



Q4 2024 Earnings Presentation
February 2025

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, the debt exchange, financial guidance, anticipated growth in 2025, 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 **\$1.8bn of annual GMV¹**

What We Do

Deliver an unmatched experience built on
Service, Trust & Expertise to our growing
community of **38 million members²**

Why We Win

Consignors

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

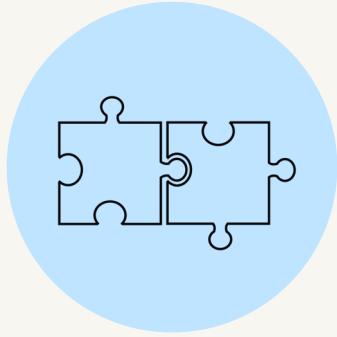
Buyers

- ✓ Coveted, Unique SKUs
- ✓ Trusted Reputation for Rigorous Authentication Built Over 14 Years
- ✓ Curated Online Experience Based on Rich First-Party Data

1. Represents 2024 full year actual gross merchandise value.

2. As of December 31, 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



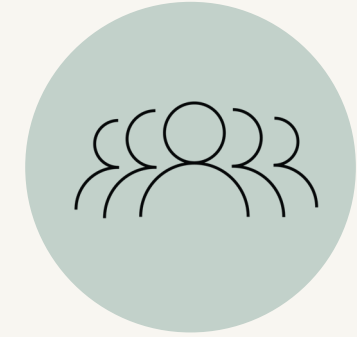
Product Market Fit

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



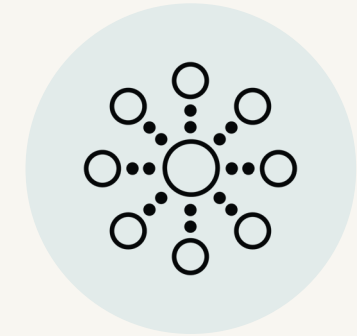
Asset Light Model

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

The Real Real

Q4 and Full Year 2024 Key Highlights

Returned to Profitable Growth in 2024

- Exceeded GMV and Adjusted EBITDA guidance
- Delivered record fourth quarter total revenue, up 14% year-over-year
- Full Year GMV of \$1.83B increased 6% and revenue of \$600M was up 9% versus last year

Reached Important Milestones on Path to Profitability

- Achieved positive Adjusted EBITDA for the full year, an increase of \$65M versus 2023, up \$122M on a 2-year basis
- Reached positive operating cash flow and free cash flow for the year

Driving efficiency and elevated service

- Using AI and process improvements to accelerate productivity and elevate service across sales, pricing and authentication operations
- Marketing technology in action to attract and retain high-value customers
- AI tools in our product intake process are being deployed to increase accuracy and speed for our customers





Q4 and Full Year 2024 Financial Summary

Q4 Profit and Loss Statement

- GMV of \$504 million, an increase of 12% year-over-year
- Total Revenue of \$164 million, an increase of 14% year-over-year
- Total Gross Margin of 74.4% compared to 74.0% in Q4 2023
- Adjusted EBITDA was \$11 million, or 6.7% of Total Revenue compared to \$1 million, or 1.0% in Q4 2023

Full Year 2024 Profit and Loss Statement

- GMV of \$1.83 billion, an increase of 6% year-over-year
- Total Revenue of \$600 million, an increase of 9% year-over-year
- Total Gross Margin of 74.5% compared to 68.5% for full year 2023
- Adjusted EBITDA of \$9 million, or 1.6% of Total Revenue compared to \$(55) million, or (10.0)% for full year 2023

Balance Sheet and Cash Flow

- Free cash flow for full year 2024 of +\$1 million
- \$187 million of cash and cash equivalents, and restricted cash

Key Financial Metrics

	Year Ended December 31,		
	2024	2023	2022
	(In thousands, except AOV and percentages)		
GMV	\$ 1,829,463	\$ 1,725,983	\$ 1,815,983
NMV	\$ 1,382,875	\$ 1,269,880	\$ 1,335,506
Consignment revenue	\$ 473,396	\$ 415,572	\$ 384,979
Direct revenue	\$ 64,580	\$ 79,160	\$ 158,726
Shipping services revenue	\$ 62,508	\$ 54,572	\$ 59,788
Number of orders	3,359	3,300	3,757
Take rate	38.4 %	37.5 %	36.0 %
Active buyers	972	922	998
AOV	\$ 545	\$ 523	\$ 483

Q1 and Full Year 2025 Financial Guidance

Q1 2025

FY 2025

GROSS MERCHANDISE VALUE (GMV)

\$484 - \$492 million
(7% - 9% y/y growth)

\$1.960 - \$1.990 billion
(7% - 9%)

TOTAL REVENUE

\$157 - \$161 million
(9% - 12% y/y growth)

\$645 - \$660 million
(7% - 10%)

ADJUSTED EBITDA

\$3.0 - \$4.5 million

\$20 - \$30 million

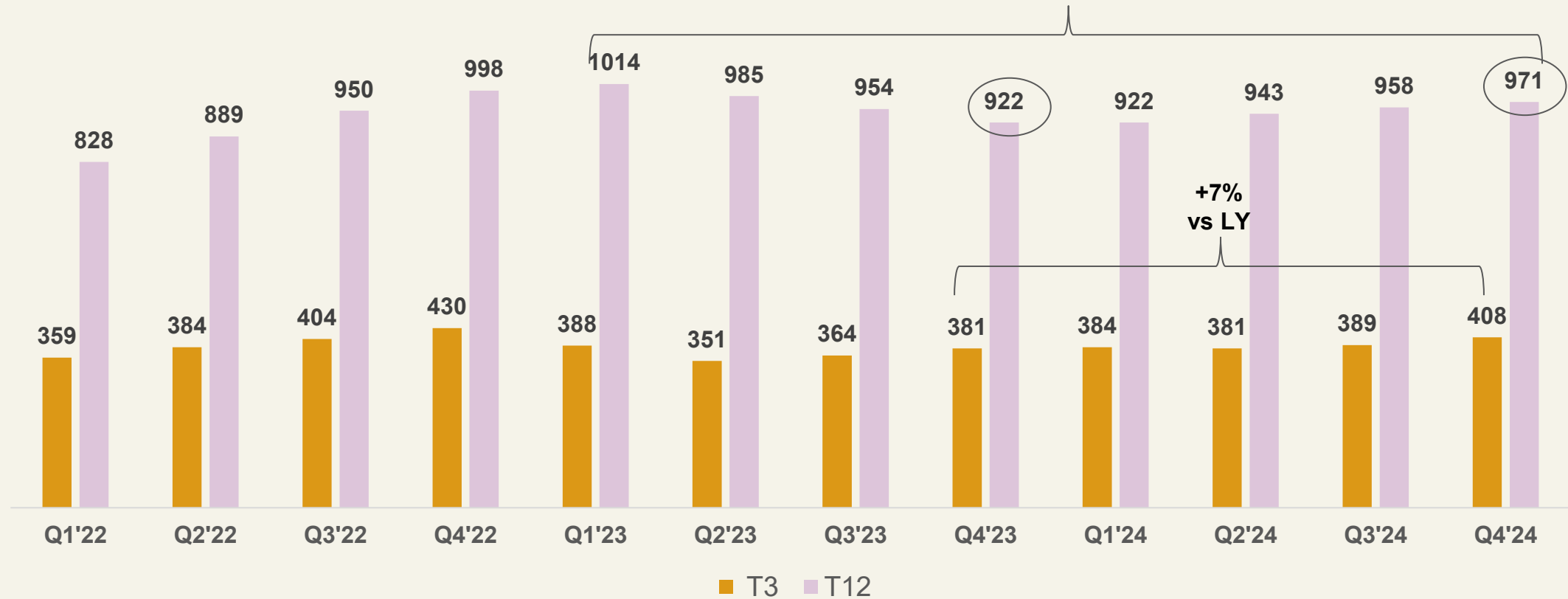
Appendix

The Real Real

Active Customer Count

Returning to growth after intentional repositioning to focus on high value inventory

Began overhauled consignor commission structure and de-emphasized lower value direct revenue resulting in higher-than-average churn due to reduction in lower price/margin categories and brands. Q4 trailing 3-month active customers grew 7% versus last year and trailing 12-month active customer count grew 5%.



Non-GAAP Reconciliation

	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
Adjusted EBITDA Reconciliation:				
Net loss	\$ (68,455)	\$ (21,693)	\$ (134,202)	\$ (168,472)
Net loss (% of revenue)	41.7 %	15.1 %	22.3 %	30.7 %
Depreciation and amortization	8,294	8,165	33,100	31,695
Interest income	(1,671)	(2,088)	(7,943)	(8,805)
Interest expense ⁽¹⁾	5,916	2,683	21,384	10,701
Provision for income taxes	98	36	276	283
EBITDA	(55,818)	(12,897)	(87,385)	(134,598)
Stock-based compensation	6,502	7,980	29,082	34,273
CEO separation benefit and transition costs ⁽²⁾	782	—	782	159
Payroll tax expense on employee stock transactions	121	53	371	195
Legal settlements ⁽³⁾	—	240	600	1,340
Restructuring ⁽⁴⁾	—	6,066	196	43,462
Gain on extinguishment of debt ⁽⁵⁾	—	—	(4,177)	—
Change in fair value of warrant liability ⁽⁶⁾	58,958	—	68,167	—
One time expenses ⁽⁷⁾	462	—	1,672	—
Adjusted EBITDA	\$ 11,007	\$ 1,442	\$ 9,308	\$ (55,169)
Adjusted EBITDA (% of revenue)	6.7 %	1.0 %	1.6 %	(10.0)%

(1) As of December 31, 2024, interest expense includes \$4.8 million of payment-in-kind (“PIK”) interest, which is 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 year ended December 31, 2024 consist of severance and benefits payable to John Koryl pursuant to his separation agreement. The CEO separation benefits and transition costs for the year ended December 31, 2023 consists of retention bonuses for certain executives incurred in connection with our founder’s resignation in 2022.

(3) The legal settlement charges for the year ended December 31, 2023 reflect legal settlement expenses arising from the settlement of two former employees’ individual claims and California Private Attorney General Actions initiated against the Company on behalf of such former employees and those similarly situated.

(4) Restructuring for the year ended December 31, 2023 consists of impairment of right-of-use assets and property and equipment, employee severance charges, gain on lease terminations, and other charges, including legal and transportation expenses.

(5) The gain on extinguishment of debt for the year ended December 31, 2024 reflects the difference between the carrying value of the Exchanged Notes and the fair value of the 2029 Notes.

(6) The change in fair value of warrant liability for the year ended December 31, 2024 reflects the remeasurement of the warrants issued by the Company in connection with the Note Exchange in February 2024.

(7) One time expenses for the year ended December 31, 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.

A reconciliation of GAAP net loss to non-GAAP net loss attributable to common stockholders, the most directly comparable GAAP financial measure, in order to calculate non-GAAP net loss attributable to common stockholders per share, basic and diluted, is as follows (in thousands, except share and per share data):

	Three Months Ended December 31,		Year Ended December 31,	
	2024	2023	2024	2023
Net cash provided by (used in) operating activities	\$ 27,994	\$ 10,523	\$ 26,846	\$ (61,268)
Purchase of property and equipment and capitalized proprietary software development costs	(8,829)	(6,730)	(26,048)	(42,128)
Free (negative) cash flow	\$ 19,165	\$ 3,793	\$ 798	\$ (103,396)

The RealReal