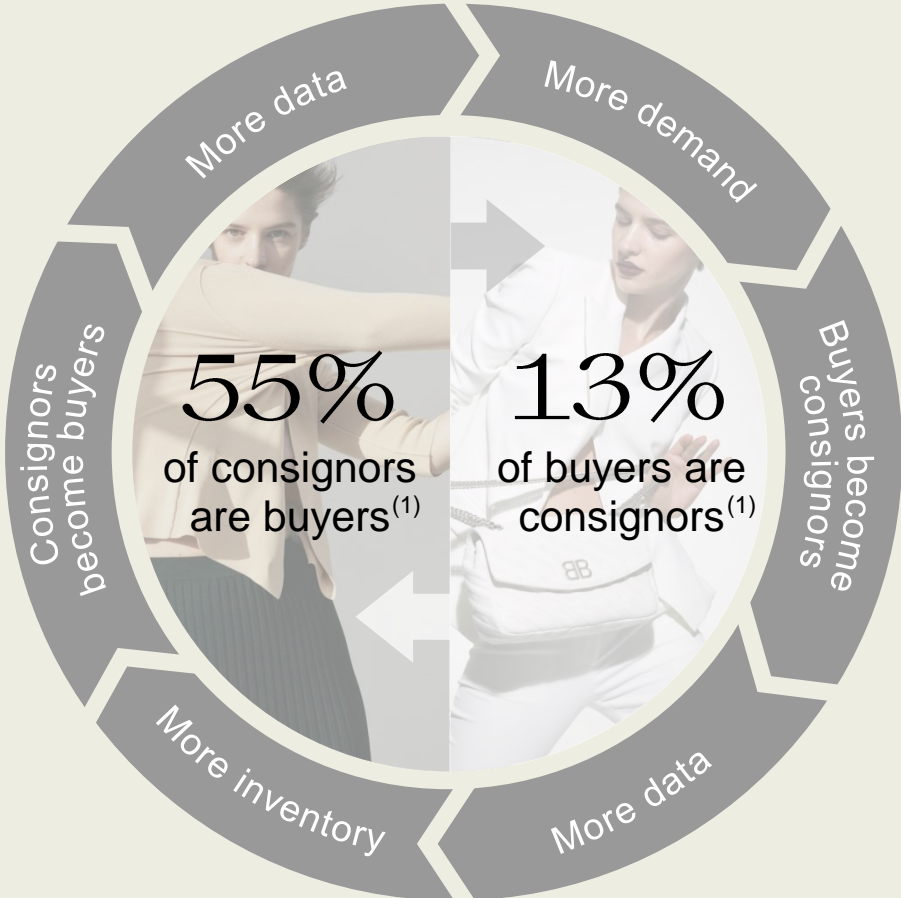
Largest Online Marketplace for Authenticated, Consigned Luxury Goods with Powerful Flywheel Driving Growth

\$1bn
2019 GMV

\$318mm
2019 Total Revenue

612k
TTM Active Buyers⁽¹⁾

\$455
2019 AOV



83%
of GMV from repeat consignors⁽¹⁾

82%
of GMV from repeat buyers⁽¹⁾

Note: Average Order Value (AOV).
(1) As of June 30, 2020.

TAM is Large and Propelled by Strong Luxury Tailwinds

The RealReal

\$198bn

US luxury goods available for resale⁽¹⁾

5.3 years

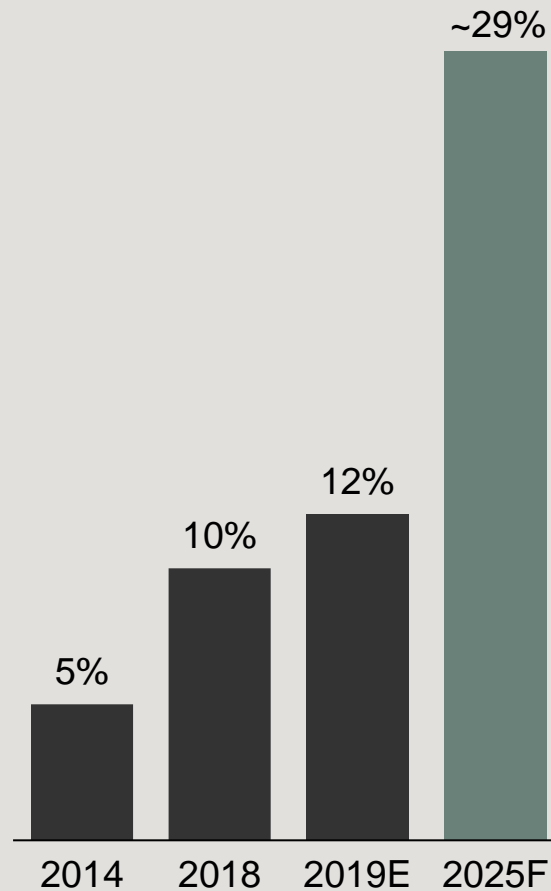
Average time consumers keep luxury products⁽¹⁾

~\$37bn

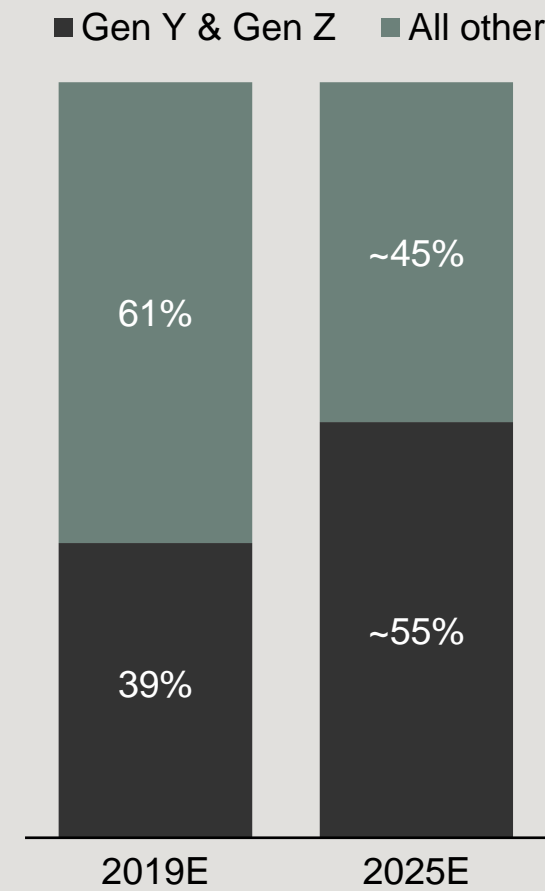
Annual new supply of US luxury goods for resale⁽¹⁾



LUXURY RETAIL IS SHIFTING ONLINE⁽²⁾



YOUNGER GENERATIONS ARE DRIVING GROWTH⁽²⁾



SHIFTS IN CONSUMER MINDSET

“Buying better and buying less is what I believe in. Welcome to the '20s!”

Edward Enninful,
Editor-in-chief of British Vogue



Focus on maximizing value for money with high quality products with utility



Move away from trend-right fast fashions that have a short shelf-life

(1) Frost & Sullivan Total Addressable Market assessment for the Luxury Resale Market.

(2) Bain-Altgamma Luxury Goods Worldwide Market Study, May 2020.

We Offer a Superior Marketplace for Consignors and Buyers

Consignor

Buyer

END-TO-END SERVICE

TRUST

Rapid sales velocity

Curated, exclusive selection

Optimal pricing

Value

High commissions

Luxury service



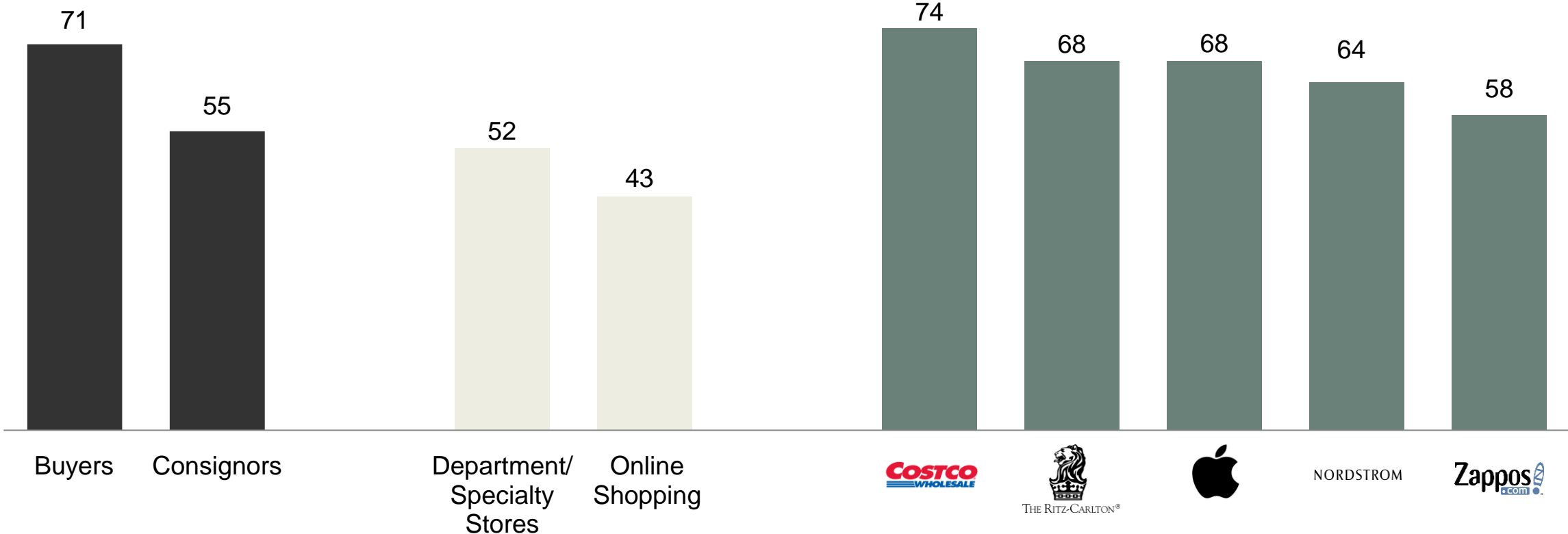
Our NPS Compares Favorably with Best-in-Class Consumer Companies

The RealReal has a high Net Promoter Score (NPS)⁽¹⁾

The RealReal

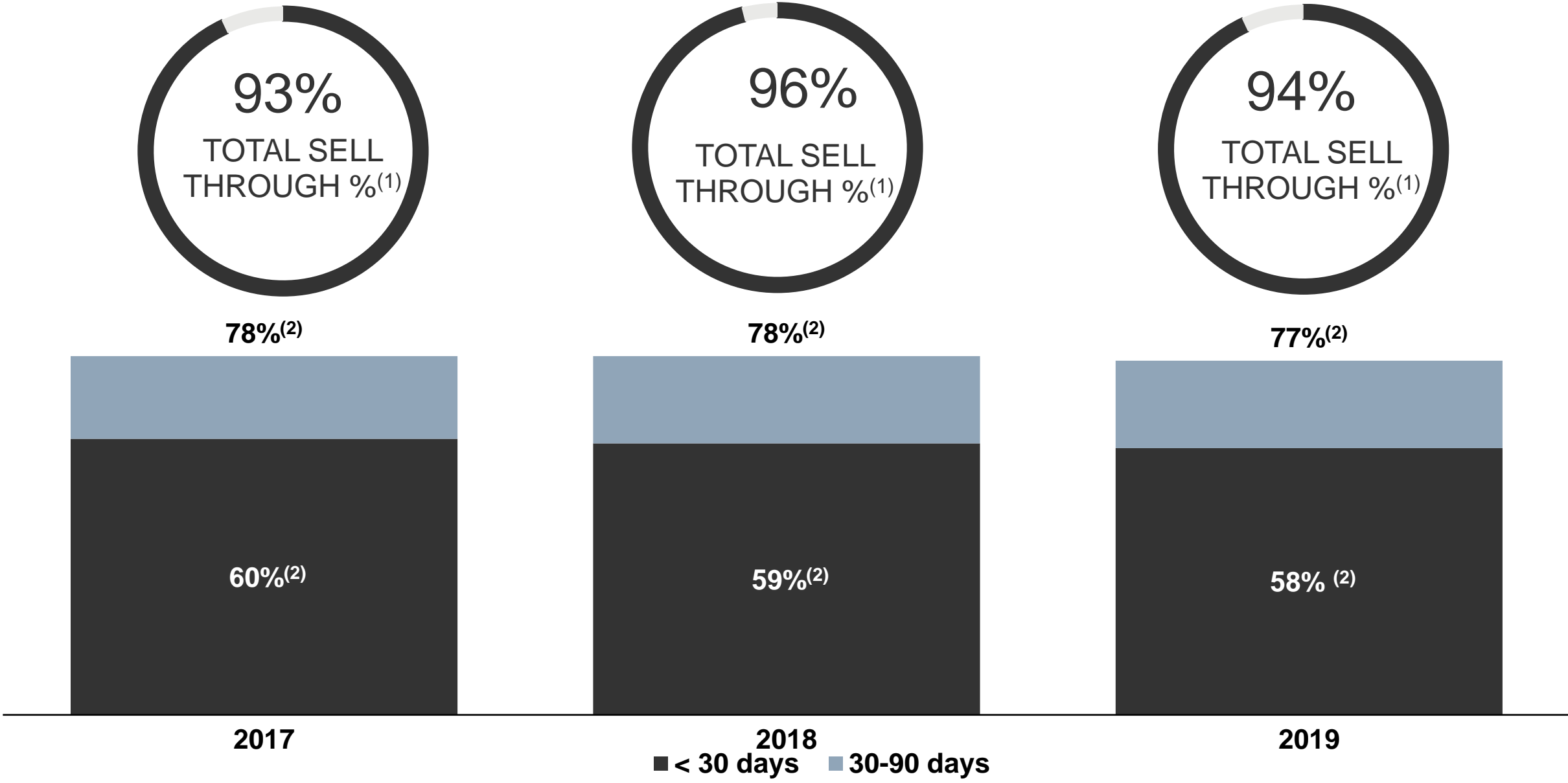
Industry Averages

Best-in-Class



(1) Reflects TRR 2019 NPS scores and NICE Satmetrix U.S. Consumer 2018 and 2019 data

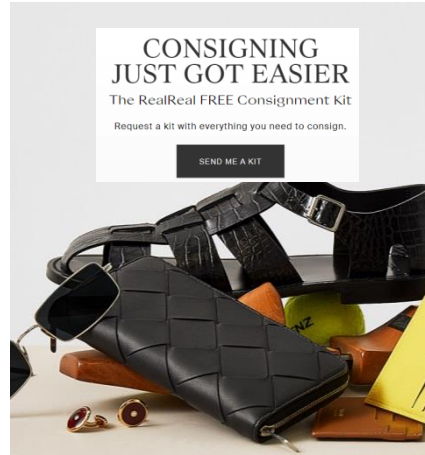
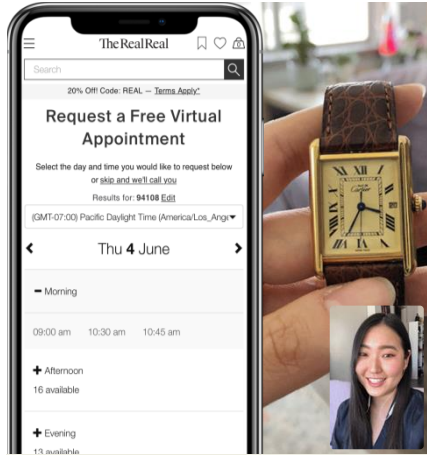
Supply Drives the Business and Essentially Everything Sells



(1) Represents ratio of GMV to initial supply value for the specified year.
 (2) Represents unit sell through rate for the specified period.

End-to-end Service Model Activates Supply

WHITE GLOVE



VIRTUAL
CONSULTATION

~25k

virtual appointments
via email, phone and
video, achieving
equivalent unit
volume to in-home⁽¹⁾

CURBSIDE PICK-UP

IN-HOME
CONSULTATION*

~240

Luxury managers⁽²⁾

40+

Markets⁽²⁾

LUXURY CONSIGNMENT
OFFICE

10

Luxury
consignment
offices⁽¹⁾

CURBSIDE DROP-OFF

IN-STORE

4

Retail stores in
NYC (SoHo and
Madison Ave), LA
and San Francisco⁽¹⁾

CURBSIDE DROP-OFF

DIRECT SHIPPING

Complimentary
shipping directly to
our merchandising
and fulfillment
facilities

FREE SHIPPING LABEL

VENDOR
CHANNELS

10x

interest from
B2B vendors as
compared to
pre-COVID⁽¹⁾

*In-home consultation offering temporarily suspended.

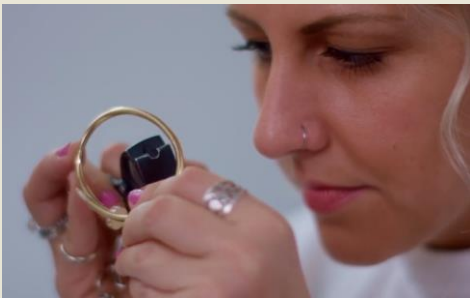
(1) For the quarter ending June 30, 2020.

(2) As of December 31, 2019.

Trust: We Authenticate Every Item on Our Marketplace

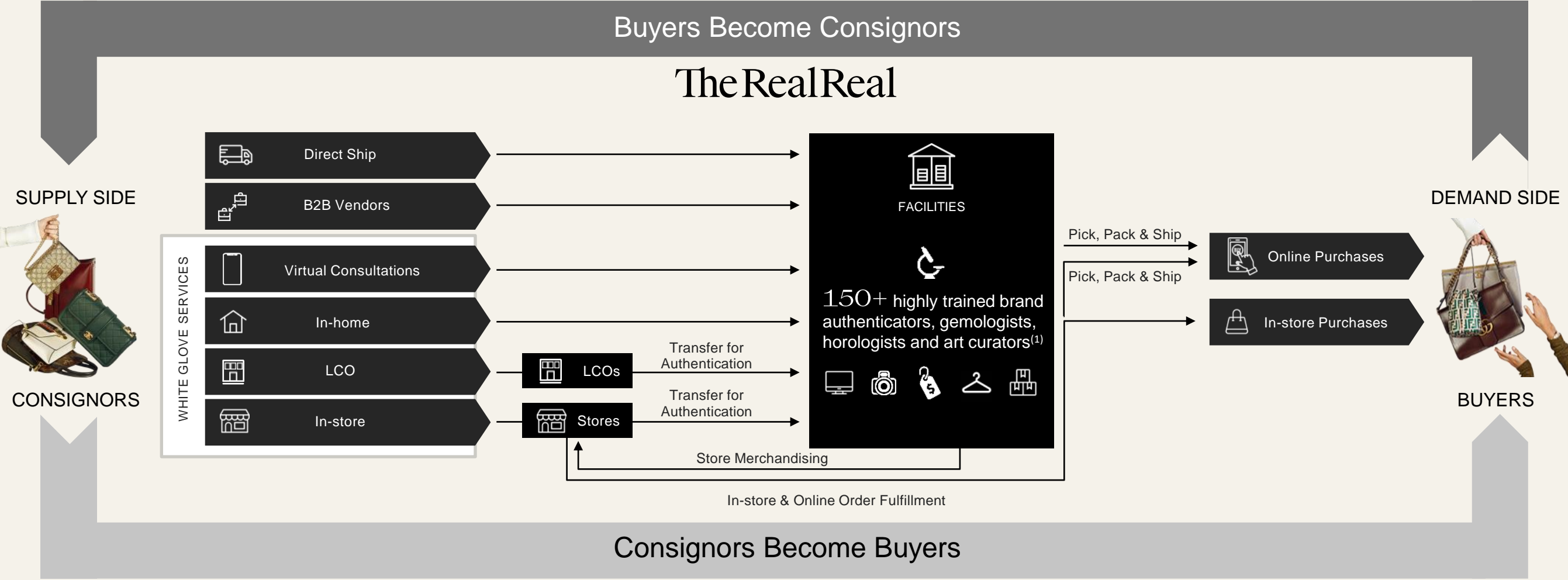
150+

Highly trained brand authenticators, gemologists, horologists and art curators ⁽¹⁾



Note: As of December 31, 2019.

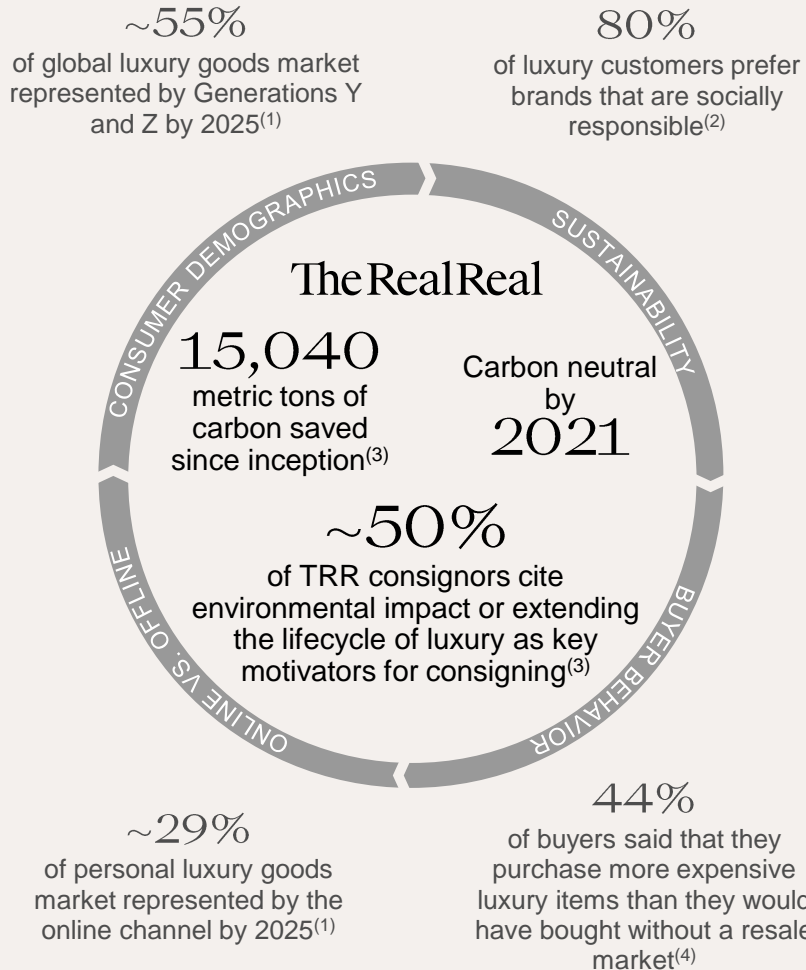
Our Single-SKU Inventory Management is Both Unique and Very Complex



Note: Luxury Consignment Office (LCO).
 (1) As of December 31, 2019.

Why The RealReal's Model, Data & Technology Wins

TRR SITS AT THE CENTER OF THE CIRCULAR ECONOMY



COVETED DEMOGRAPHIC

HENRYs are the new luxury buyers⁽⁵⁾



53% of TRR consignors have annual income of >\$100,000⁽⁶⁾

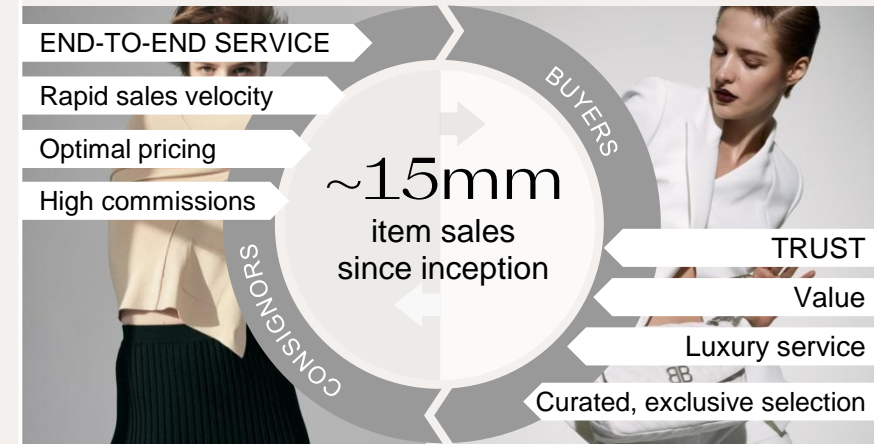
44% of TRR buyers have annual income of >\$100,000⁽⁶⁾

49% of TRR consignors are under 45 years old⁽⁶⁾

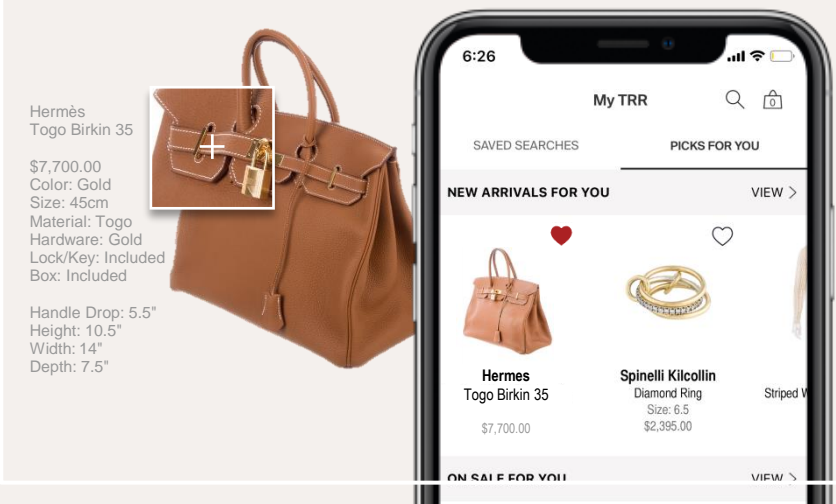
51% of TRR buyers are under 45 years old⁽⁶⁾



SCALED MARKETPLACE



DATA & PERSONALIZATION DRIVE SATISFACTION



(1) Bain Altagamma Luxury Goods Worldwide Market Study, May 2020.
 (2) Bain Altagamma Worldwide Luxury Market Monitor, November 2019.
 (3) According to The RealReal customer survey results as of March 31, 2020.
 (4) BCG Why Luxury Brands Should Celebrate the Preowned Boom.

(5) Millennial HENRYs (High Earner Not Rich Yet) occupy the space between the middle-income consumers (\$50,000-\$99,000) and the ultra-affluent elites (+\$250,000), Forbes, May 2020.
 (6) As of December 31, 2019.

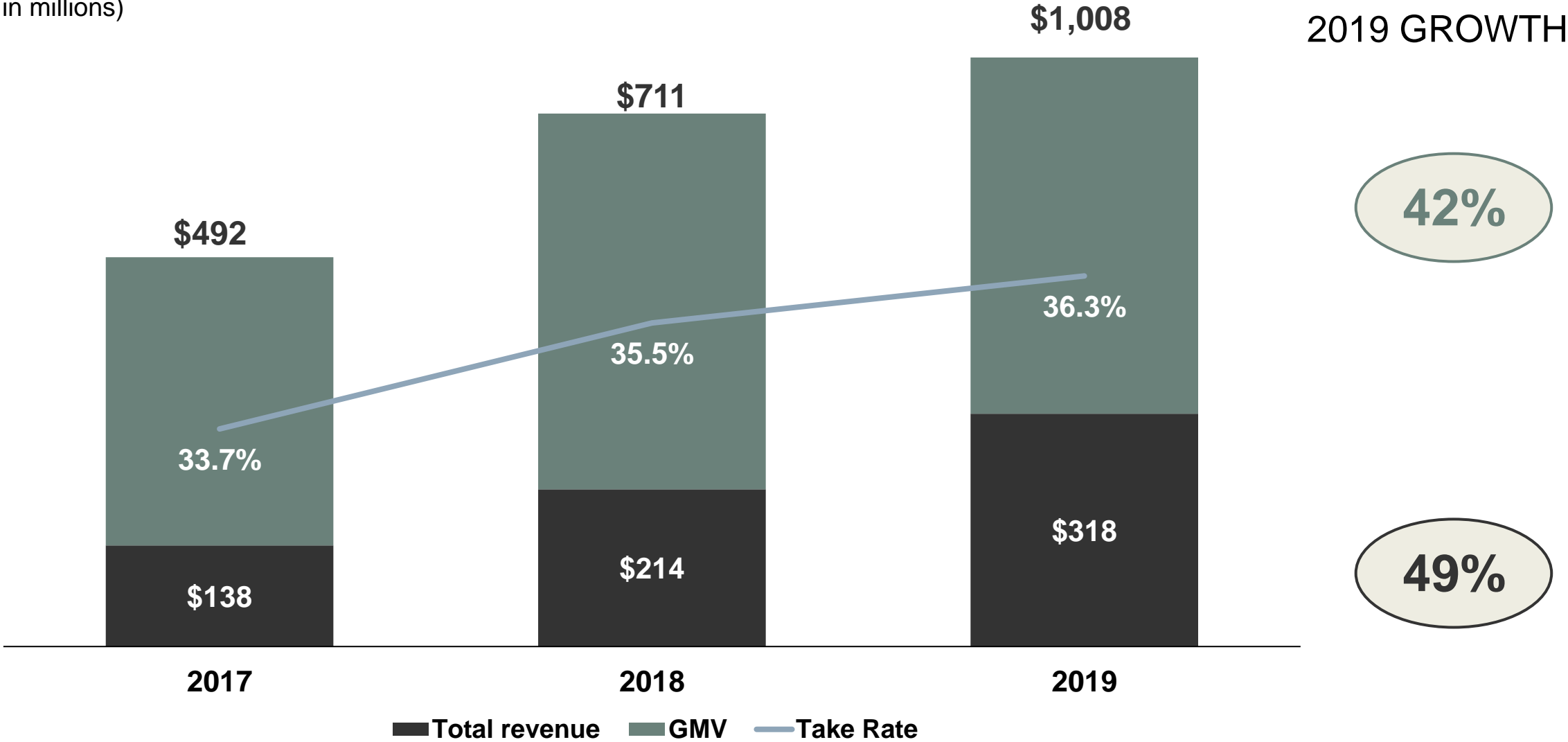
Long Term Financial Profile

- ① Strong & sustainable growth
- ② Significant operating leverage
- ③ Substantial liquidity



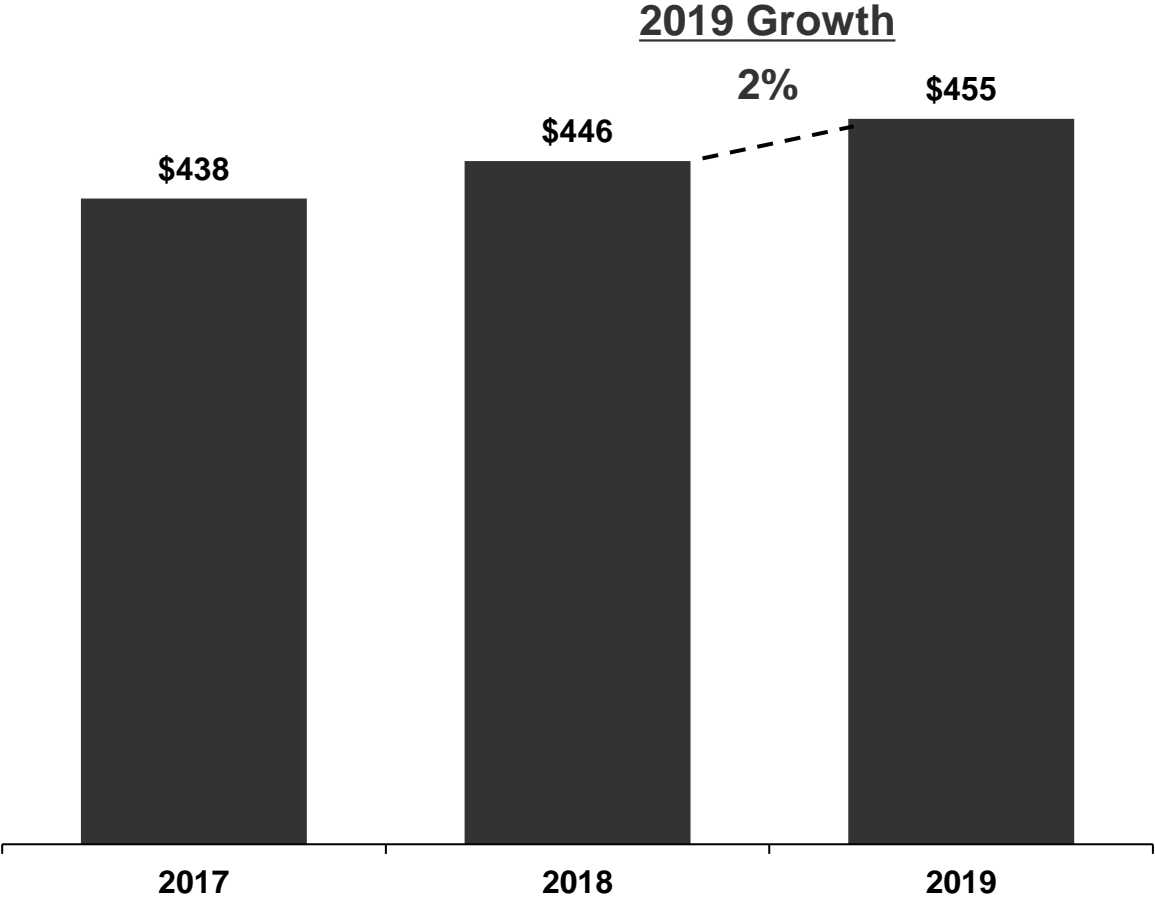
Strong Revenue Growth Driven By GMV Growth and Take Rate

(\$ in millions)

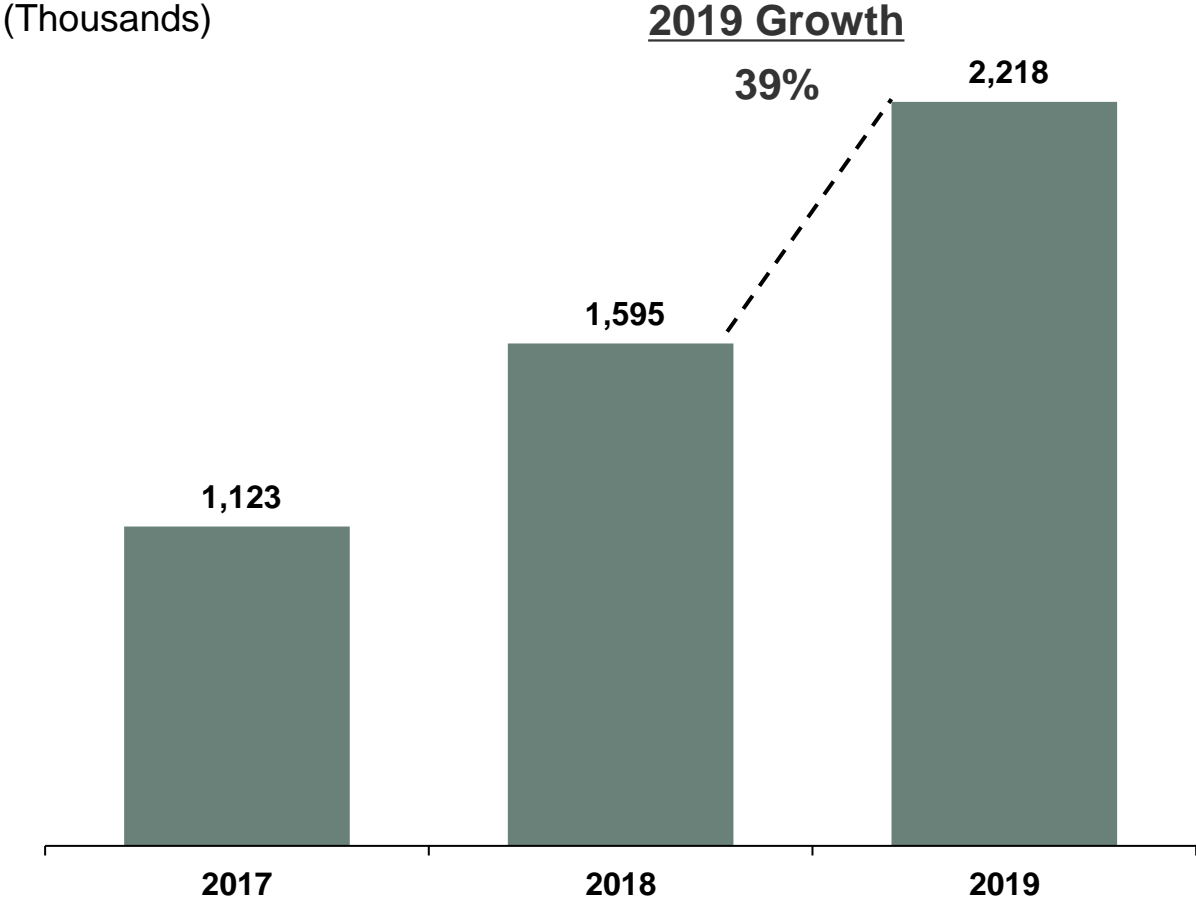


GMV Growth Driven By Order Growth and Higher AOV

Average order value (AOV)

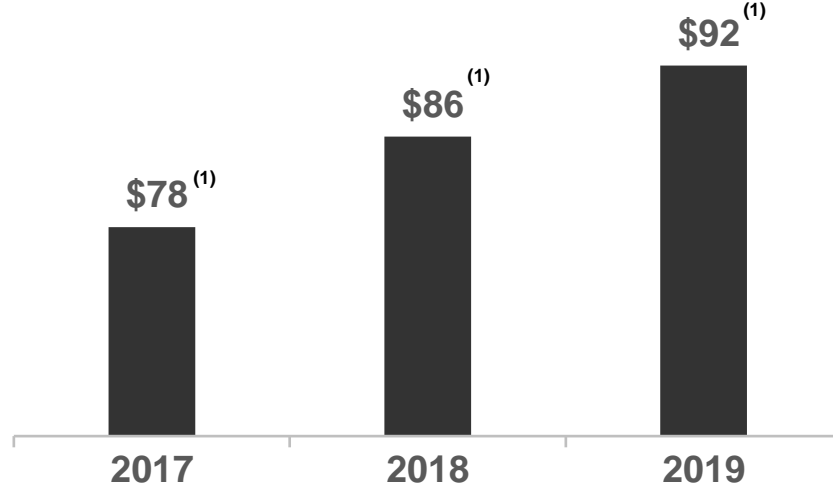
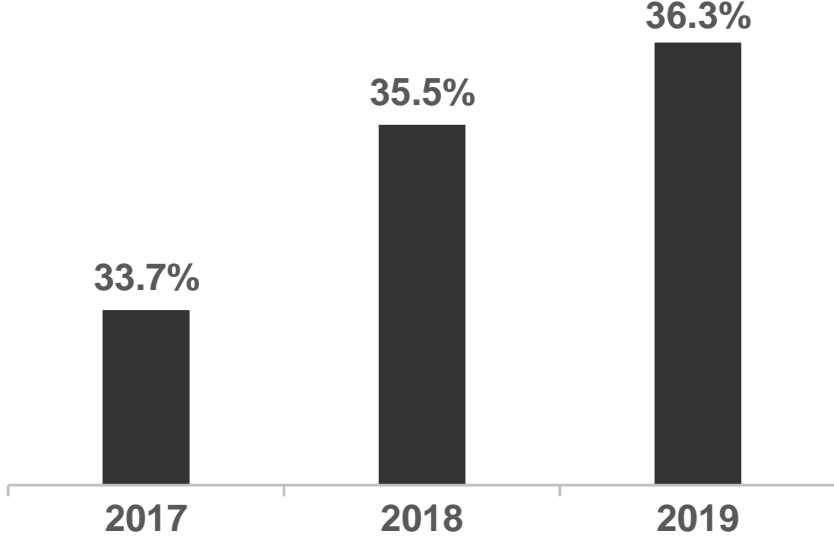
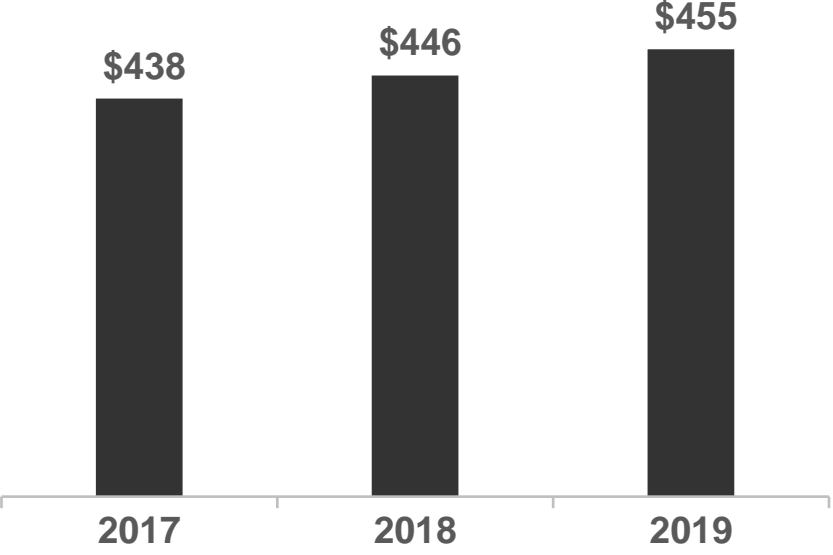


Number of orders



Top Line Leverage

Leverage drivers



AOV
 Driven by higher average price of items sold and greater number of items per order

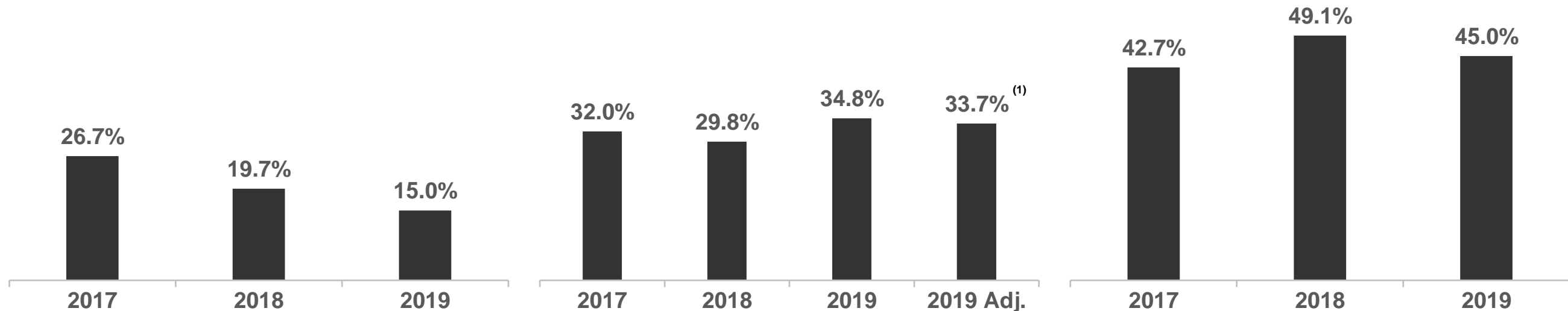
Take Rate
 Up 80bps Y/Y in 2019 Driven by Take Rate changes

Gross Profit Per Order
 Up 7% Y/Y in 2019; Increases due to improvements in Take Rate, AOV, and shipping leverage

(1) Calculated by dividing Gross Profit by the number of orders for the applicable quarter.

Operating Leverage

Operating Expenses (% of Revenue)



Marketing

'19 leverage driven by healthy retention trends and a ~20% Y/Y decline in BAC; ~500bps Y/Y leverage in 2019

SG&A

'19 deleverage driven by investments in public company costs, headcount and a \$3.2 million donation to establish the TRR Foundation

Ops & Tech

'19 leverage driven by automation, improved outbound efficiencies and fixed expense leverage; ~400bps Y/Y leverage in 2019

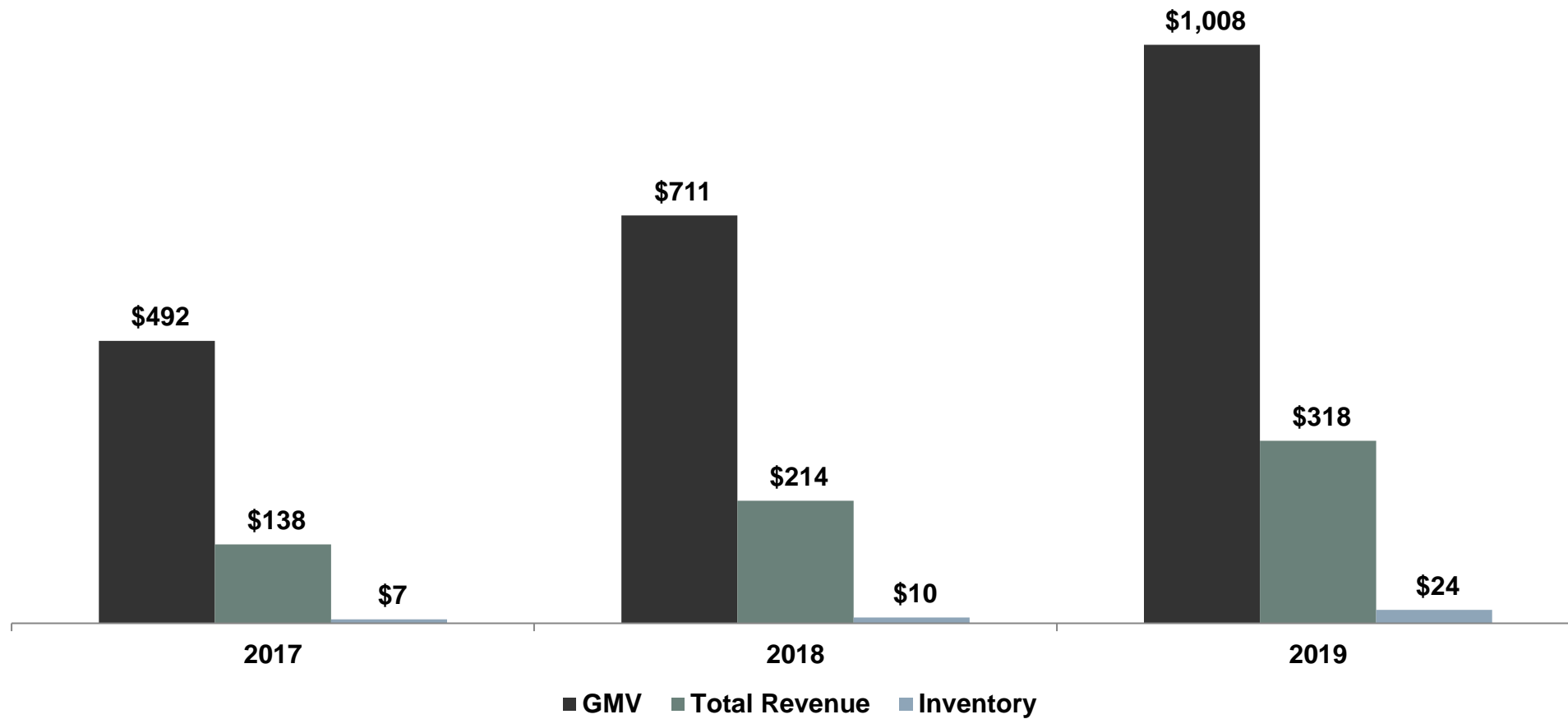
Note: Buyer Acquisition Cost or BAC for a given period is comprised of our total advertising spend divided by the number of buyers acquired in that period.

(1) Excluding the \$3.2 million donation to establish The RealReal Foundation and \$0.3 million in abandoned offering costs, SG&A as a percent of revenue was 33.7% in 2019

Capital Efficient Marketplace Model

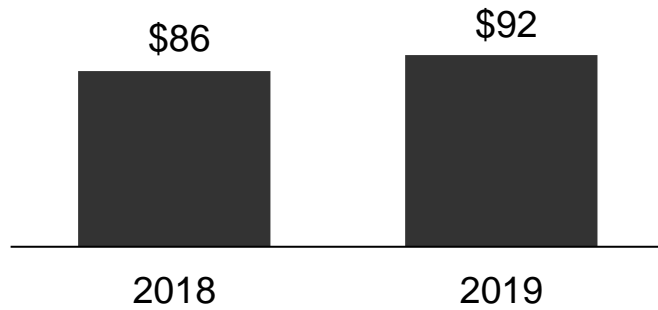
GMV, Total Revenue and Inventory

(\$ in millions)

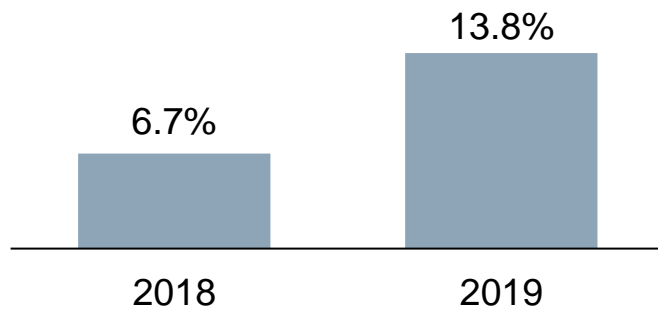


Driving Toward Profitability

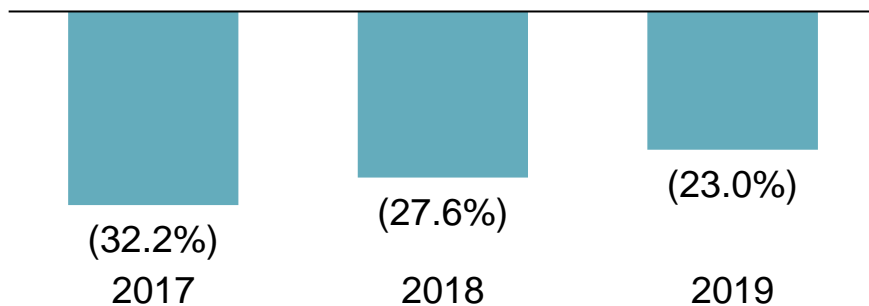
Gross Profit per Order



Contribution margin⁽¹⁾



Adjusted EBITDA (% of Revenue)⁽²⁾



Drivers of operating leverage

Revenue Drivers	Strong Retention	Consignment Take Rate	AOV
Gross Margin Drivers	Shipping Expense	Consignment Take Rate	Direct Sales Mix
Variable Expense Leverage	Marketing Improving BAC	Ops & Tech Process automation	SG&A Sales team productivity
Fixed Expense Leverage	Ops & Tech Rent and headcount	SG&A Headcount and public company expenses	Marketing Headcount

Note: The figures above are non-GAAP financial measures. Please see the reconciliation from GAAP to Non-GAAP measures contained in the appendix to this presentation.

(1) Contribution margin is a non-GAAP financial measure that is calculated as gross profit per order minus variable expenses including variable marketing, operations, sales and merchandising expenses as a percentage of sales.

(2) Adjusted EBITDA means net loss before net interest expense, income tax provision and depreciation and amortization, further adjusted to exclude stock-based compensation and certain one-time expenses.

Strong Contribution Profit per Order Supports Path to Profitability

	2018	2019	Y/Y Change
AOV	\$446	\$455	2%
Revenue per Order	\$130	\$143	10%
Take Rate	35.5%	36.3%	80bps
Gross Profit per Order	\$86	\$92	7%
Variable Cost per Order	\$77	\$72	(7%)
Contribution Profit per Order⁽¹⁾	\$9	\$20	126%
Fixed Cost per Order	\$46	\$53	15%
Adjusted EBITDA per Order⁽²⁾	(\$37)	(\$33)	11%

Note: The figures above are non-GAAP financial measures. Please see the reconciliation from GAAP to Non-GAAP measures.

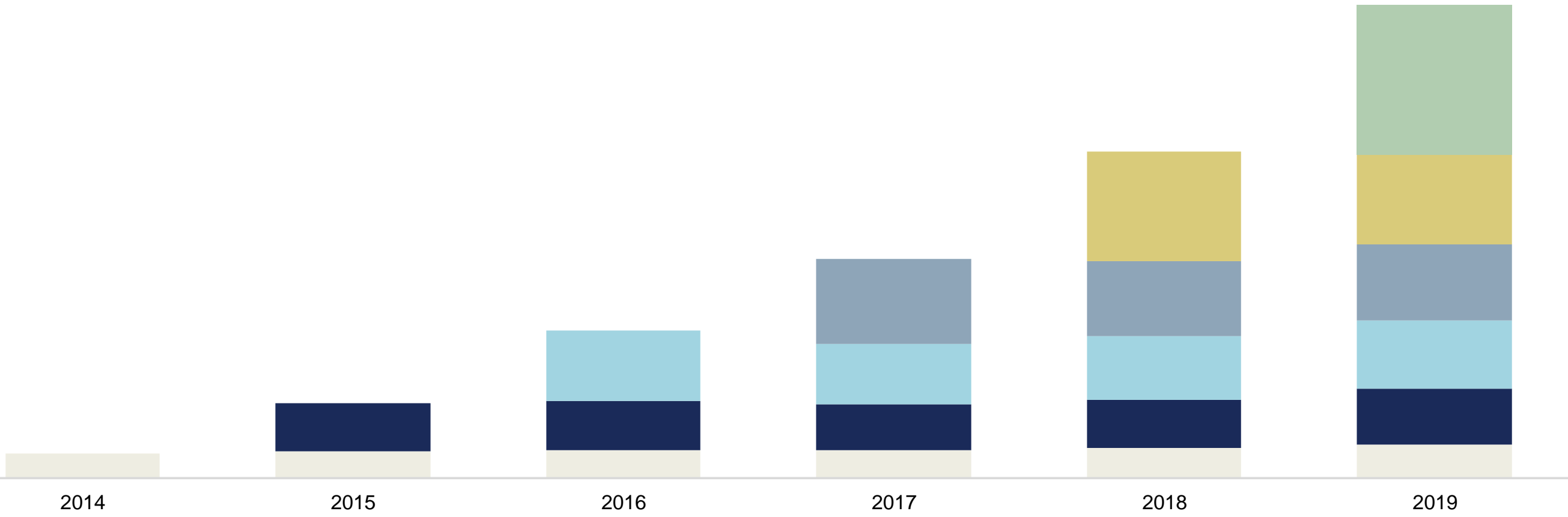
(1) Contribution Profit is a non-GAAP financial measure that is calculated as gross profit per order minus variable expenses including variable marketing, operations, sales and merchandising expenses.

(2) Adjusted EBITDA means net loss before net interest expense, income tax provision and depreciation and amortization, further adjusted to exclude stock-based compensation and certain one-time expenses.

Consistent Retention Across Buyer Cohorts

Annual GMV by Buyer Cohort Year
(\$ in millions)

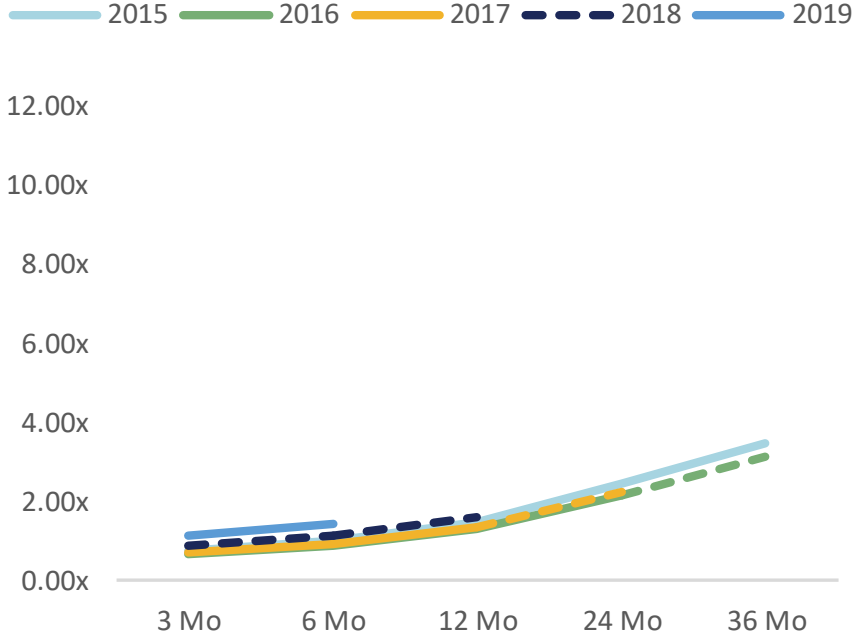
2014 2015 2016 2017 2018 2019



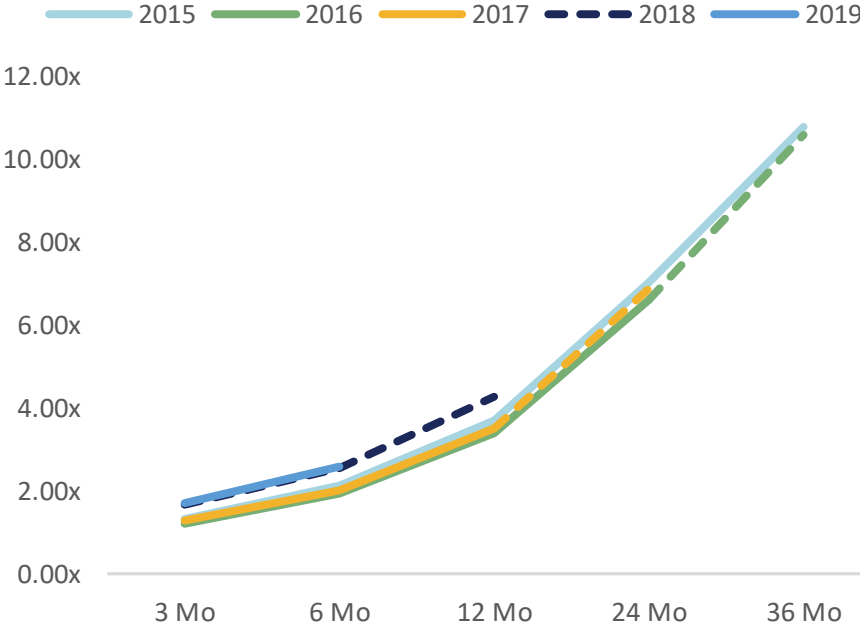
Note: Each cohort represents all buyers that first purchased across our online marketplace in the designated year and the aggregate GMV purchased by such cohort for the initial year and each year thereafter.

2019 Buyer LTV : BAC Payback Less Than 3 Months With Flywheel Enhancing The Network Effect of Our Marketplace

Buyer LTV : BAC – All Buyers¹



BLTV : BAC – Buyers who are also consignors¹



2019 BAC payback in less than 3 months

	Months				
	3 Mo	6 Mo	12 Mo	24 Mo	36 Mo
2015	0.73x	0.99x	1.48x	2.44x	3.48x
2016	0.67x	0.89x	1.29x	2.14x	3.14x
2017	0.71x	0.93x	1.34x	2.22x	-
2018	0.88x	1.12x	1.59x	-	-
2019	1.12x	1.42x	-	-	-

Further acceleration of BAC payback

	Months				
	3 Mo	6 Mo	12 Mo	24 Mo	36 Mo
2015	1.34x	2.13x	3.68x	7.02x	10.77x
2016	1.21x	1.95x	3.38x	6.60x	10.61x
2017	1.29x	2.00x	3.51x	6.86x	-
2018	1.67x	2.54x	4.29x	-	-
2019	1.70x	2.58x	-	-	-

Note: BLTV refers to cumulative gross profit attributable to purchases by buyers in a given period. BAC for a given period is comprised of our total advertising spend divided by the number of buyers acquired in that period. BLTV in the graph on the right includes only gross profit attributable to transactions in which the members participated as buyers and does not include gross profit attributable to transactions in which the member participated as a consignor
 (1) As of December 31, 2019.

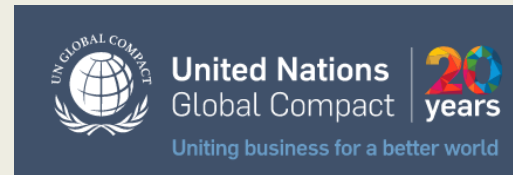
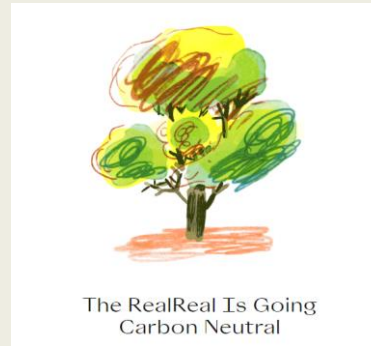
ESG - What We Are Doing in 2020

- We launched a comprehensive initiative to enhance transparency of ESG policies, reporting, and board oversight along SASB recommended metrics
- We reviewed and updated key ESG policies and disclosures, including:
 - Environmental Management System (EMS)
 - Human Rights Policy
 - Climate Change Policy
 - Diversity and Inclusion Policy
 - Environmental Policy
 - Energy, Water and Waste Policy
 - GHG Emissions
 - Occupational Health and Safety
 - Top Suppliers and Service Providers
 - Supplier Code of Conduct and Supplier Management Program
 - Key ESG performance metrics

Building a Strong ESG Foundation

■ Sustainability is a core value

- Saving water and carbon emissions
- Pioneering the circular economy
- Extending the lifecycle of luxury products

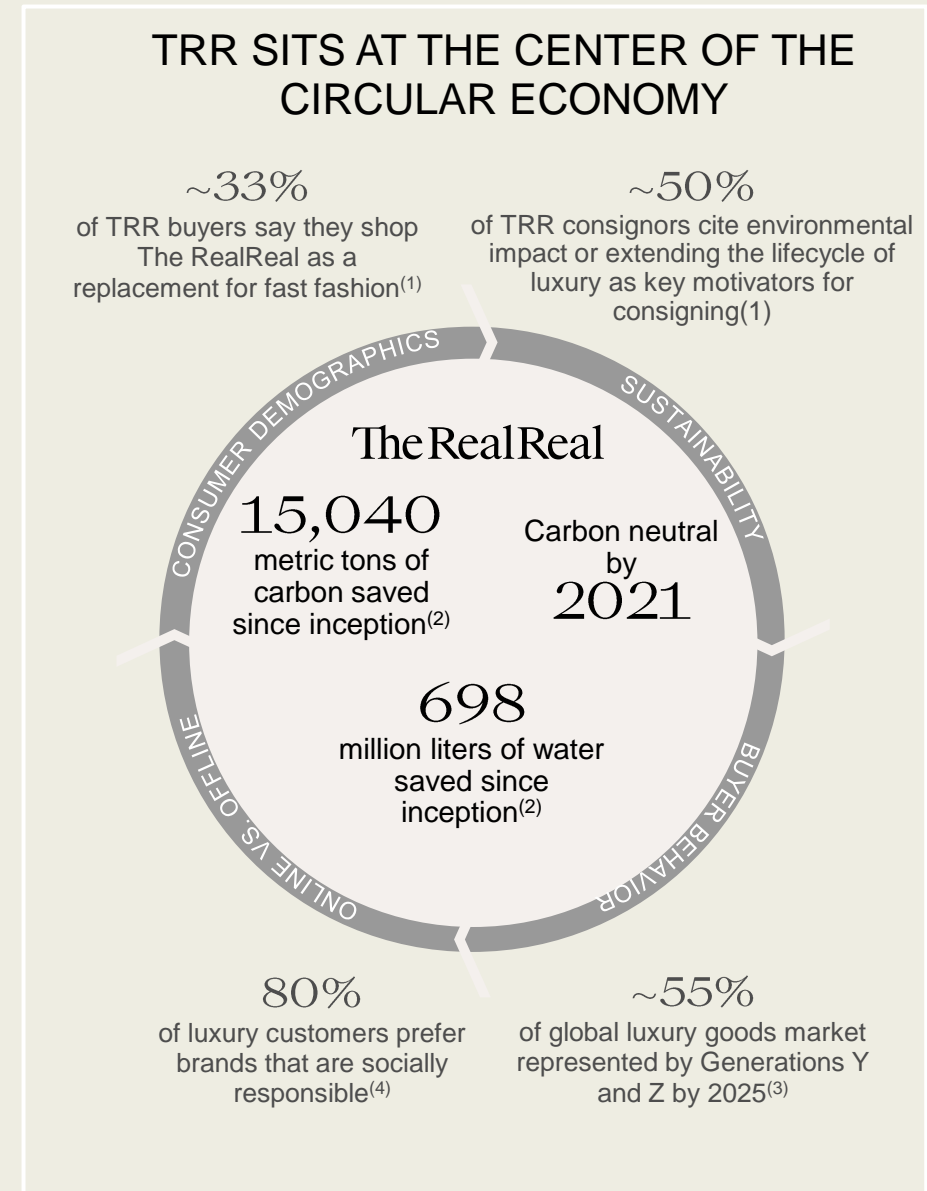


■ Social

- Diversity and inclusion
- Employee safety
- Human capital management
- Data privacy

■ Governance

- Board and Committee oversight of Diversity and Inclusion
- Board and Committee oversight of ESG
- Ethics



(1) According to The RealReal customer survey results as of March 31, 2020
 (2) As of June 30, 2020
 (3) Bain Altagamma Luxury Goods Worldwide Market Study, May 2020.
 (4) Bain Altagamma Worldwide Luxury Market Monitor, November 2019.

ESG Highlights

Environment

- Our business model drives significant water and carbon emission savings
- Carbon reduction goal targets carbon neutrality in 2021
- Reduce greenhouse gas (GHG) emissions by 30% by 2030; achieve net-zero emissions by 2050
- Circular economy advocacy and thought leadership
- Increase the usage of virtual appointments
- Sustainability calculator
- UN Global Compact Signatory
- UN Climate Change's Fashion Industry Charter
- The Ellen MacArthur Foundation Member
- Sustainable Apparel Coalition
- Environmental Management System (EMS) and Sustainability Task Force

Society

- 68% of employees are female ⁽¹⁾
- 60% of employees identify as racially or ethnically diverse ⁽¹⁾
- Implementing a company wide diversity & inclusion plan
- 98.3% of employees received an annual performance review; our people managers have quarterly meetings with their employees to address performance and development⁽¹⁾
- Employee safety is our top priority and we have implemented numerous new safety measures to protect our employees during the pandemic
- Committed to high standards for our working environments that protect the well-being of all employees
- Data protection policy governs business
- All employees are eligible to participate in ESPP Plan; all full-time employees receive awards through our Equity Incentive Plan.
- UN Global Compact Signatory

Governance

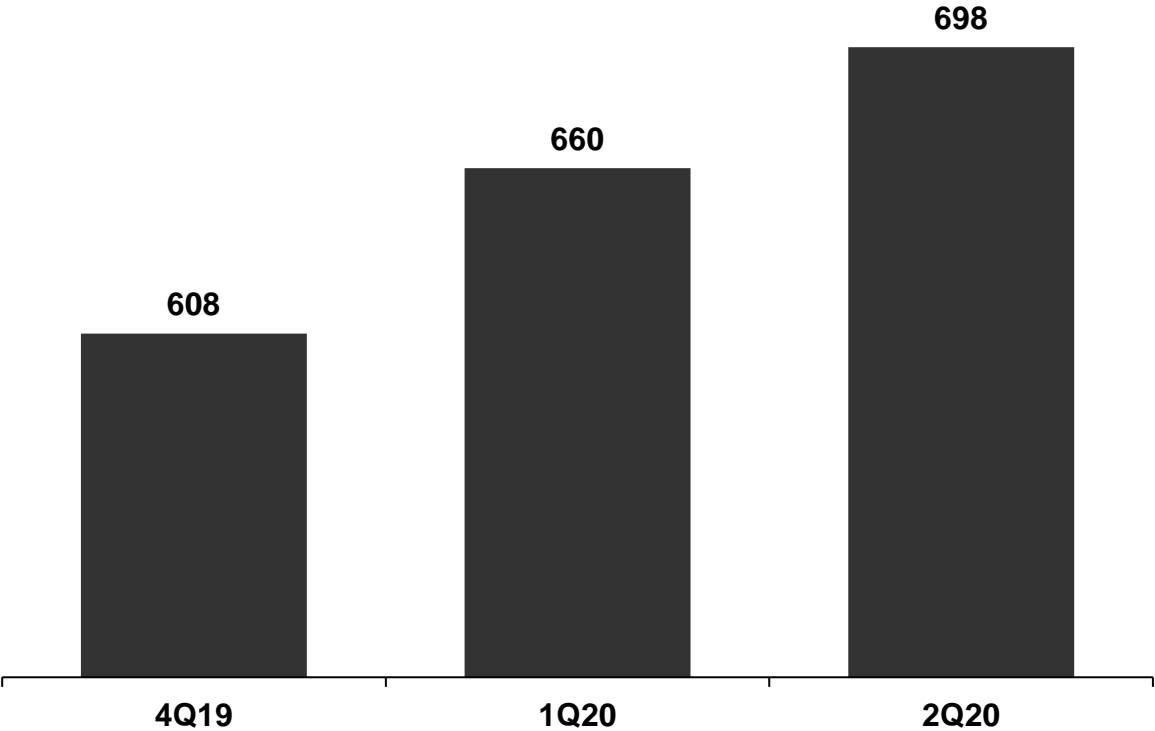
- 50% of our Board of Directors were female ⁽²⁾
- Majority independent Board of Directors
- Fully independent Audit and Compensation and Nominating and Governance Committees
- Classified Board Structure – promotes continuity of leadership, Board stability and long-term planning
- Quarterly reporting to the Governance committee
- Board of oversight of risk management and ESG integration
- Annual Director and Committee evaluations
- Anti-hedging and anti-pledging requirements
- Single-class capital structure: one share, one vote

(1) As of December 31, 2019

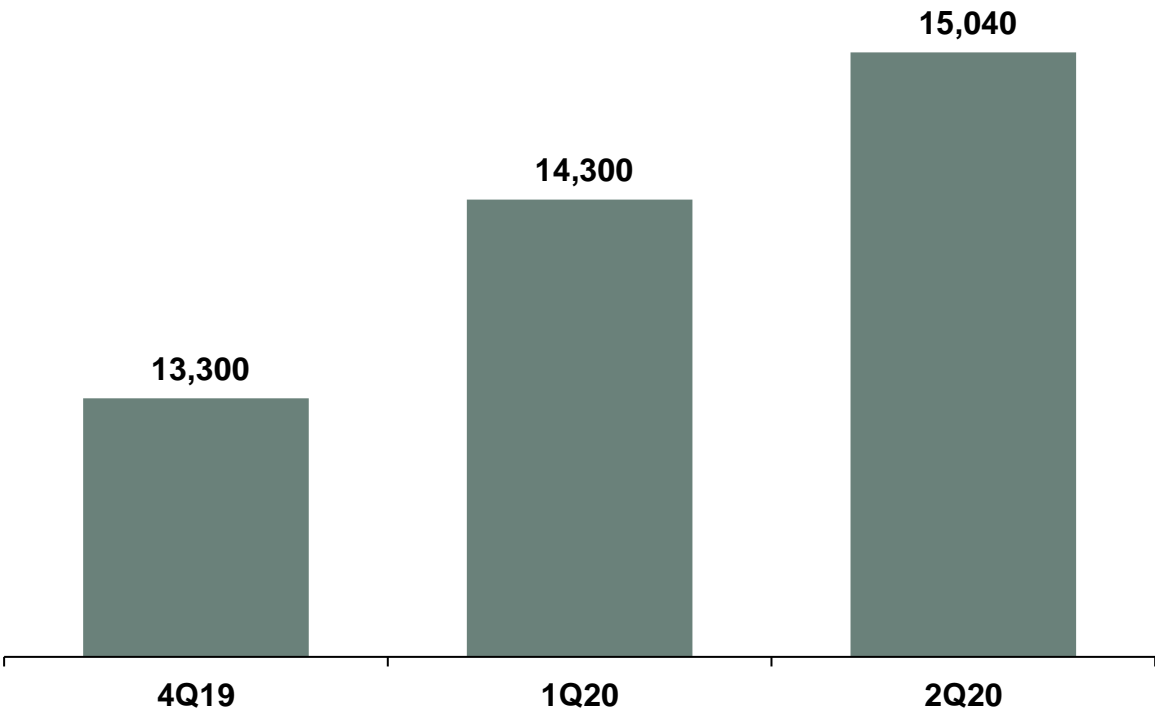
(2) As of August 4, 2020

Our Model is Inherently Sustainable

Millions of liters of water saved since inception ⁽¹⁾



Metric tons of carbon saved since inception ⁽¹⁾



(1) See <https://www.therealreal.com/sustainability> for methodology.

Innovative and Experienced Team



Julie Wainwright
*Founder, President
and Chief Executive
Officer*



Matt Gustke
Chief Financial Officer



Rati Sahi Levesque
Chief Operating Officer



Marc Viale
SVP, Strategy and Growth



Fredrik Björk
Chief Technology Officer



Zaina Orbai
Chief People Officer



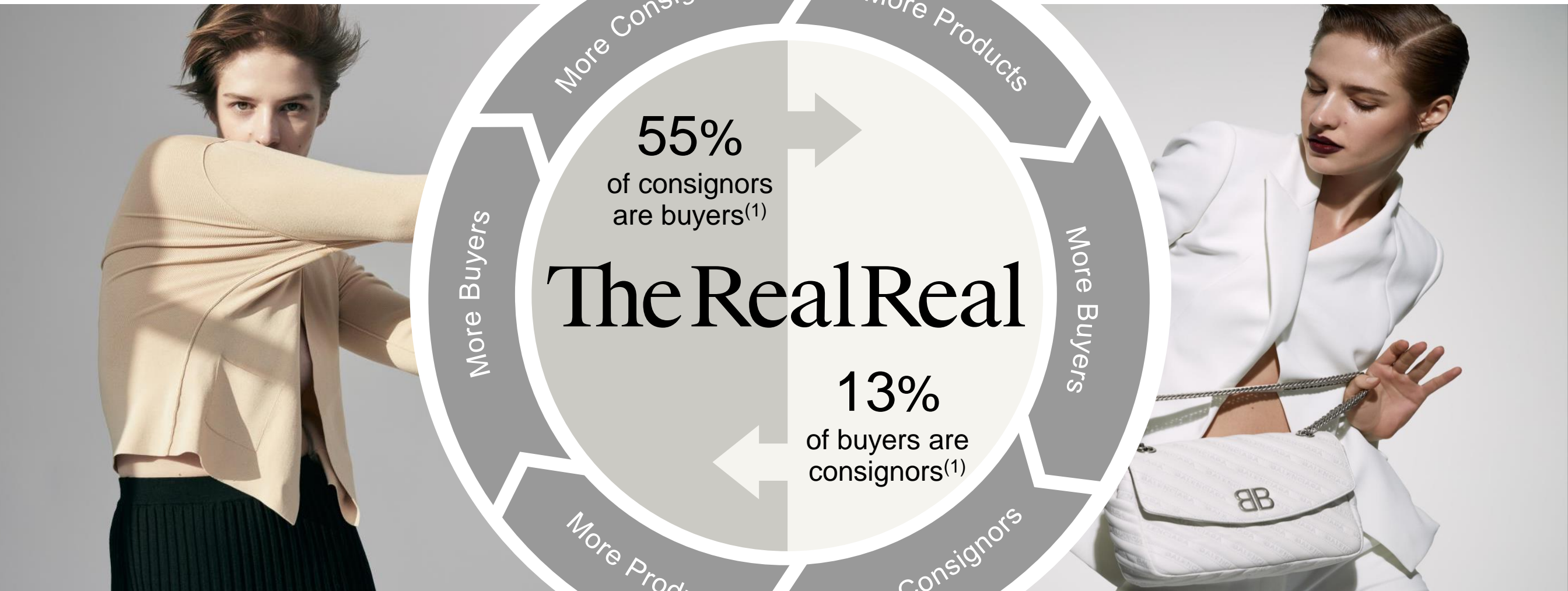
Josh Mahoney
*Chief Product Officer
SVP, Product
Management*



Todd Suko
Chief Legal Officer



Paul Bieber
*Head of Investor
Relations*



More Consignors

More Products

55%
of consignors
are buyers⁽¹⁾

The RealReal

13%
of buyers are
consignors⁽¹⁾

More Buyers

More Buyers

More Products

More Consignors

(1) As of June 30, 2020.

The RealReal

Appendix



Reconciliation to Adjusted EBITDA

(\$ in millions)

FYE December 31

	2017	2018	2019
Total Revenue	\$137.5	\$213.7	\$318.0
Net loss	(\$52.3)	(\$75.8)	(\$96.6)
Depreciation and amortization	5.6	9.3	13.4
Stock-based compensation expense	1.9	2.9	7.7
Compensation expense related to stock sales by current and former employees	–	0.8	0.8
Abandoned Offering Costs	–	–	0.3
Donation to TRR Foundation	–	–	3.2
Vendor service settlement	–	2.0	–
Interest income	(0.4)	(1.0)	(4.6)
Interest expense	0.8	1.2	0.6
Other expense, net	0.1	1.7	2.1
Provision for income taxes	0.1	0.1	0.1
Adjusted EBITDA	(\$44.3)	(\$58.9)	(\$73.0)
Adjusted EBITDA (% of Revenue)	-32.2%	-27.6%	-23.0%

Reconciliation to Adjusted EBITDA

FYE December 31	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19	1Q20	2Q20
Total Revenue	\$47.7	\$48.4	\$53.2	\$64.3	\$70.6	\$72.2	\$81.5	\$93.7	\$78.2	\$57.4
Net loss	(\$14.1)	(\$17.6)	(\$21.9)	(\$22.2)	(\$23.2)	(\$26.6)	(\$25.3)	(\$21.3)	(\$38.3)	(\$42.9)
Depreciation and amortization	2.0	2.1	2.4	2.8	2.8	3.2	3.5	3.9	4.1	4.6
Stock-based compensation expense	0.5	0.7	0.7	0.9	1.1	1.3	2.5	2.8	3.4	6.1
Compensation expense related to stock sales by current and former employees	–	–	0.8	–	0.8	–	–	–	–	–
Legal Settlement	–	–	–	–	–	–	–	–	1.1	–
Abandoned Offering Costs	–	–	–	–	–	–	–	0.3	–	–
Restructuring	–	–	–	–	–	–	–	–	–	0.4
Donation to TRR Foundation	–	–	–	–	–	–	–	3.2	–	–
Vendor service settlement	–	–	2.0	–	–	–	–	–	–	–
Interest income	(0.1)	(0.1)	(0.4)	(0.4)	(0.4)	(0.6)	(1.9)	(1.7)	(1.3)	(0.6)
Interest expense	0.2	0.5	0.2	0.2	0.1	0.1	0.1	0.0	0.0	0.4
Other expense, net	0.1	1.3	0.2	0.1	0.3	1.7	0.1	(0.0)	(0.0)	0.1
Provision for income taxes	–	–	0.0	0.1	–	0.1	0.0	0.0	0.0	0.1
Adjusted EBITDA	(\$11.3)	(\$13.1)	(\$15.9)	(\$18.5)	(\$18.5)	(\$20.9)	(\$20.9)	(\$12.7)	(\$30.9)	(\$31.8)
Adjusted EBITDA (% of Revenue)	-23.8%	-26.9%	-29.9%	-28.8%	-26.2%	-28.9%	-25.7%	-13.6%	-39.5%	-55.4%

Reconciliation to Contribution Margin

(\$ per order)
FYE December 31

	2018	209
AOV	\$445.6	\$454.7
Revenue	130.0	143.4
Gross profit	85.8	91.6
Variable expenses	77.1	71.9
Contribution profit	\$8.7	\$19.7
Contribution margin	6.7%	13.7%

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