



# The Real Real

## Investor Presentation

February 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 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](http://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

Q4 Highlights

# GMV Trends Continue to Improve Q/Q; December GMV Growth +6%

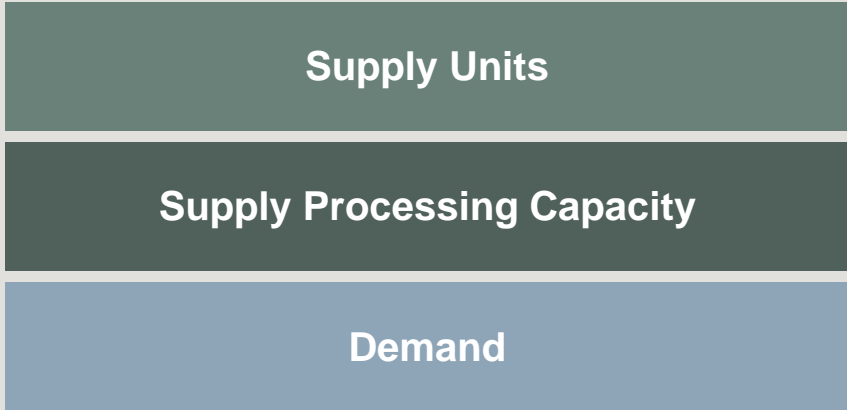
- GMV of \$301.2 million improved 235bps Q/Q and declined 1% Y/Y; Q1 QTD GMV + 14% Y/Y<sup>1</sup>
- The RealReal B2B vendor program GMV increased 80% Y/Y; 3rd Q of accelerating growth
- Launched innovative neighborhood store format, targeting 10 stores by end of Q2
- Retail drove ~30% of new consignors in Q4
- Expanding into Arizona in '21 to support next phase of growth; 1,500 jobs created over time
- 82.4% of GMV from repeat buyers; Q4 new buyers were a quarterly record and increased 21% Y/Y
- Total revenue of \$84.6 million declined 10% Y/Y<sup>2</sup>
- Direct revenue of \$15.5 million increased 38% Y/Y
- Gross Profit of \$51.1 million declined 18% Y/Y<sup>2</sup>
- Well capitalized with \$354.9 million in cash, short term investments and cash equivalents

(1) QTD GMV is through 2/19/20.

(2) Reflects a \$2.2 million prior period adjustment. Excluding the \$2.2 million prior period adjustment, total revenue was \$86.8 million, a decrease of 7% Y/Y and gross profit was \$53.4 million, a 15% Y/Y decrease.

# GMV Recovery Continues

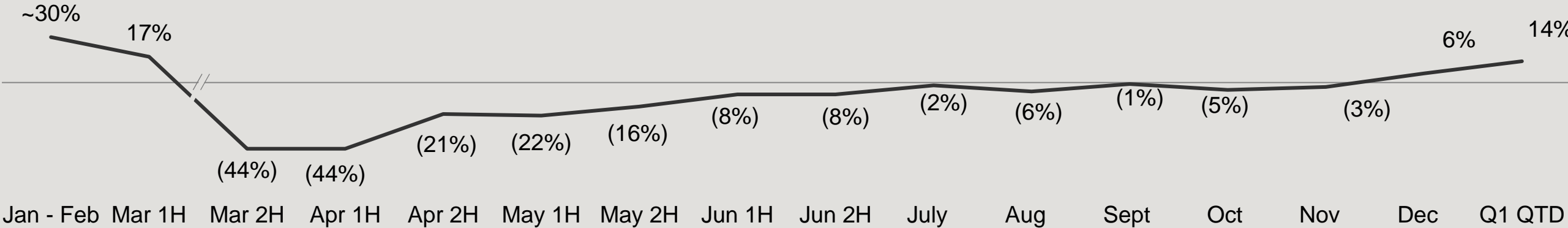
GMV growth accelerating into Q1 2021; Strong supply growth led to available inventory reaching flat Y/Y in January



### Q4 TRENDS

- Improved 10% Q/Q and increased 13% Y/Y in Q4
- Retail and LCO supply units increased 70% Y/Y in Q4
- Vendor supply unit strength continued in Q4
- Operating capacity was not a constraint to growth in Q4
- Supply processing also benefitting from automation investments
- New active buyers achieved a record in Q4 and increased 21% Y/Y
- Strong sell-through throughout COVID
- Increased marketing spend to support increasing momentum

### GMV (Y/Y Change %)



# Positioned for Strong and Sustainable Long-term Growth

## LARGEST ONLINE MARKETPLACE FOR AUTHENTICATED, CONSIGNED LUXURY GOODS

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

- 100% authenticated marketplace
- Neighborhood store strategy recently launched
- Omnichannel supply activation
- Efficient operations supported by automation
- Brand partnerships
- ESG dedicated



## ENTERED 2020 WITH STRONG MOMENTUM

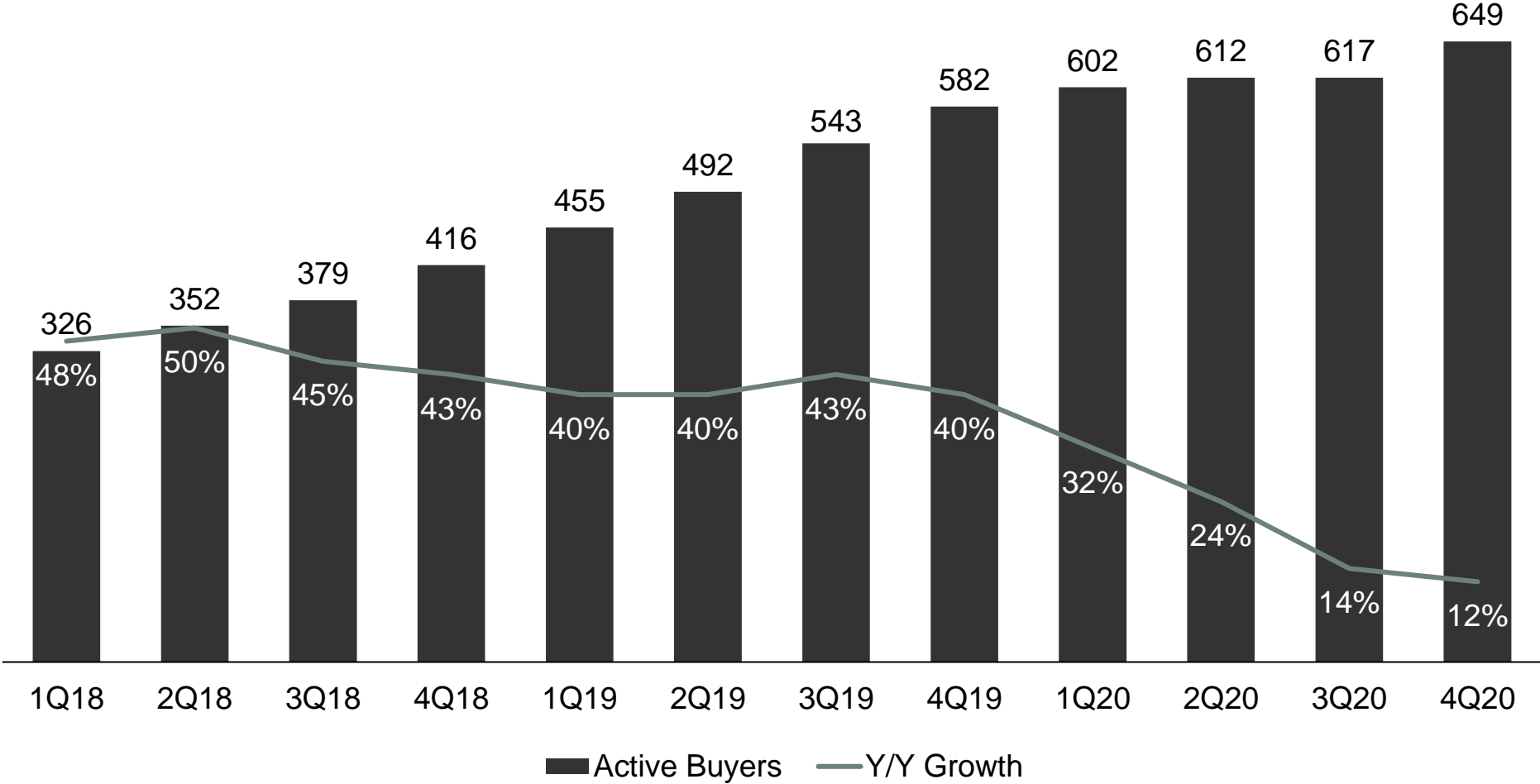
- **Significant scale** – over \$1bn in GMV in 2019
- **Strong repeat customer base** – over 80% of GMV from repeat buyers/consignors in 2019
- 1Q 2020, **GMV growth** ~30% Y/Y pre-COVID
- Growing luxury, and resale, **TAM**
- **Strong unit economics** and operating leverage

## COVID-19 RESULTED IN SHORT-TERM DISRUPTION, BUT LONG-TERM OPPORTUNITY MAY INCREASE

- 1 Introduced **virtual appointments, neighborhood store strategy, appointment scheduling, and curbside pick-ups**
- 2 Leaning into **Vendor** opportunity; Vendor GMV +80% Y/Y in Q4
- 3 Decline of traditional retail and **growth of e-commerce** reshaping competitive landscape
- 4 Greater consumer **awareness of sustainability**

# Q4 TTM Active Buyer Growth +12% Y/Y; New buyers +21% Y/Y

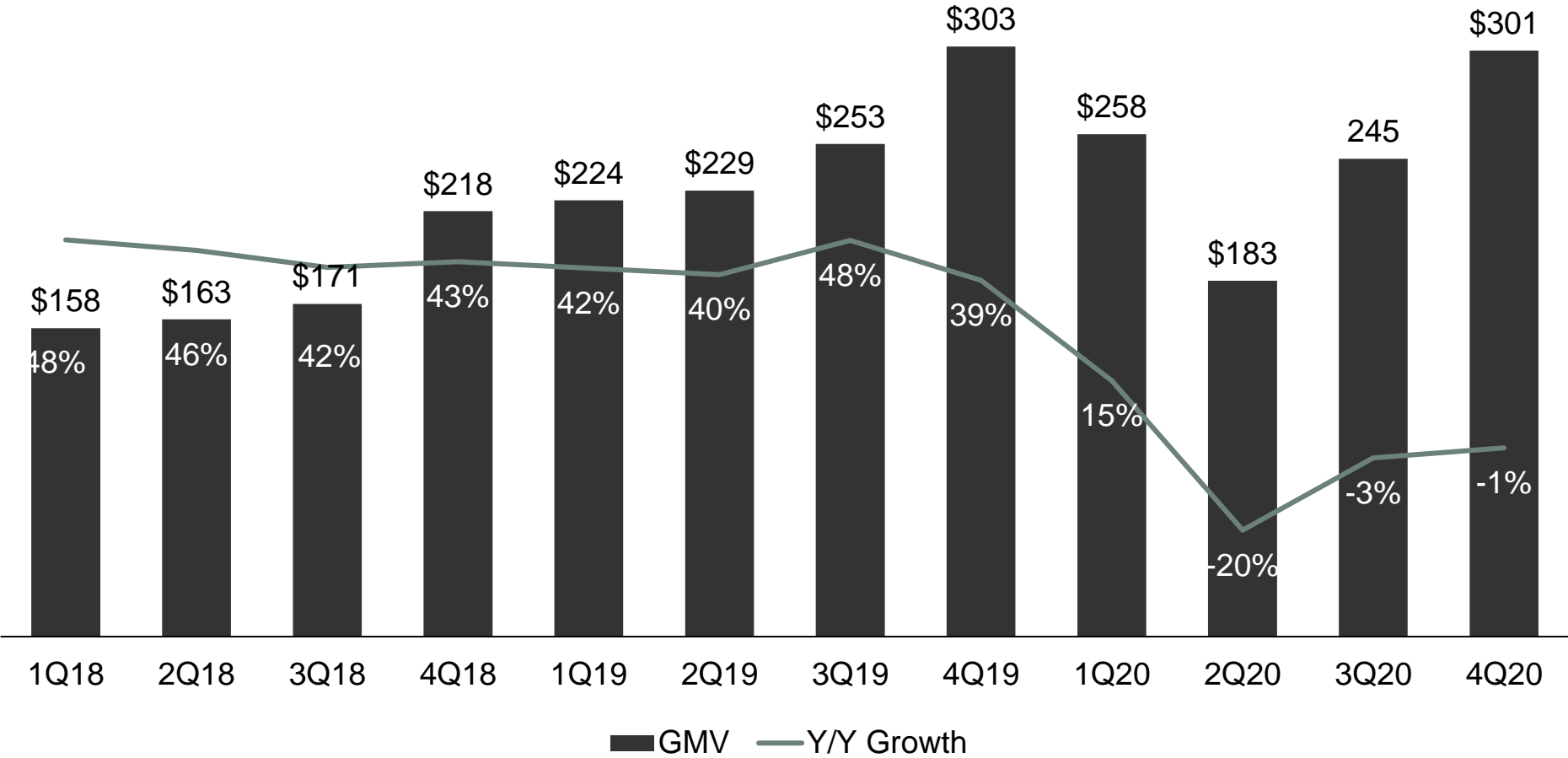
(in thousands)



**TTM Active buyer growth increased 12% Y/Y; Added ~32K TTM active buyers vs. 5.5K TTM active buyers in Q3**

# Q4 GMV Improved 235bps Q/Q, -1% Y/Y; December GMV +6% Y/Y

(\$MM)



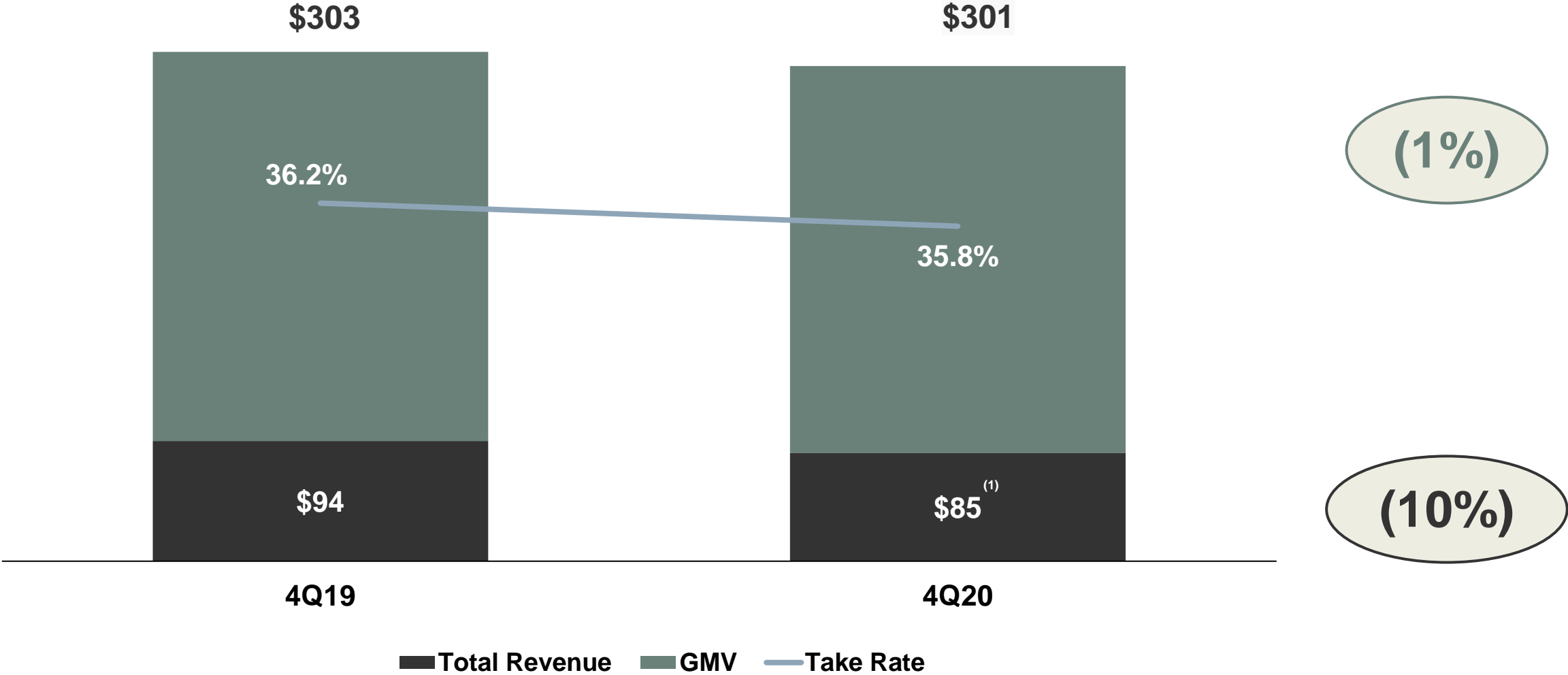
Exited 4Q with GMV momentum; Dec. GMV increased 6% Y/Y



# Q4 Take Rate Decreased 50bps Y/Y Due Primarily to Mix of Higher ASP Products

(\$ in millions)

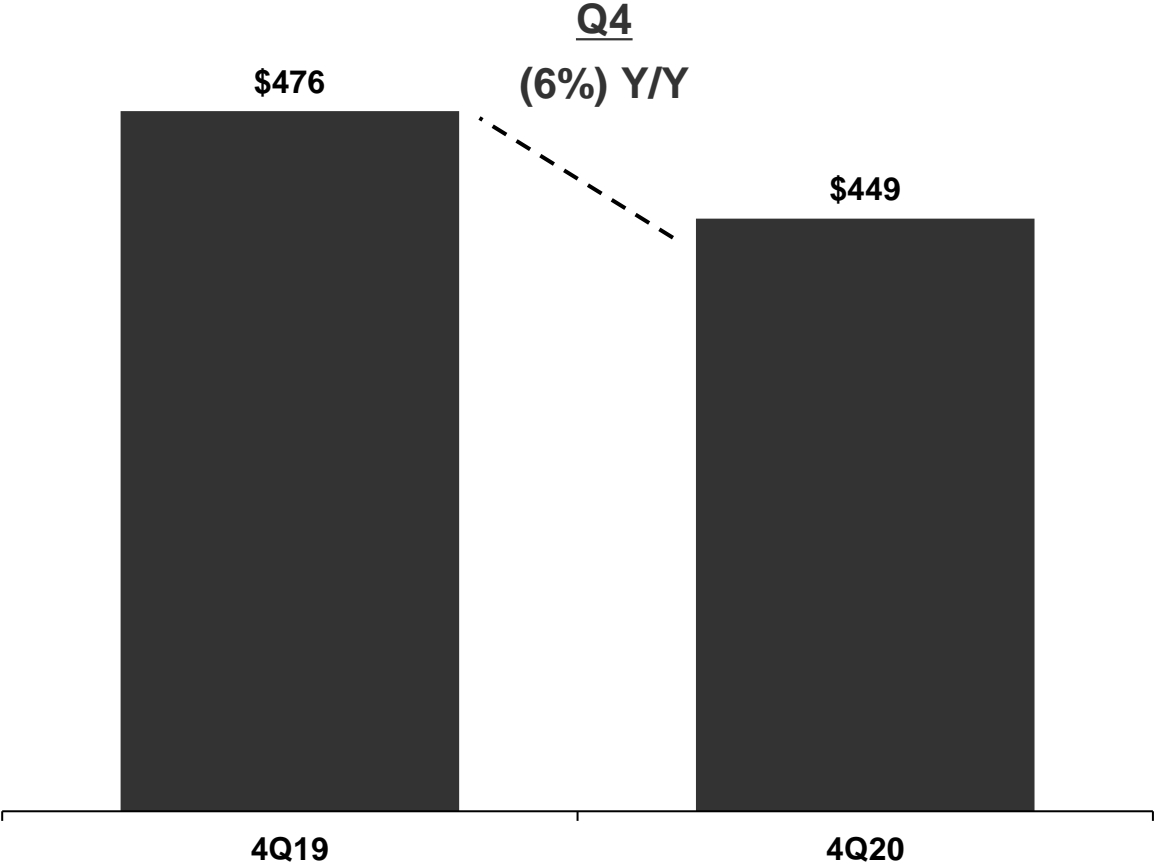
2020 Trend



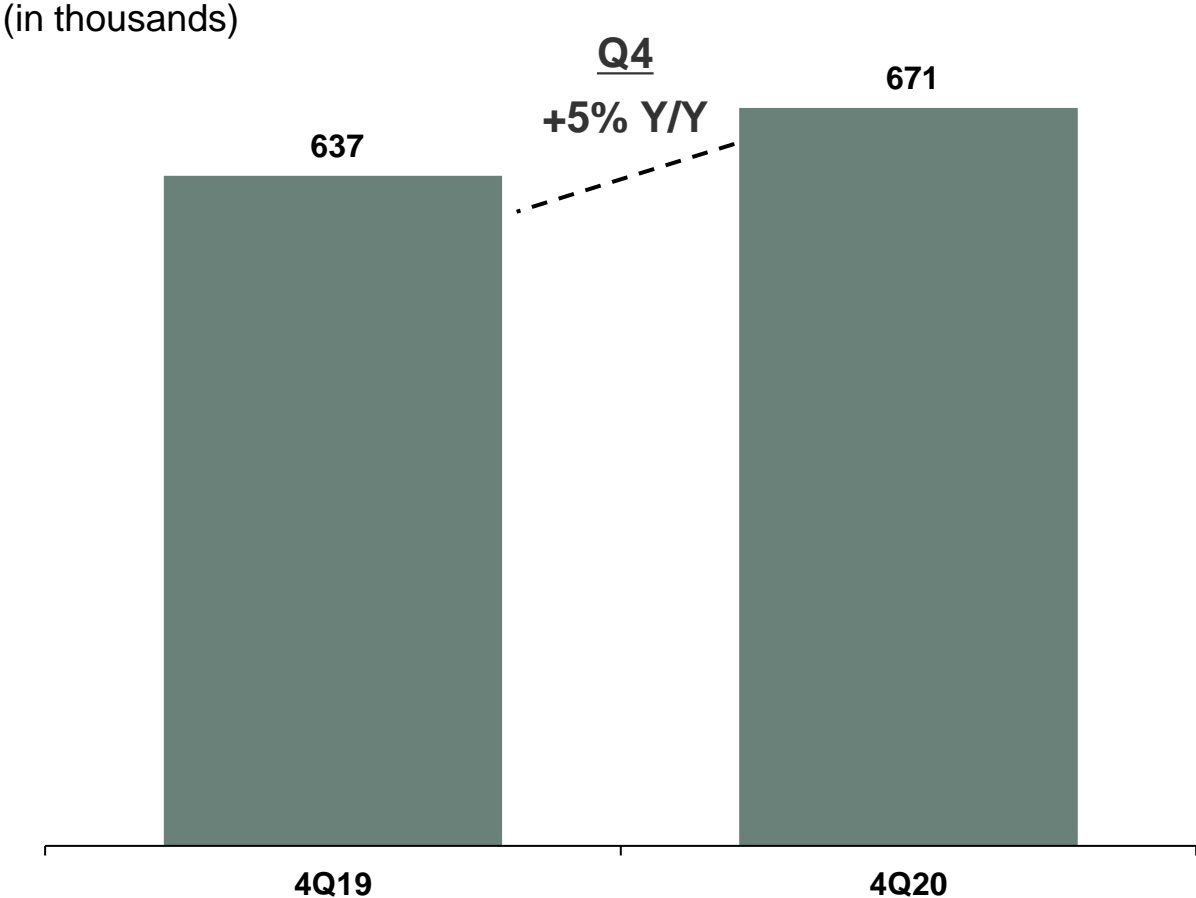
(1) Total revenue reflects a \$2.2 million prior period adjustment. Excluding the \$2.2 million prior period adjustment, total revenue was \$86.8 million, a decrease of 7% Y/Y.

# AOV Decreased 6% Y/Y; Orders Increased 5% Y/Y

Average order value (AOV)



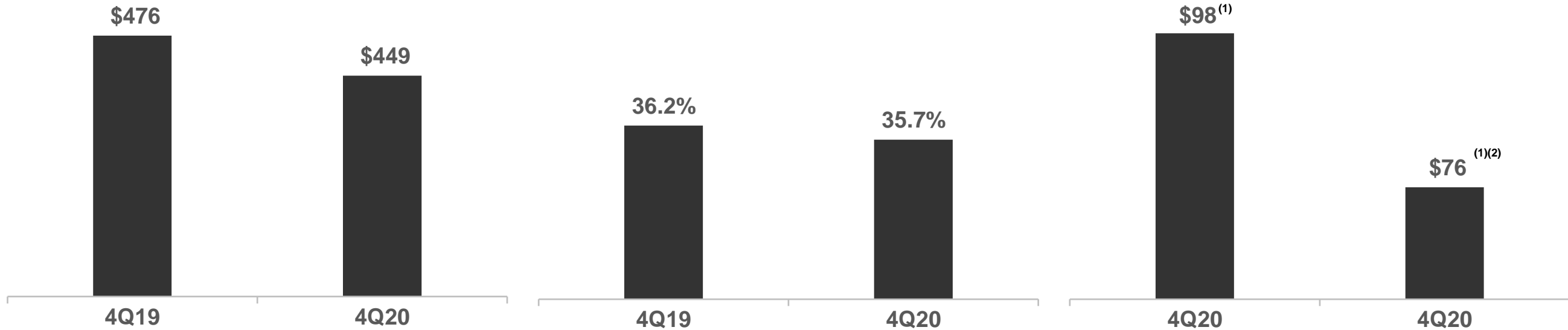
Number of orders



The driver of the lower AOV was a 5% Y/Y decrease in units per transaction (UPT). ASP was essentially flat Y/Y.

# Top Line Leverage

Leverage drivers negatively impacted by COVID-19 headwinds  
Potential to reach \$100 Gross Profit per Order in 12-18 months



## AOV

AOV decreased 6% Y/Y;  
AOV increased due to a 5% decrease in UPT.

## Take Rate

Decrease driven by higher mix of lower take rate high value categories and higher mix of new consignors.

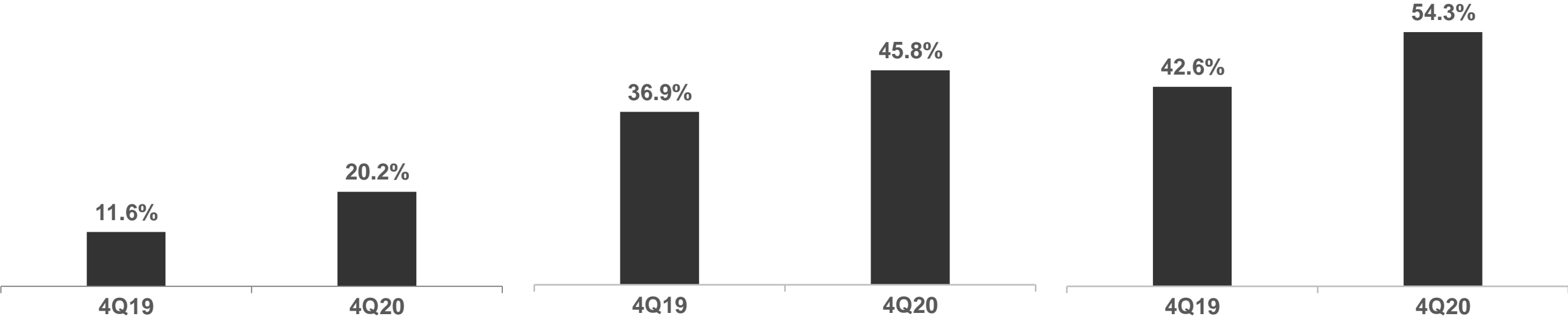
## Gross Profit Per Order

Down 19% Y/Y driven by lower AOV and take rate, higher direct revenue mix and higher buyer incentives.

(1) Calculated by dividing Gross Profit by the number of orders for the applicable quarter.  
(2) Excluding the prior period adjustment of \$2.2 million, gross profit per order was approximately \$80.

# Operating Leverage

Operating Expenses (% of Revenue)<sup>1</sup> Negatively Impacted by COVID-19 Revenue Headwinds



**Marketing**

Increase due to revenue decline, abnormally low ad spend in 4Q19 and investment to drive GMV recovery. Q4 Marketing was 5.7% of GMV vs. 3.6% in 4Q19.

**SG&A**

Increase due to revenue decline and COVID/SOX related expenses.<sup>(2)</sup> Q4 SG&A was 12.9% of GMV vs. 11.4% in 4Q19.

**Ops & Tech**

Increase due to revenue decline, higher compensation expenses (incl. SBC) and occupancy expenses. Q4 Ops & Tech was 15.3% of GMV vs. 13.2% in 4Q19.

(1) Revenue reflects a \$2.2 million prior period adjustment. Excluding the \$2.2 million prior period adjustment, total revenue was \$86.8 million.  
 (2) SG&A expense included approximately \$1.6mn of COVID-related expenses and \$1.0mn of Sarbanes-Oxley related expenses.

# Q1 Outlook

- We anticipate Q1 GMV will be in the range of \$301 million to \$310 million, representing a 17% to 20% Y/Y growth rate.

# Investment Highlights



Largest Online Marketplace for Authenticated, Consigned Luxury Goods

Large and Attractive TAM, Supported by Sustainability and ESG focus

Superior Marketplace Due to Service, Trust, Technology and Data

Powerful Financial Model

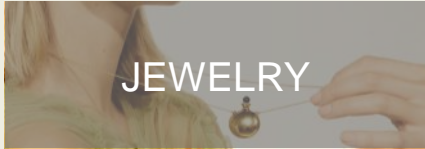
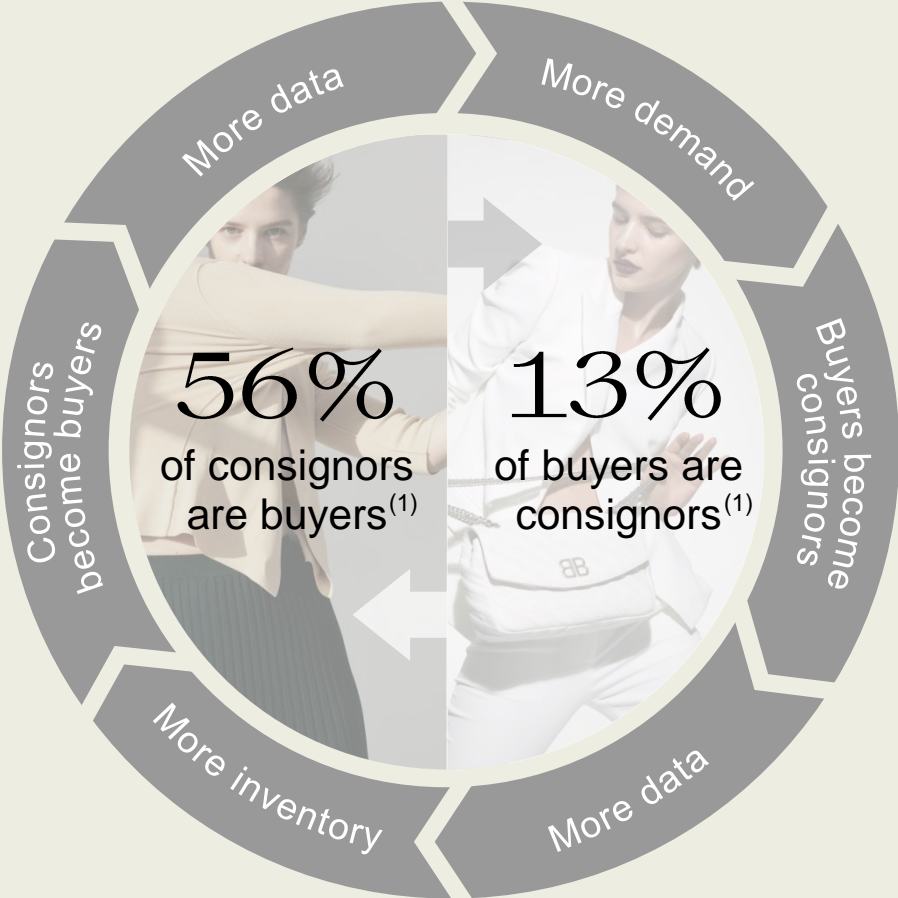
# Largest Online Marketplace for Authenticated, Consigned Luxury Goods with Powerful Flywheel Driving Growth

~\$1bn  
2020 GMV

\$298mm  
2020 Total Revenue

649k  
TTM Active Buyers<sup>(1)</sup>

\$442  
2020 AOV



84%  
of GMV from  
repeat consignors<sup>(1)</sup>

82%  
of GMV from  
repeat buyers<sup>(1)</sup>

Note: Average Order Value (AOV).  
(1) As of December 31, 2020.

# TAM is Large and Propelled by Strong Luxury Tailwinds

## The RealReal

\$198bn

US luxury goods available for resale<sup>(1)</sup>

5.3 years

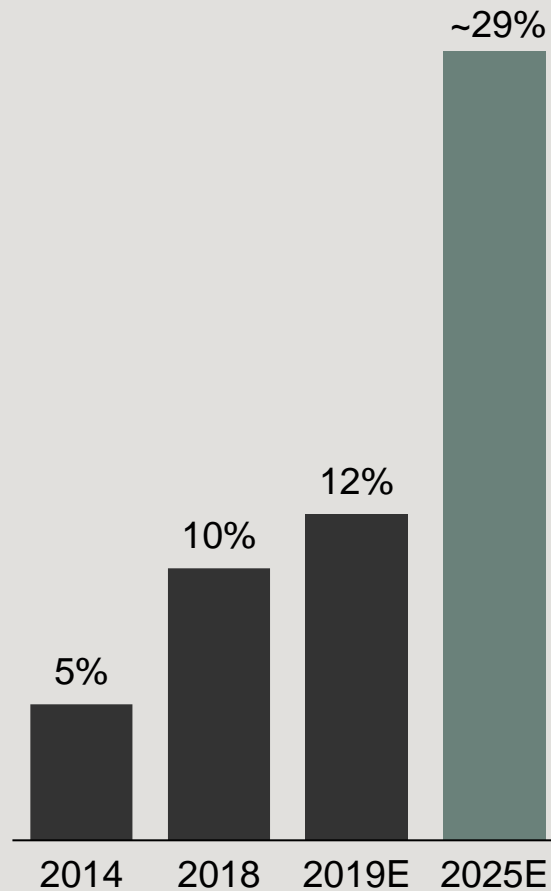
Average time consumers keep luxury products<sup>(1)</sup>

~\$37bn

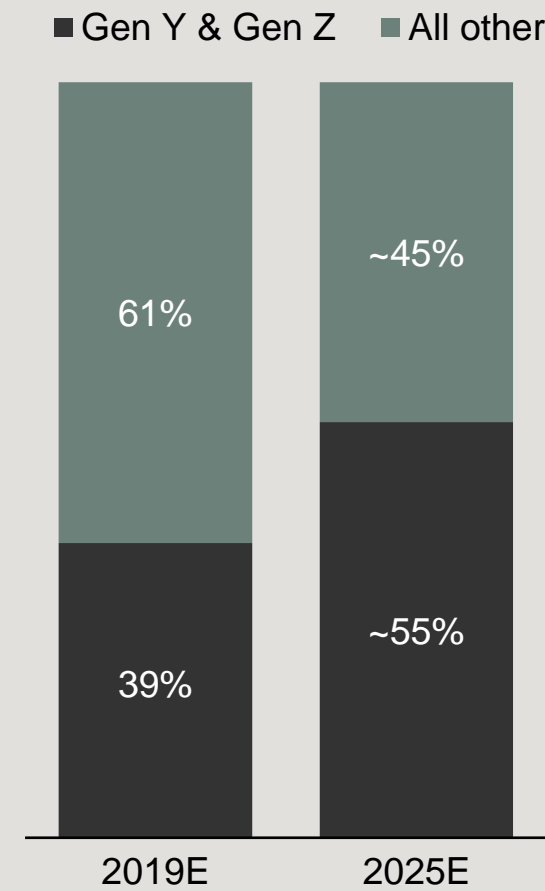
Annual new supply of US luxury goods for resale<sup>(1)</sup>



### LUXURY RETAIL IS SHIFTING ONLINE<sup>(2)</sup>



### YOUNGER GENERATIONS ARE DRIVING GROWTH<sup>(2)</sup>



### 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

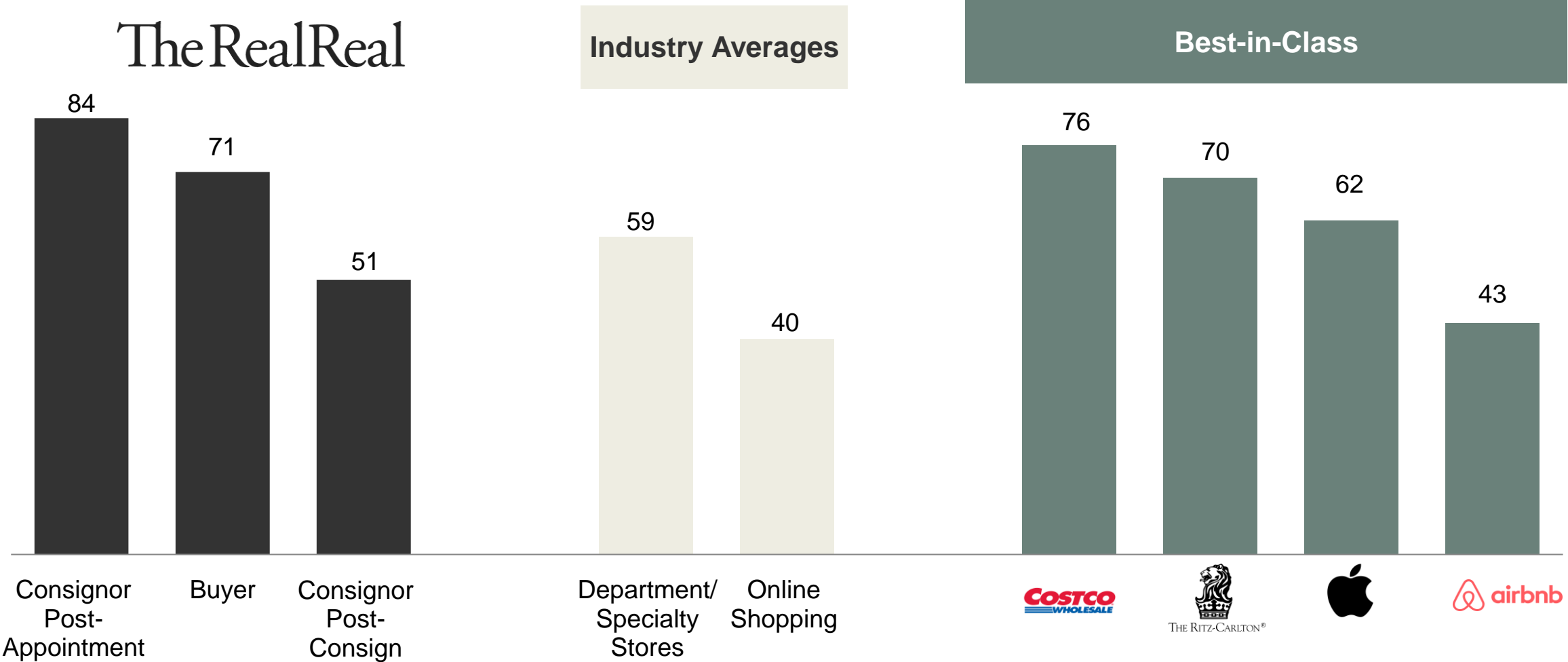
High commissions

Luxury service



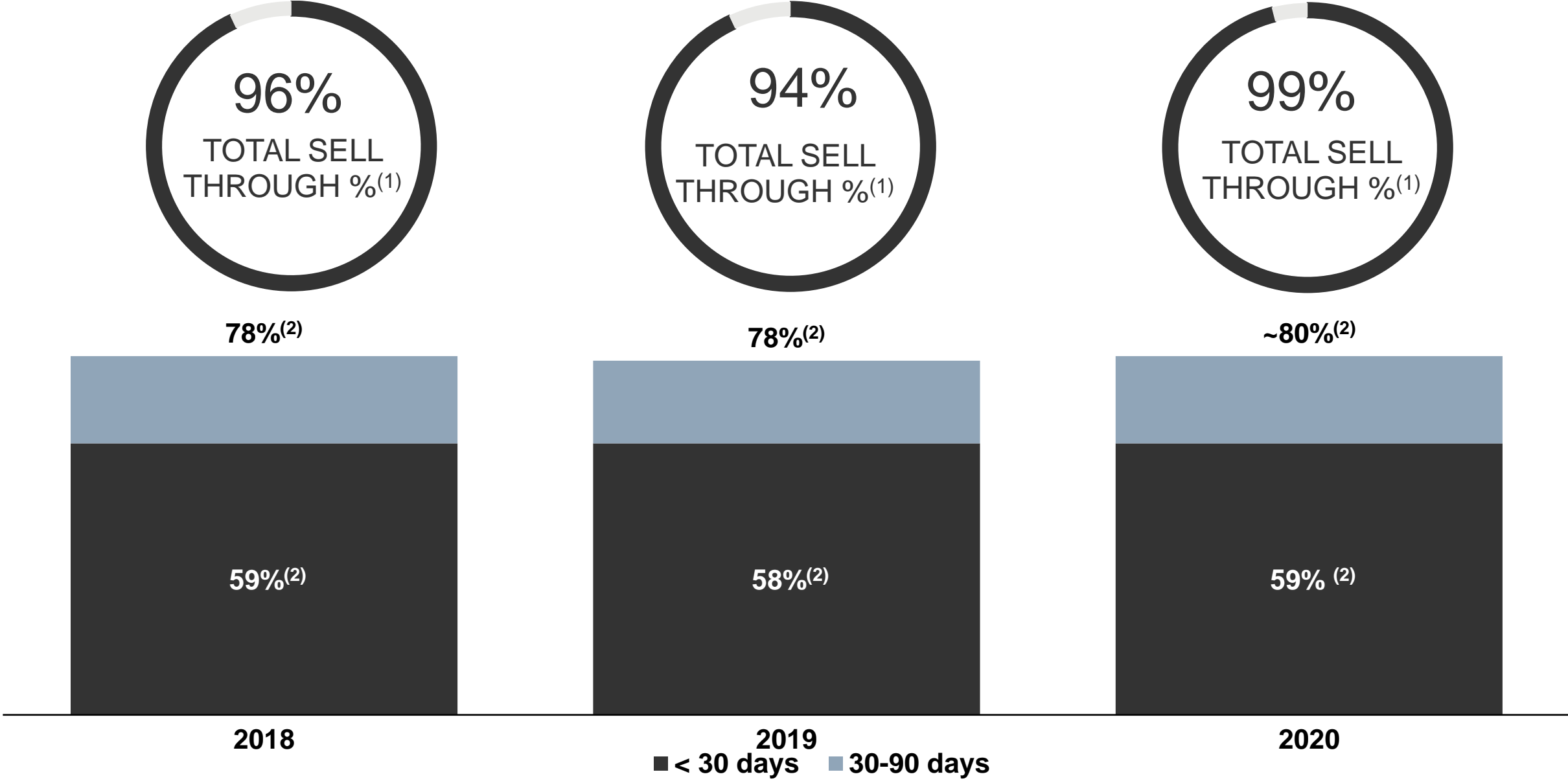
# Our NPS Compares Favorably with Best-in-Class Consumer Companies

The RealReal has a high Net Promoter Score (NPS)<sup>(1)</sup>



(1) Reflects TRR 2020 NPS scores and NICE Satmetrix U.S. Consumer 2020 data.

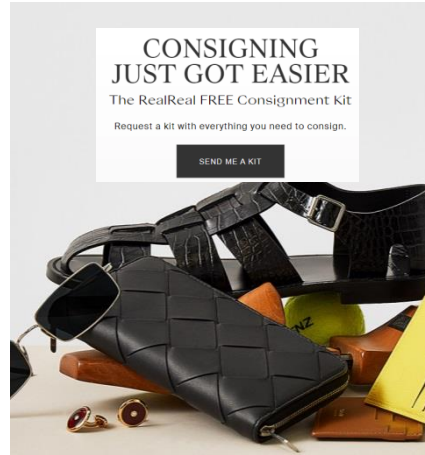
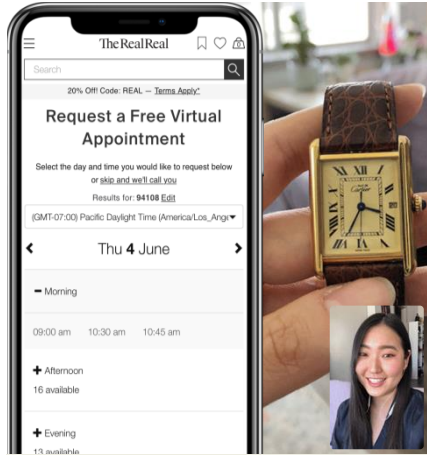
# Supply Drives the Business and Essentially Everything Sells



(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

IN-HOME CONSULTATION\*

LUXURY CONSIGNMENT OFFICE

IN-STORE

DIRECT SHIPPING

The REALREAL B2B VENDOR PROGRAM

100k+

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

40+

Markets<sup>(2)</sup>

*Currently paused due to COVID*

13

Luxury consignment offices<sup>(3)</sup>

8

Retail stores in Chicago, LA, Newport Beach, NYC, Palo Alto and San Francisco<sup>(3)</sup>

Complimentary shipping directly to our merchandising and fulfillment facilities

80% Y/Y

Vendor GMV Growth<sup>(4)</sup>

CURBSIDE PICK-UP

CURBSIDE DROP-OFF

CURBSIDE DROP-OFF

FREE SHIPPING LABEL

\* In-person white glove consignment appointments were temporarily suspended and augmented with virtual appointments but remain an option for our consignor base.

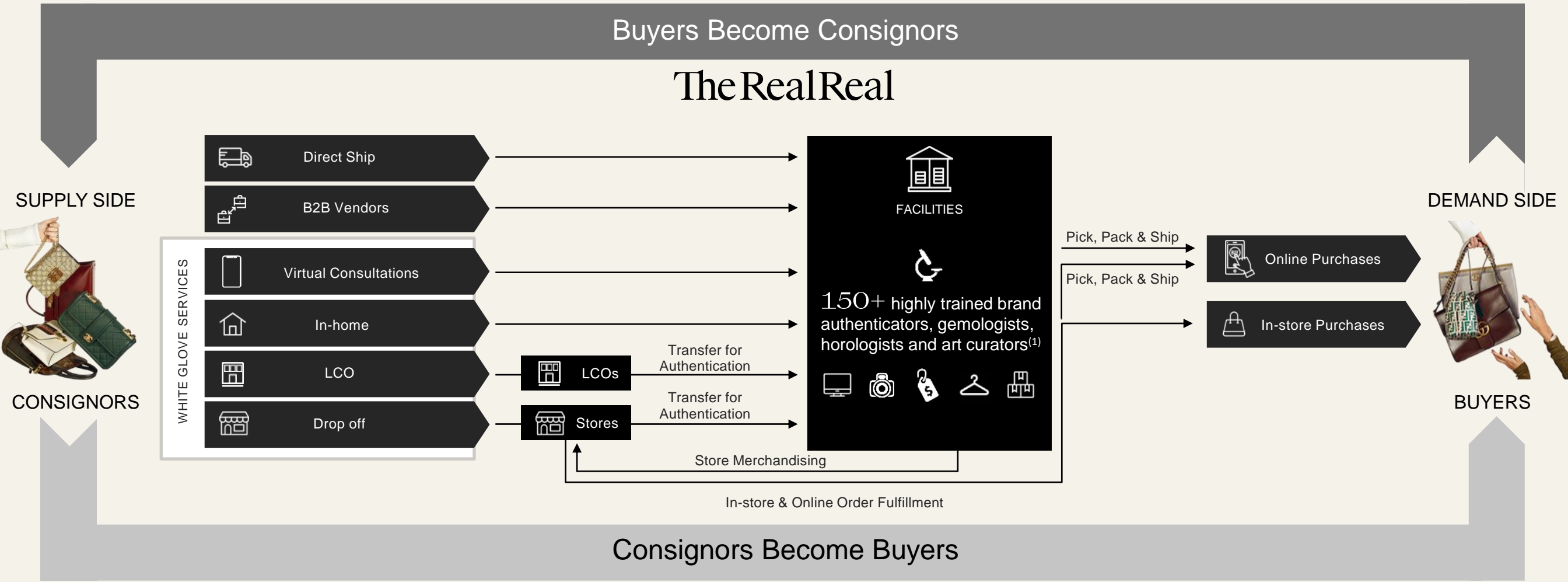
(1) For the year ended December 31, 2020

(2) As of December 31, 2019.

(3) As of February 22, 2021

(4) For the quarter ended December 31, 2020

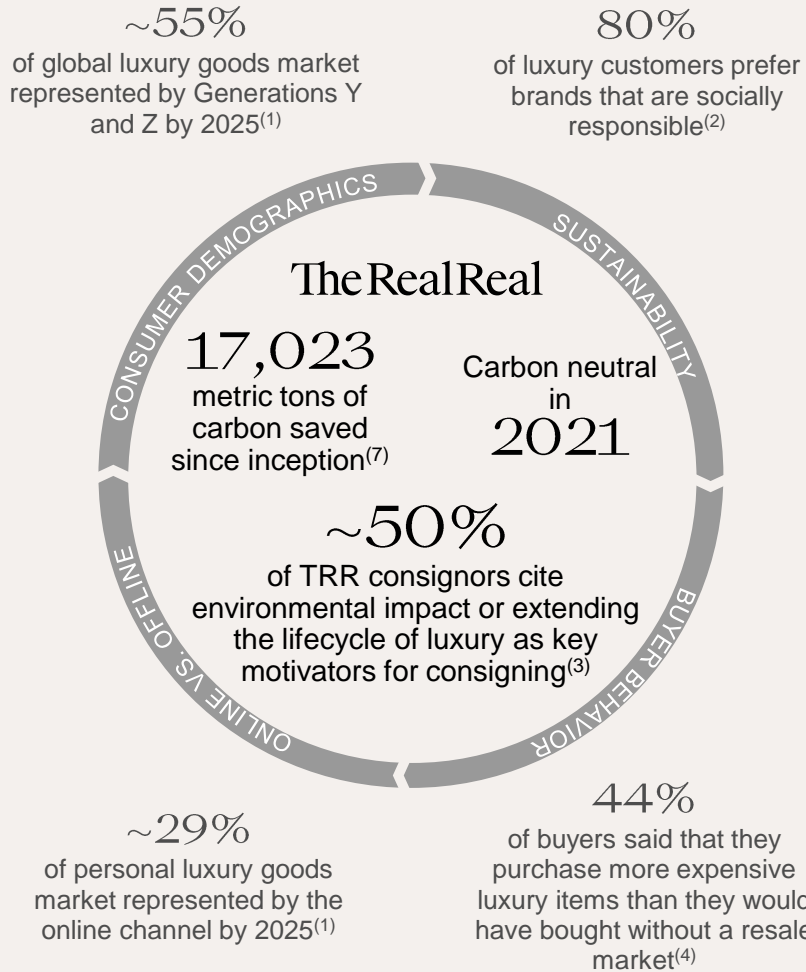
# Our Single-SKU Inventory Management is Unique and Very Complex



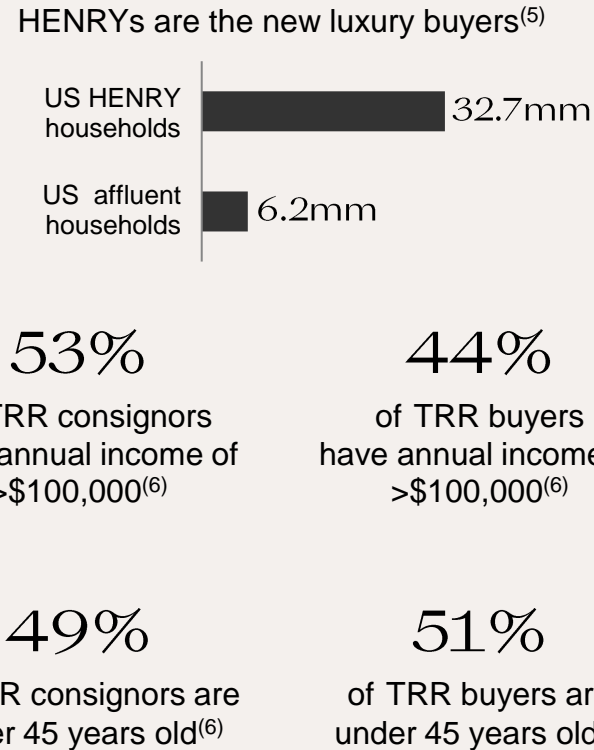
Note: Luxury Consignment Office (LCO).  
 (1) As of December 31, 2019.

# Why The RealReal's Model, Data & Technology Wins

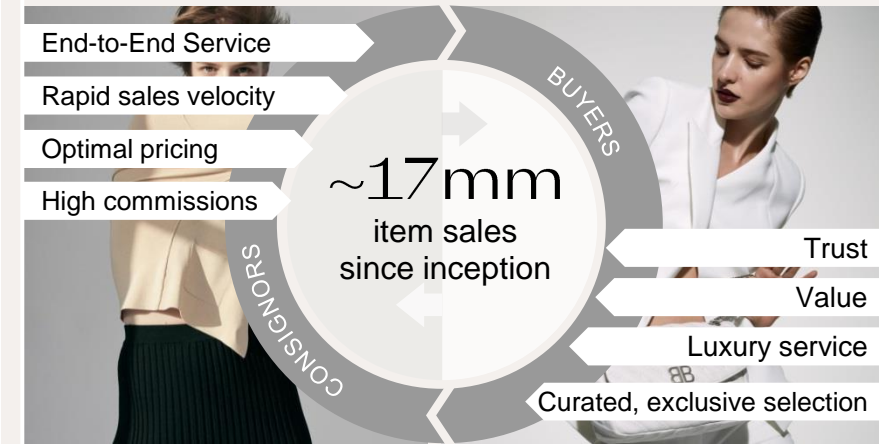
## TRR SITS AT THE CENTER OF THE CIRCULAR ECONOMY



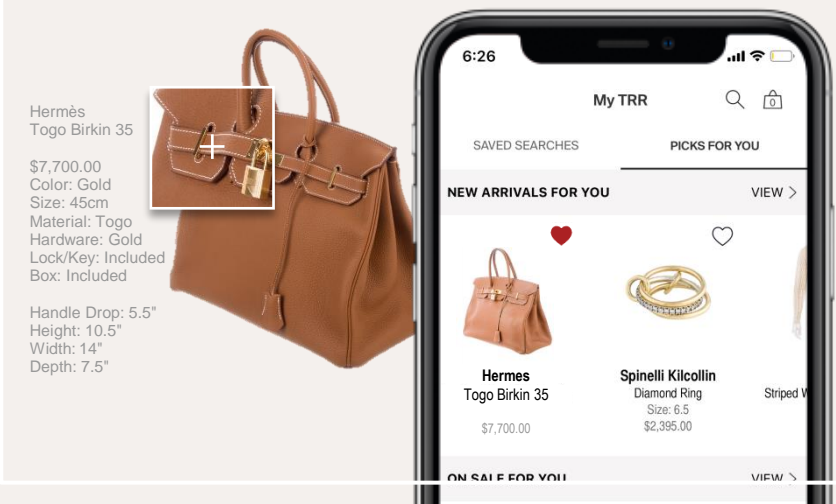
## COVETED DEMOGRAPHIC



## 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.  
 (7) As of December 31, 2020.

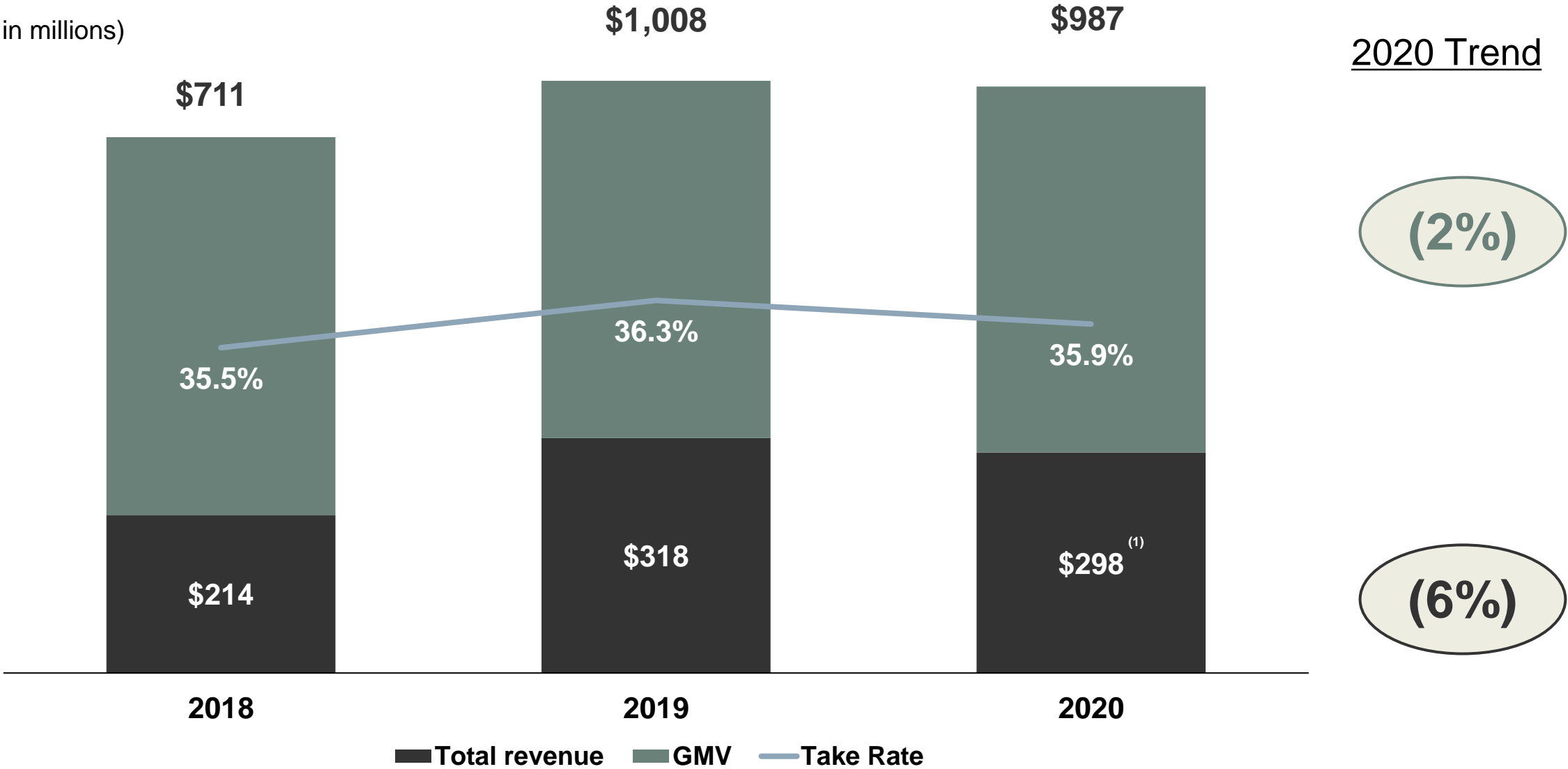
# Long Term Financial Profile

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



# Revenue Growth Driven By GMV Growth and Take Rate

(\$ in millions)

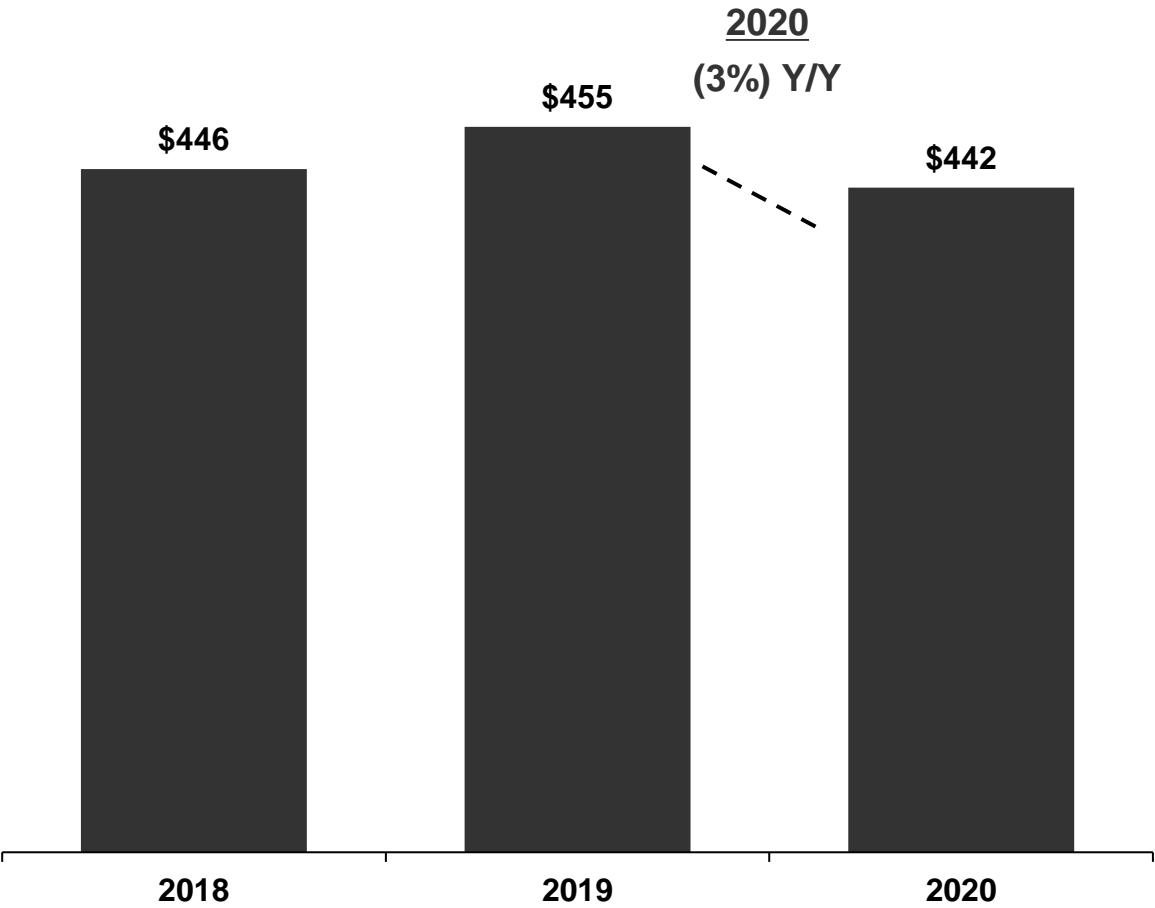


(1) Reflects prior period adjustments.

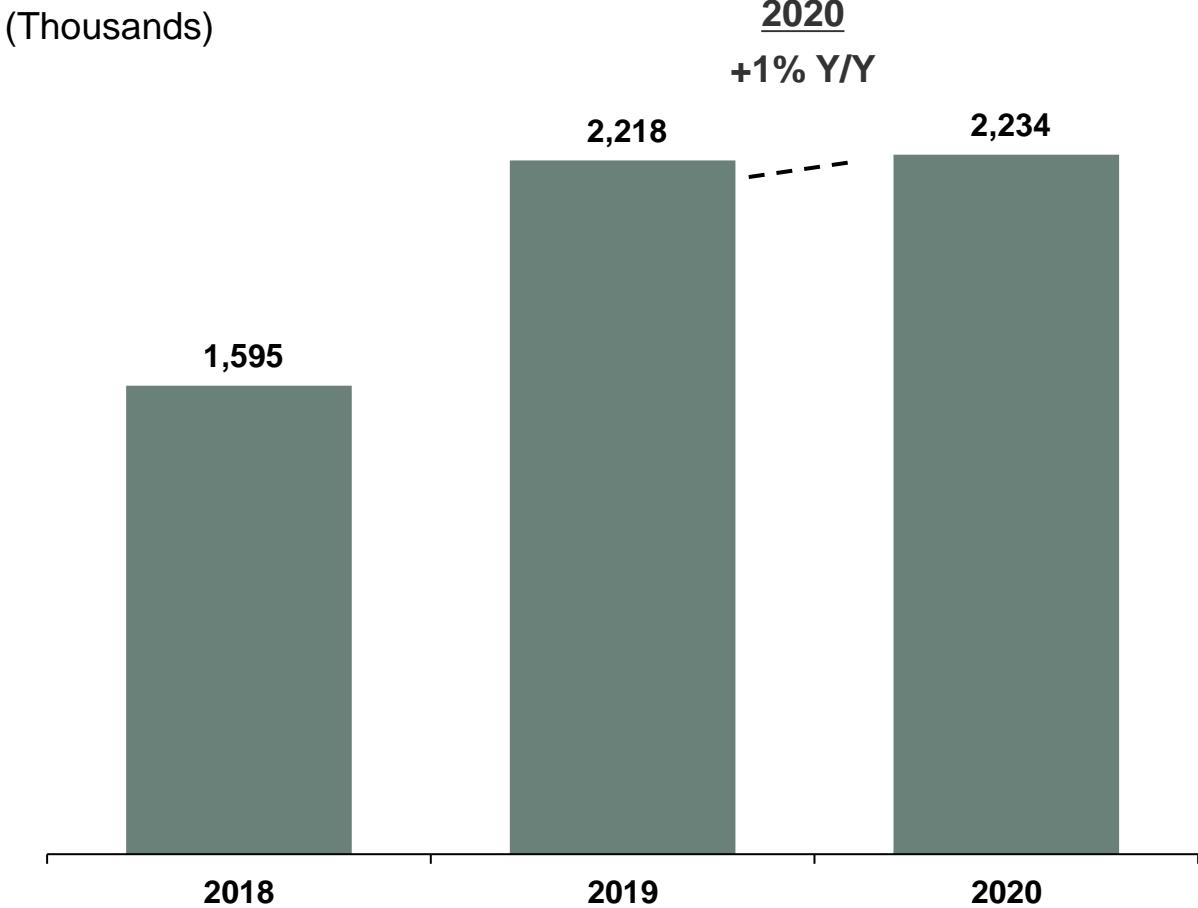


# GMV Growth Driven By Order Growth and AOV

Average order value (AOV)

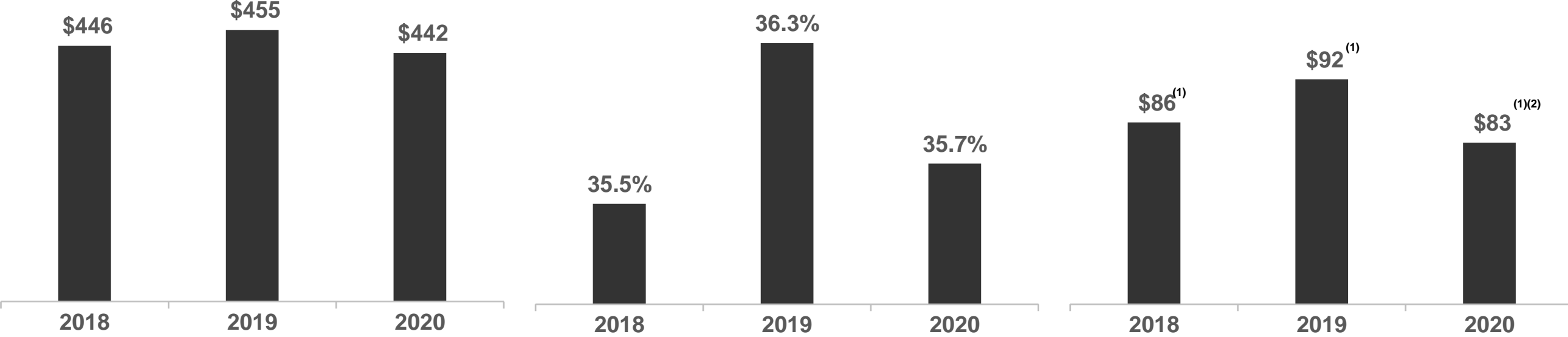


Number of orders



# Top Line Leverage

Leverage drivers negatively impacted by COVID-19 effects on AOV and Take Rate



**AOV**

2020 AOV negatively impacted by COVID impact on UPT.

**Take Rate**

Down 40bps Y/Y in 2020 due to higher mix of high AOV categories.

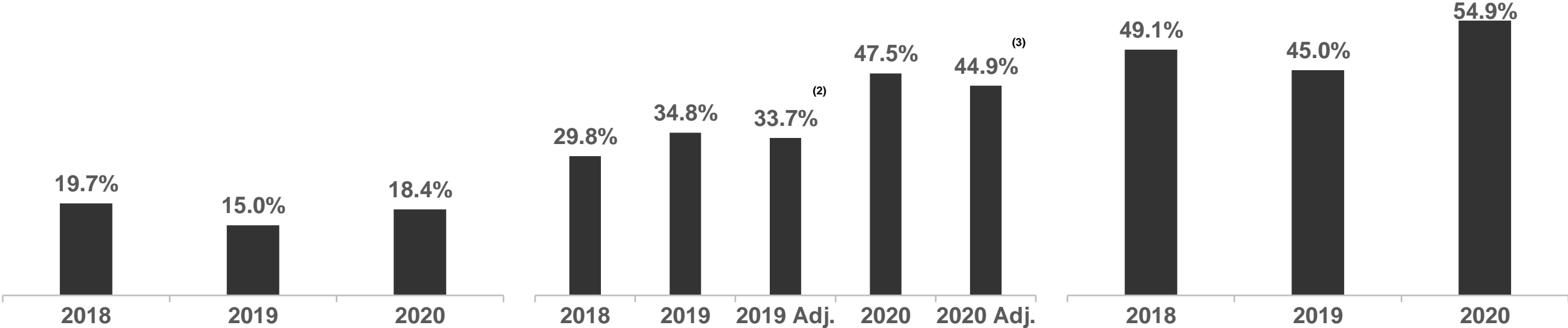
**Gross Profit Per Order**

Down 8% Y/Y in 2020 due to lower AOV and take rate, higher direct rev. mix and partially offset by shipping leverage

(1) Calculated by dividing Gross Profit by the number of orders for the applicable quarter.  
 (2) Reflects prior period adjustments.

# Operating Leverage

Operating Expenses (% of Revenue)<sup>1</sup> Negatively Impacted by COVID-19 Revenue



**Marketing**

Increase due to the rev. decline and our investments to drive GMV recovery. '20 marketing was 5.6% of GMV vs. 4.7% in '19.

**SG&A**

Increase due to the rev. decline, investments in public company costs and COVID related expenses. '20 SG&A was 14.4% of GMV vs. 11.0% in '19.

**Ops & Tech**

Increase due to the rev. decline, headcount and occupancy expense. '20 Ops & Tech was 16.6% of GMV vs. 14.2% in '19

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) Reflects prior period adjustments.

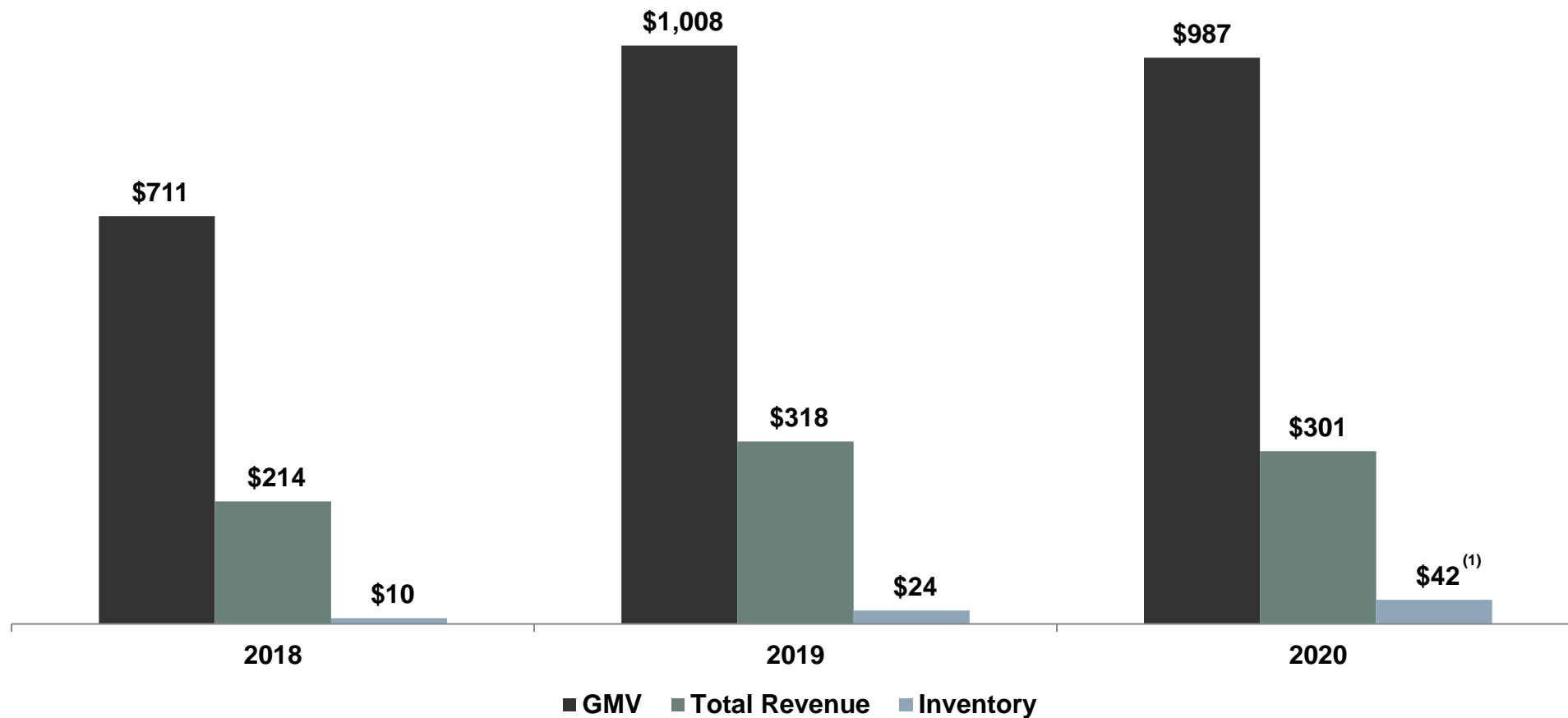
(2) Excluding the \$3.2 million donation to establish The RealReal Foundation and \$0.3 million in abandoned offering costs, SG&A as a percent of revenue was 33.7% in 2019

(3) Excluding \$6.2 million in COVID related expenses and \$1.6 million in Sarbanes-Oxley expenses, SG&A as a percent of revenue was 44.9% in 2020

# Capital Efficient Marketplace Model

## GMV, Total Revenue and Inventory

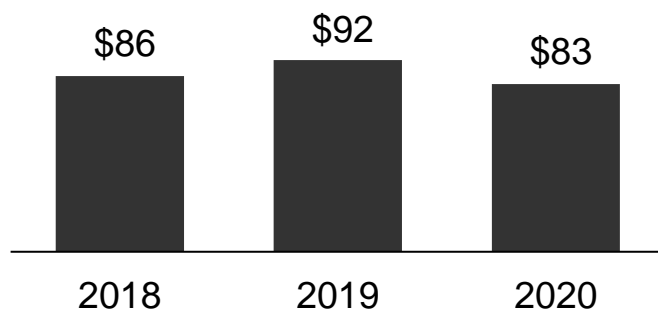
(\$ in millions)



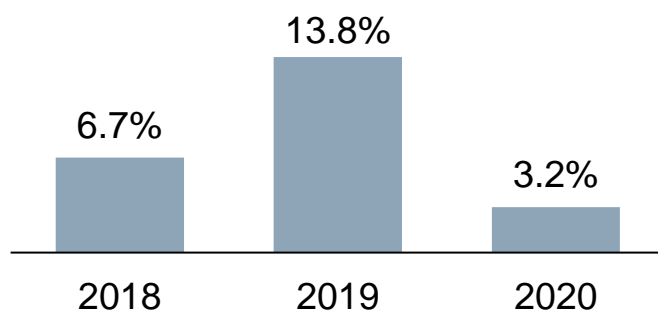
(1) The increase in our inventory balance was primarily driven by vendor transactions.

# Clear Path to Profitability - 2020/COVID-19 was a temporary setback

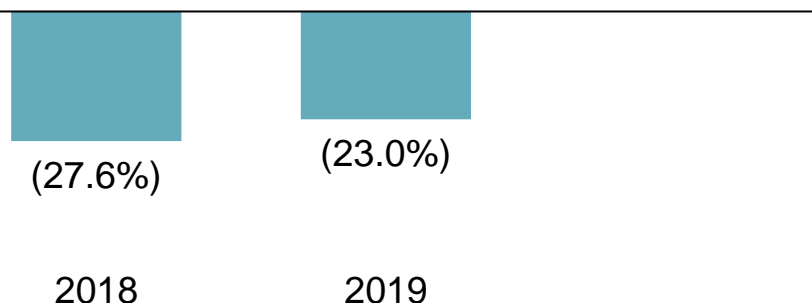
## Gross Profit per Order<sup>1</sup>



## Contribution margin<sup>2</sup>



## Adjusted EBITDA (% of Revenue)<sup>3</sup>



## 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) Reflects prior period adjustments

(2) 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.

(3) 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. See adjusted EBITDA reconciliation in Appendices.

# Contribution Profit per Order Temporarily Disrupted by COVID-19

	2018	2019	2020	Y/Y Change
AOV	\$446	\$455	\$442	3%
Revenue per Order	\$130	\$143	\$134	(7%)
<b>Take Rate</b>	<b>35.5%</b>	<b>36.3%</b>	<b>35.7%</b>	<b>(60bps)</b>
Gross Profit per Order	\$86	\$92	\$83 <sup>2</sup>	(9%)
Variable Cost per Order	\$77	\$72	\$79	10%
<b>Contribution Profit per Order<sup>(1)</sup></b>	<b>\$9</b>	<b>\$20</b>	<b>\$4</b>	<b>(79%)</b>

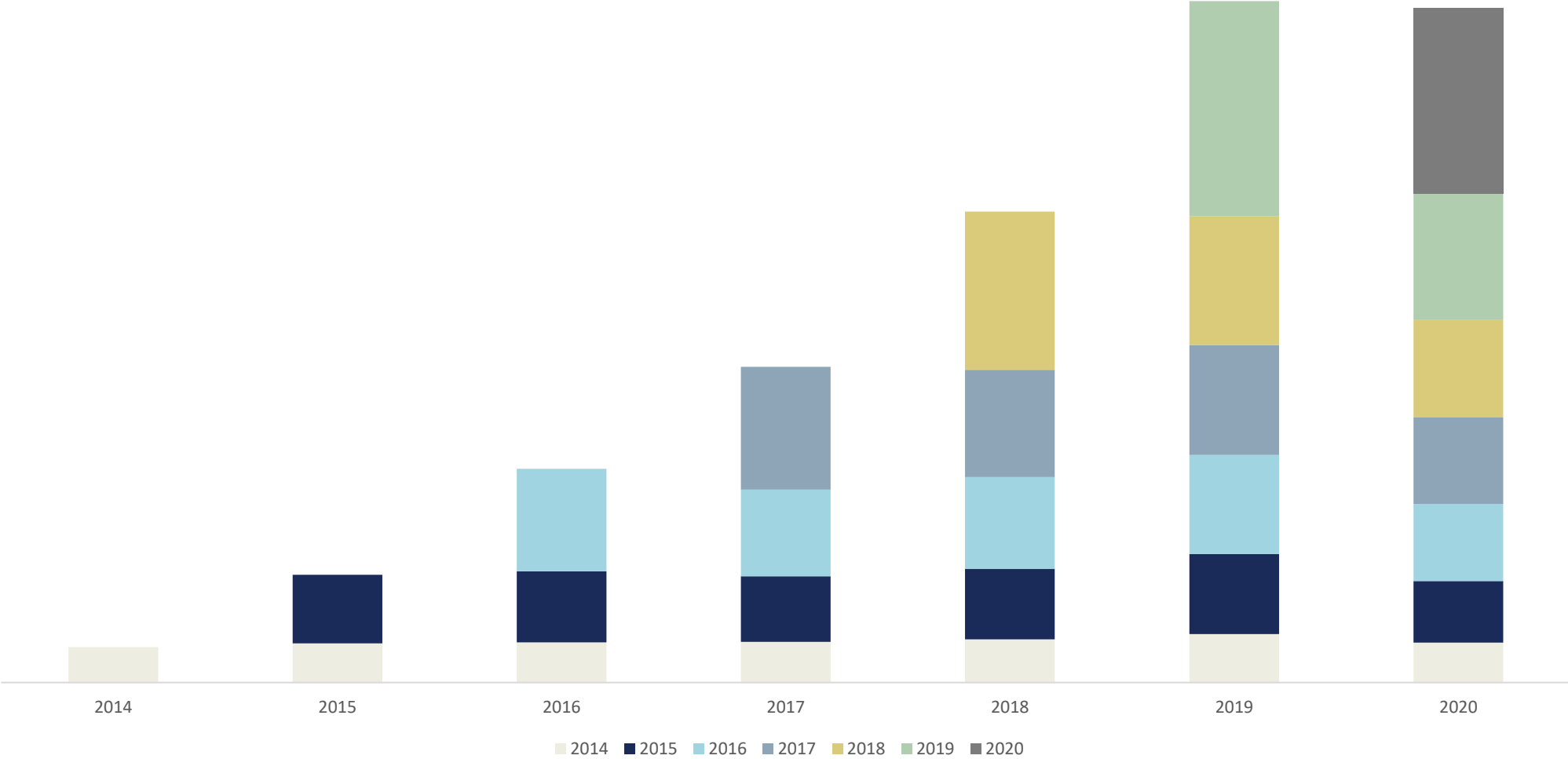
Note: The figures above are non-GAAP financial measures. Please see the reconciliation from GAAP to Non-GAAP measures.

(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) Reflects prior period adjustments.

# Consistent Retention Across Buyer Cohorts Prior to COVID

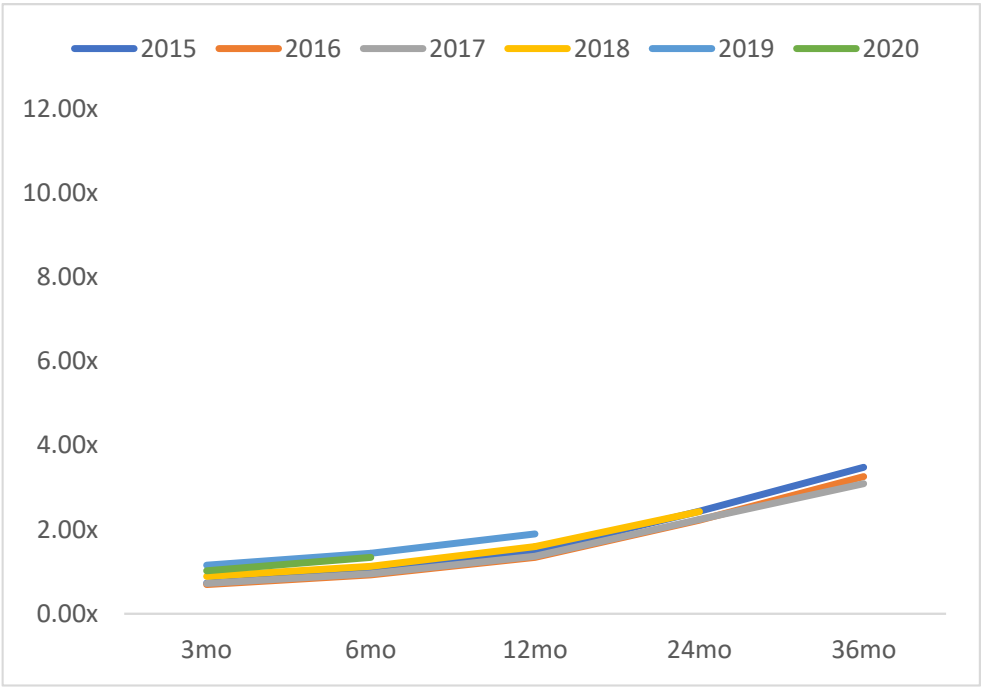
Annual GMV by Buyer Cohort Year  
*(\$ in millions)*



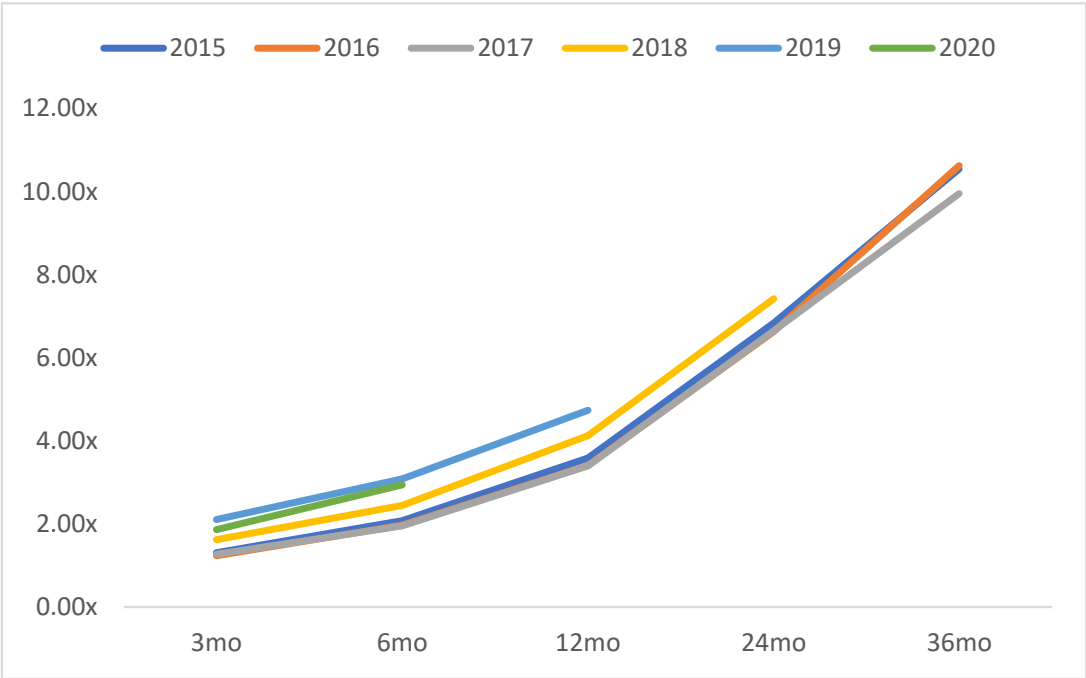
Note: Each cohort represents all buyers that first purchased across our online marketplace in the designated year and the aggregate GMV purchased by such cohort for the initial year and each year thereafter.

# 2020 Buyer LTV : BAC Payback Less Than 3 Months With Flywheel Enhancing The Network Effect of Our Marketplace

**Buyer LTV : BAC – All Buyers<sup>1</sup>**



**BLTV : BAC – Buyers who are also consignors<sup>1</sup>**



**2020 BAC payback in less than 3 months**

	3mo	6mo	12mo	24mo	36mo
<b>2015</b>	0.73x	0.99x	1.48x	2.44x	3.48x
<b>2016</b>	0.69x	0.92x	1.34x	2.22x	3.26x
<b>2017</b>	0.72x	0.94x	1.36x	2.24x	3.09x
<b>2018</b>	0.88x	1.13x	1.59x	2.43x	
<b>2019</b>	1.15x	1.43x	1.89x		
<b>2020</b>	1.02x	1.34x			

**Further acceleration of BAC payback**

	3mo	6mo	12mo	24mo	36mo
<b>2015</b>	1.30x	2.08x	3.59x	6.84x	10.55x
<b>2016</b>	1.24x	1.97x	3.41x	6.63x	10.63x
<b>2017</b>	1.27x	1.96x	3.40x	6.65x	9.95x
<b>2018</b>	1.62x	2.44x	4.13x	7.42x	
<b>2019</b>	2.11x	3.08x	4.74x		
<b>2020</b>	1.87x	2.94x			

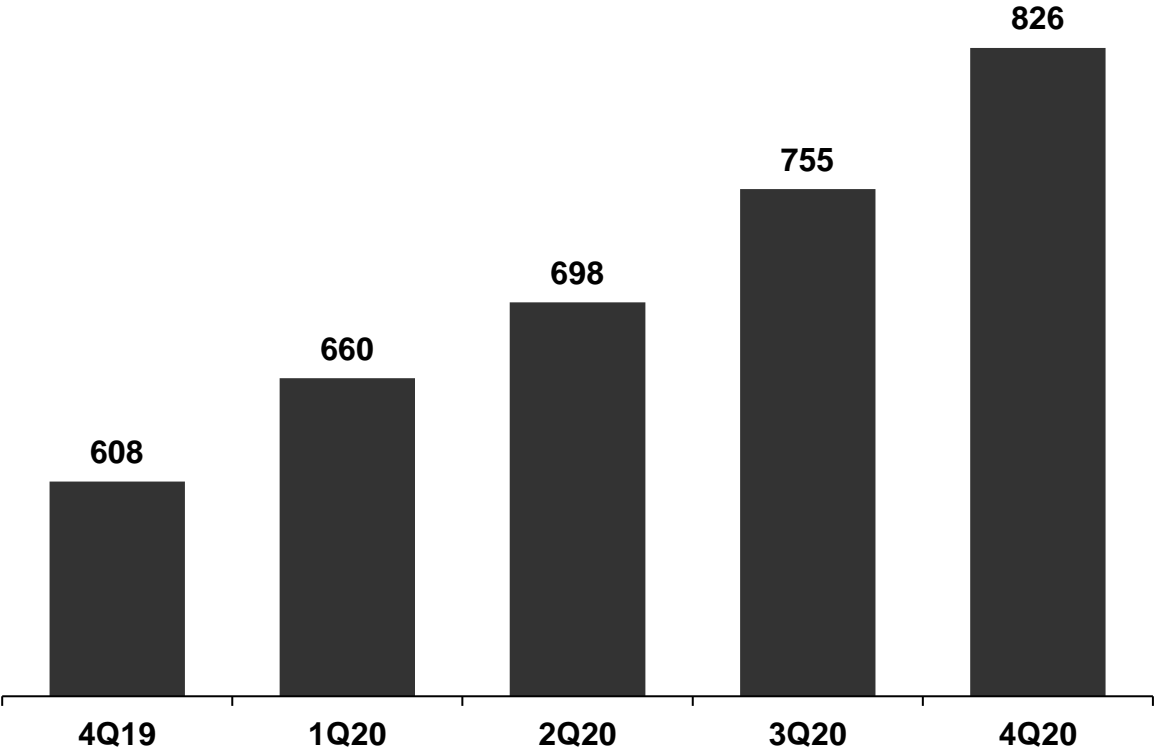
Note: BLTV refers to cumulative gross profit attributable to purchases by buyers in a given period. BAC for a given period is comprised of our total advertising spend divided by the number of buyers acquired in that period. BLTV in the graph on the right includes only gross profit attributable to transactions 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) The 2020 cohorts in the graphs reflect buyers that first purchased across our online marketplace through June 30, 2020 for the 6 month period and September 30, 2020 for the 3 month period.

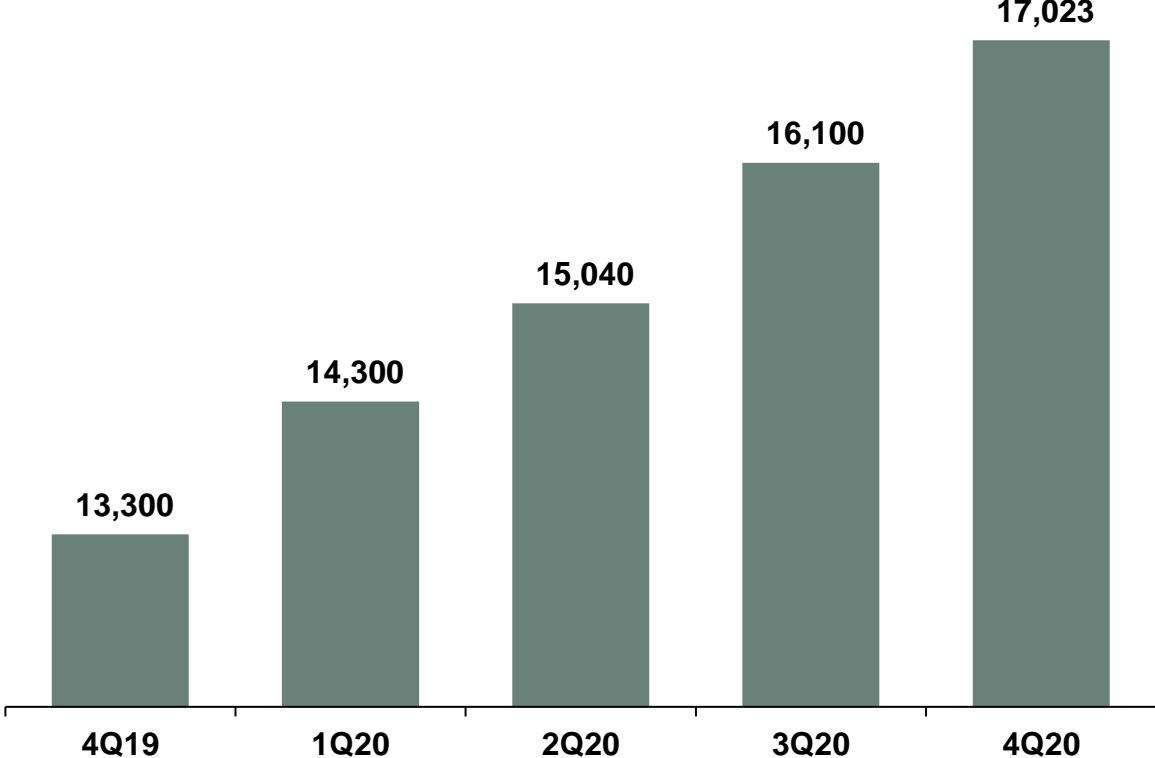


# Our Model is Inherently Sustainable

Millions of liters of water saved since inception <sup>(1)</sup>



Metric tons of carbon saved since inception <sup>(1)</sup>



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

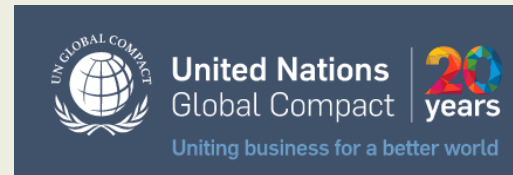
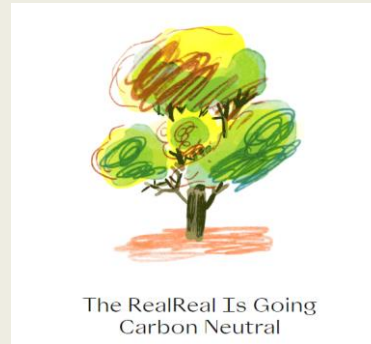
# ESG - What We Accomplished in 2020

- 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 Responsibility Program including Supplier Code of Conduct, Supplier Management Program and Supplier Diversity 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

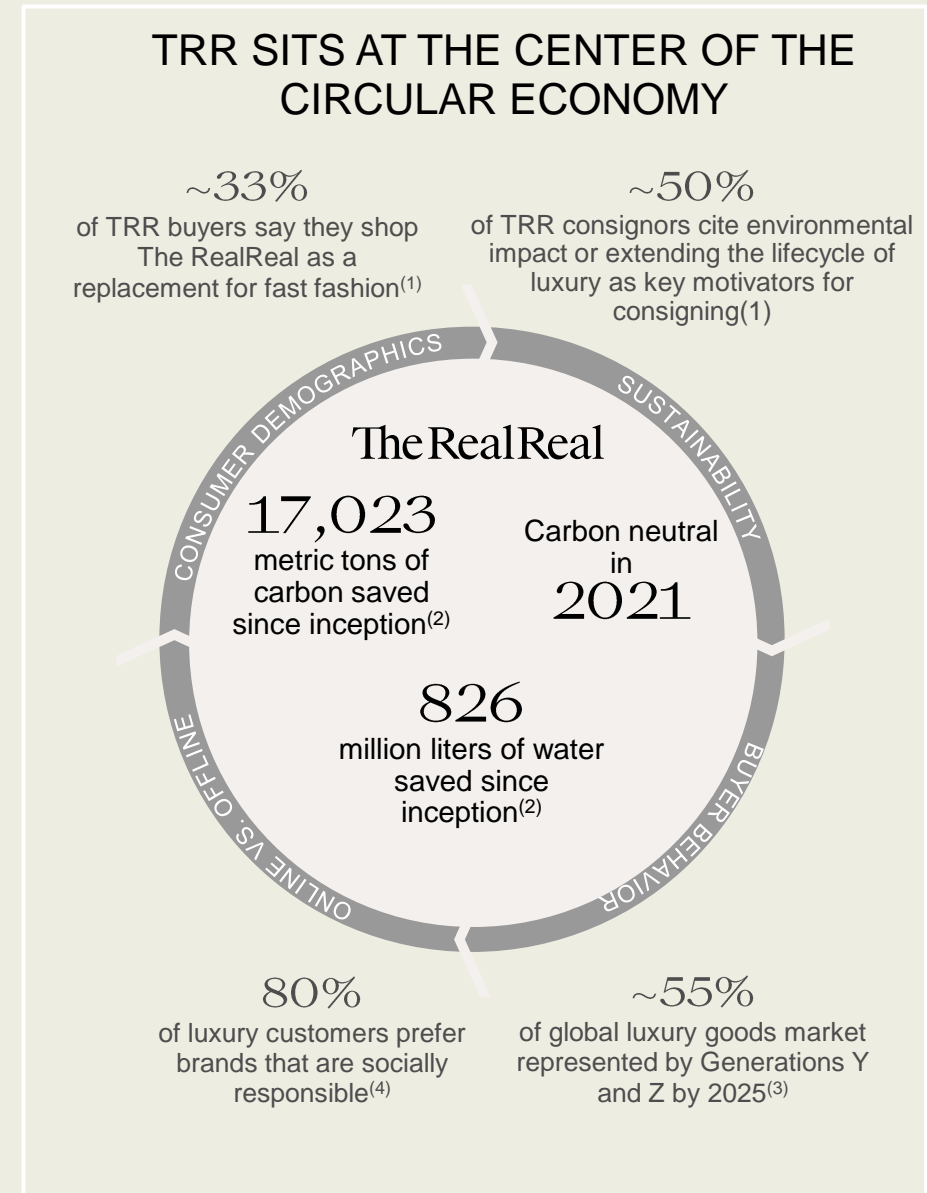


## ■ Social

- 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 December 31, 2020  
 (3) Bain Altagamma Luxury Goods Worldwide Market Study, May 2020.  
 (4) Bain Altagamma Worldwide Luxury Market Monitor, November 2019.

# Alignment and Engagement with ESG Ratings Agencies

## ▪ ISS

- **Environment Score:** 4
- **Social Score:** 2
- *Continue to work closely with ISS to improve overall scores. ISS score does not currently reflect CDP submission or Supplier Responsibility Program<sup>(1)</sup>*



## ▪ MSCI

- **Overall rating:** A
- *Above industry average; anticipating updated scores to reflect all ESG work in early 2021<sup>(2)</sup>*



## ▪ Sustainalytics

- **Overall rating:** 23.6 (Medium Risk)
- *In line with industry average; identified several criteria to improve score.<sup>(3)</sup>*



## ▪ CDP

- Submitted inaugural CDP Climate Change survey response in August 2020



## ▪ SASB

- Currently aligning all ESG disclosures with SASB accounting metrics



(1) ISS data as of Sept 30, 2020  
(2) MSCI data as of January 2020  
(3) Sustainalytics data as of January 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
- Partnerships with Gucci, Burberry and Stella McCartney promote the recirculation of their products on TRR
- Increase the usage of virtual appointments
- Sustainability calculator embedded in our buyer and consignor experience
- Sustainability Task Force works cross-functionally to identify projects that can drive sustainable outcomes
- Environmental Management System (EMS)
- UN Global Compact Signatory
- UN Climate Change's Fashion Industry Charter
- The Ellen MacArthur Foundation Member
- Sustainable Apparel Coalition

## Society

- 68% of employees are female <sup>(1)</sup>
- ~50% of employees identify as racially or ethnically diverse <sup>(1)</sup>
- 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<sup>(1)</sup>
- 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
- Supplier Responsibility Program

## Governance

- 60% of our Board of Directors were female <sup>(2)</sup>
- Majority independent Board of Directors
- Board of oversight of risk management, ESG and Diversity & Inclusion
- Fully independent Compensation, Diversity and Inclusion Committee, Corporate Governance and Nominating Committee and Audit Committee
- Classified Board Structure – promotes continuity of leadership, Board stability and long-term planning
- Quarterly reporting to the Governance committee
- Annual Director and Committee evaluations
- Anti-hedging and anti-pledging requirements
- Single-class capital structure: one share, one vote

(1) As of December 31, 2020

(2) As of February 22, 2021

# Innovative and Experienced Team



**Julie Wainwright**  
Founder, President and  
Chief Executive Officer



**Rati Sahi Levesque**  
President



**Matt Gustke**  
Chief Financial Officer



**Kayti Sullivan**  
Chief Revenue Officer



**Arnie Katz**  
Chief Product and Technology  
Officer



**Zaina Orbai**  
Chief People Officer



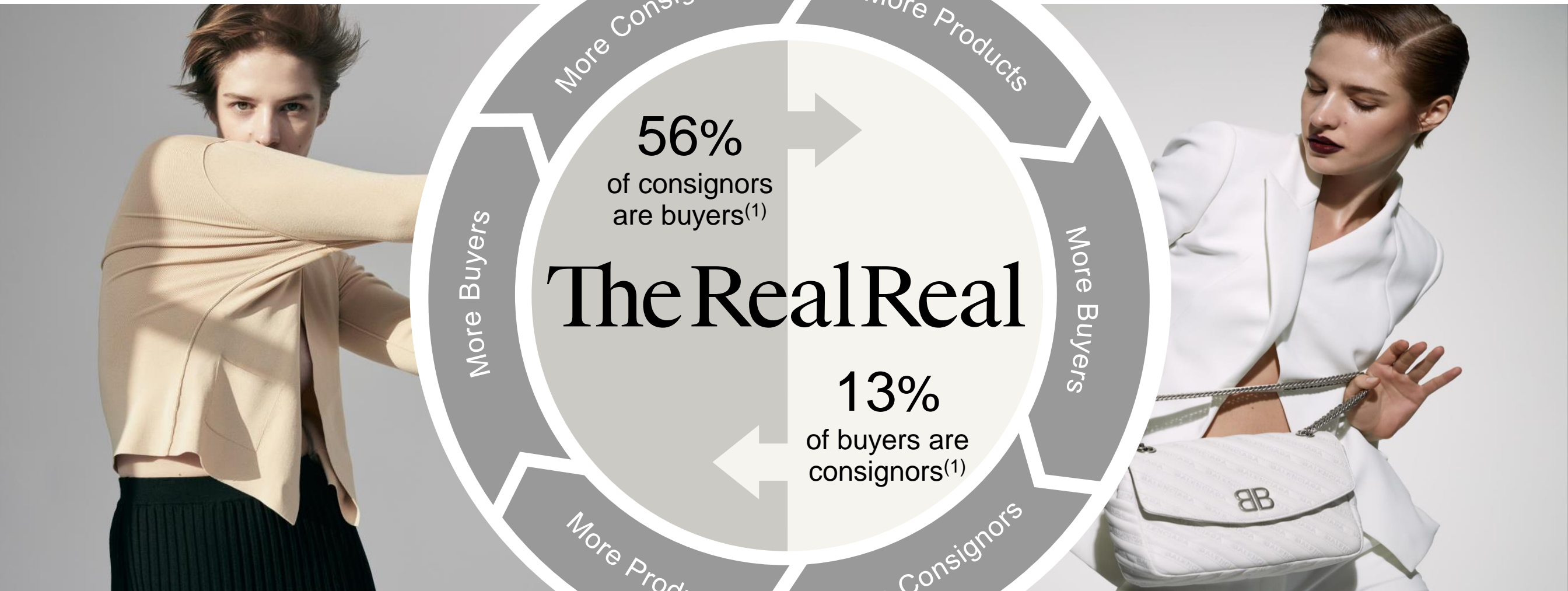
**Orr Shaked**  
Chief Marketing Officer



**Todd Suko**  
Chief Legal Officer



**Frank Zhu**  
Chief Analytics Officer



More Consignors

More Products

56%  
of consignors  
are buyers<sup>(1)</sup>

# The RealReal

13%  
of buyers are  
consignors<sup>(1)</sup>

More Buyers

More Buyers

More Products

More Consignors

(1) As of December 31, 2020.

# The RealReal

## Appendix





# Reconciliation to Adjusted EBITDA

(\$ in millions)		
FYE December 31	4Q19	4Q20
<b>Total Revenue</b>	<b>\$93.7</b>	<b>\$84.6</b>
<b>Net loss</b>	<b>(\$21.3)</b>	<b>(\$53.0)</b>
Depreciation and amortization	3.9	5.2
Stock-based compensation expense	2.8	7.4
Prior period adjustment <sup>1</sup>	–	2.2
Compensation expense related to stock sales by current and former employees	–	–
Legal Settlement	–	–
Abandoned Offering Costs	0.3	–
Restructuring	–	–
Donation to TRR Foundation	3.2	–
Vendor service settlement	–	–
Interest income	(1.7)	(0.2)
Interest expense	0.0	2.5
Other expense, net	(0.0)	0.1
Provision for income taxes	0.0	0.1
<b>Adjusted EBITDA</b>	<b>(\$12.7)</b>	<b>(\$35.8)</b>
Adjusted EBITDA (% of Revenue)	-13.6%	-42.3%

(1) This adjustment is the result of an administrative error related to a reconciliation of a subset of adjustments to consignor commissions that were paid outside of our normal payment cycle.

# Reconciliation to Contribution Margin

(\$ per order) FYE December 31	2018	2019	2020
<b>AOV</b>	<b>\$445.6</b>	<b>\$454.7</b>	<b>\$441.8</b>
Revenue	130.0	143.4	133.5
Gross profit <sup>1</sup>	136.9	203.2	185.9
Gross Profit per order	85.8	91.6	83.2
Variable expenses	77.1	71.9	79.0
<b>Contribution profit</b>	<b>\$8.7</b>	<b>\$19.7</b>	<b>\$4.2</b>
Contribution margin	6.7%	13.8%	3.2%

(1) Reflects prior period adjustments..

The RealReal