

04-Mar-2026

# The Real Brokerage, Inc. (REAX.CA)

Q4 2025 Earnings Call

## CORPORATE PARTICIPANTS

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**Tamir Poleg**

*Co-Founder, Chairman & Chief Executive Officer, The Real Brokerage, Inc.*

**Jenna Rozenblat**

*Chief Operating Officer, The Real Brokerage, Inc.*

**Ravi Jani**

*Chief Financial Officer, The Real Brokerage, Inc.*

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## OTHER PARTICIPANTS

**Stephen Sheldon**

*Analyst, William Blair & Co. LLC*

**Naved Khan**

*Analyst, B. Riley Securities, Inc.*

**Matthew Erdner**

*Analyst, JonesTrading Institutional Services LLC*

**Nick McAndrew**

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## MANAGEMENT DISCUSSION SECTION

**Operator:** Good day, everyone, and welcome to The Real Brokerage Fourth Quarter and Full Year Ended December 31, 2025 Earnings Call. At this time, all participants are placed on a listen-only mode. And we will open the floor for your questions and comments after the presentation.

It is now my pleasure to hand the floor over to your host, Ms. Alix Lumpkin, Chief Legal Officer at The Real Brokerage. Ma'am, the floor is yours.

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**Alexandra Peyton Lumpkin**

*Chief Legal Officer, The Real Brokerage, Inc.*

Thanks, and good morning. Thank you for standing by and welcome to The Real Brokerage conference call and webcast for the fourth quarter and full year ended December 31, 2025. We appreciate everyone for joining us today. With me on the call today are Tamir Poleg, our Chairman and Chief Executive Officer; Jenna Rozenblat, our Chief Operating Officer; and Ravi Jani, our Chief Financial Officer. This morning, we will publish an earnings press release, including results for the fourth quarter and full year ended December 31, 2025. The press release, along with the consolidated financial statements and related management's discussion and analysis for the full year ended December 31, 2025, have been filed with the US Securities and Exchange Commission on EDGAR and with the Canadian Securities Regulators on SEDAR.

Before we get started, I'd like to remind everyone that statements made on this conference call that are not historical facts, including statements about future time periods, may be deemed to constitute forward-looking statements. Our actual results may differ materially from these forward-looking statements, and the risk factors that could cause these differences are detailed in our Canadian continuous disclosure documents and SEC reports. Real disclaims any intent or obligation to update these forward-looking statements, except as expressly required by law.

With that, I'd like to turn the call over to Chairman and Chief Executive Officer, Tamir Poleg. Tamir, please proceed.

## Tamir Poleg

*Co-Founder, Chairman & Chief Executive Officer, The Real Brokerage, Inc.*

Thank you, Alix, and good morning, everyone. 2025 was another transformational year for Real, and our fourth quarter results provided a strong finish. In the fourth quarter, we grew closed transactions by 38% to nearly \$49,000, significantly outpacing the broader existing home sales market. This volume drove revenue growth of 44% to \$505 million, and a 30% increase in gross profit to \$39 million. Net loss narrowed to \$4.2 million, while adjusted EBITDA was positive \$14.2 million, a 56% year-over-year increase. Looking at the full year, revenue grew 56% to nearly \$2.0 billion, while our gross profit growth of 44% significantly outpaced a 25% increase in operating expenses. This discipline resulted in a substantial improvement in our GAAP net loss to \$8.1 million, while adjusted EBITDA reached \$62.9 million, up 57% from last year.

Furthermore, our model generated positive cash flow from operations of approximately \$66 million, allowing us to return \$39 million to shareholders through buybacks, while maintaining a debt-free balance sheet with \$50 million in liquidity. We ended 2025 with 31,739 agents on our platform, up 31% year-over-year, and today that number has grown to over 33,000. These results would be impressive in any environment, but are especially notable given the broader housing backdrop. Existing home sales remain well below long-term averages, transaction volumes across the industry remain constrained, and many market participants are waiting for macro improvement. Meanwhile, our growth continues to be driven by structural factors, a powerful agent attraction flywheel, improving agent productivity and ever increasing agent engagement and retention on our platform.

That distinction is important. At the same time, we continue to make steady progress expanding beyond brokerage into ancillary products and services tied to the housing ecosystem and transaction lifecycle. To that end, One Real Mortgage generated \$6 million in revenue in 2025, up 50% year-over-year, driven by increased loan officer growth and productivity. In January we were pleased to welcome Kate Gurevich as CEO of One Real Mortgage, and look forward to seeing accelerating growth and improved profitability under her leadership. One Real Title generated \$5 million in revenue, up 5% from 2024 as we began transitioning our model toward more scalable, state-based joint ventures. Today, One Real Title operates 13 joint ventures with operations across 17 states, and we expect to open three additional joint ventures in 2026.

And Real Wallet, which completed its first full year, generated nearly \$900,000 of revenue with 77% gross margins, with its current run rate approximately \$1.5 million. Importantly, today more than 7,000 agents are actively using Wallet, with approximately \$23 million in deposits. We view Wallet not only as a revenue opportunity but as a deeper integration point with our agents' daily financial workflows. While brokerage remains the core engine of the business, these ancillary services represent the next layer of value creation. They increase engagement, improve retention, and expand revenue and gross margin per transaction. Over the past decade plus, we've been focused on building an integrated platform, aligning agent economics, investing in proprietary technology, and expanding our ecosystem of products and services.

In 2025, we saw clear evidence that this model can scale, while improving operating leverage. We're not managing a collection of disconnected tools or regional systems, we're operating one unified platform across North America. That consistency is what allows us to improve the system year-after-year.

With that, I'll turn it over to Jenna.

## Jenna Rozenblat

*Chief Operating Officer, The Real Brokerage, Inc.*

Thanks, Tamir, and good morning. As Tamir noted, 2025 was another transformational year for Real. Revenue increased 56%, gross profit increased 44%, and operating expenses increased only 25%. That operating leverage reflects the structural foundation of our business. Everything starts with reZEN, which is our proprietary transaction management platform. Every transaction, every document upload, every compliance step, and every commission payout flows through that single system of record. With all 33,000 agents operating inside one unified platform, we benefit from standardized workflows and structured transaction data across our entire network.

That unified foundation allows us to embed AI directly into live transaction workflows and deploy enhancements at scale. We're not layering standalone tools on top of fragmented systems. Instead, we're integrating intelligence into the core operating system of the brokerage. Let me give a few practical examples. First, agent productivity. Leo CoPilot is our intelligent assistant embedded directly inside reZEN. It provides agent's real-time guidance on transaction status, commissions, next steps and even marketing assets. Since its launch in 2023, agents have engaged with Leo over 700,000 times. It has become an essential part of their daily workflow.

Second, support and compliance. Last summer we made Leo the first line of support across email and phone. Since then Leo has answered more than 20,000 support inquiries, or approximately 46% of total support volume. That success rate improves responsiveness for agents, while reducing incremental support head count as we scale. We also introduced Leo Voice Broker, an automated broker review to enhance compliance oversight. Automated broker review uses AI to review documents as they are uploaded, identifying missing information or inconsistencies before they reach a human broker. That reduces back and forth, shortens approval cycles and allows brokers to focus on more complex issues rather than routine checks.

Third, internal automation. Beyond agent-facing tools, we are increasingly deploying AI agents and workflow automations to replace repetitive manual tasks across brokerage, operations, finance, transactions, support and enablement. For example, we have automated significant portions of our ready-to-close transaction workflows, reducing manual intervention across a growing share of transaction types. And we've also standardized processes such as refund coordination, commission calculations and bulk document retrieval, replacing multi-step spreadsheet and ticket-based workflows with structured system-driven processes. While these initiatives may not be visible externally, they reduce friction, improve auditability, and prevent head count from scaling linearly with the transaction volume. Over time, these improvements compound. That's what makes the leverage durable.

And last but certainly not least, in the fourth quarter, we extended HeyLeo.com, our unified platform to the consumer. HeyLeo is our AI-powered consumer portal where homebuyers converse with intelligent agents to find their next property. This isn't just a search site. It's a full AI Relationship Manager or AIRM that provides each of our agents with a customized web portal, a dedicated SMS phone line, and a dedicated HeyLeo email address. The power of HeyLeo lies in its Atlas skill layer. It's backed by comprehend MLS data with 180 integrations today and a target of 400 integrations by July, and nationwide school and neighborhood insights.

Whether a buyer is texting a question about a school zone or emailing about a kitchen layout, the AI provides instant data-backed responses. It can even schedule showings directly on the agent's calendar. By providing this 24x7 omni-channel engagement, we are giving our 33,000 agents a one to end scaling advantage. While HeyLeo remains in beta, it represents a critical link and our goal to streamline the entire transaction lifecycle, from the first consumer click to the final commission payout. Taken together, agent productivity, compliance, back office efficiency, and now HeyLeo's consumer engagement, we believe we have developed a structural advantage that is scalable, durable and economically meaningful.

I'll turn it over to Ravi.

## Ravi Jani

*Chief Financial Officer, The Real Brokerage, Inc.*

Thank you, Jenna, and good morning, everyone. Our 2025 results reflect another year of significant growth and improving operating leverage even as our results were impacted by a shift in our transaction mix. Consolidated revenue for the fourth quarter rose 44% to \$505 million, contributing to full year revenue of nearly \$2 billion, a 56% increase from \$1.3 billion in 2024. This performance was led by our North American brokerage segment, where closed transactions increased 38% in the fourth quarter. This significantly outpaced the broader existing home sales market, which saw only a 1% increase in the same period. This performance was all organic and reflects our continued success in attracting high producing agents and teams to the Real platform.

We also saw continued momentum in our ancillary businesses. Ancillary revenue in the fourth quarter rose 24% year-over-year to \$3.2 million, and reached \$11.9 million for the full year. This includes Real Wallet, which generated \$339,000 in the fourth quarter, an 8x increase from its launch quarter a year ago. We believe the continued expansion of these services represents a meaningful, long-term opportunity to diversify our revenue base and enhance our margin profile. Gross profit for the fourth quarter was \$39 million, up 30% year-over-year, bringing our full year gross profit to \$166 million, an increase of 44%. Our fourth quarter gross margin was 7.7%, compared to 8.6% in the prior year period, while our full year margin was 8.4%.

A year-over-year change is primarily a function of our evolving transaction mix. In the fourth quarter, we saw a 400-basis point increase in the proportion of transactions completed by agents who have reached their annual commission cap. While these post cap transactions carry a lower margin for the brokerage, they are a core element supporting agent retention, evidenced by our revenue churn improving to 1.6% in the fourth quarter, down from 1.8% in the prior year. We believe, maintaining a best-in-class retention profile is fundamental to our long-term competitive position. Based on our current outlook, we expect this transition mix shift to continue in 2026.

However, we anticipate margins will ultimately normalize as market activity improves and transaction growth becomes more evenly distributed across our broader agent base. Over time, we expect ancillary businesses and platform efficiencies to support further gross margin expansion. A highlight of our 2025 performance was the continued decoupling of our expense base from our revenue and gross profit growth. In the fourth quarter, operating expenses grew 22% to \$44 million, while gross profit grew 30%. Operating expenses in the quarter included \$750,000 related to an agreement to settle the Cwynar class action lawsuit on a nationwide basis. For the year, we limited operating expense growth to 25% for a total of \$175 million, against a 44% increase in gross profit.

The largest driver of our OpEx increase remains marketing, specifically revenue share and agent equity compensation, which scaled directly with our transaction volume. As a percent of revenue, operating expenses improved by 160 basis points to 8.8% in the fourth quarter, and by 220 basis points for the full year to 8.9%. Our adjusted operating expense, which is a non-GAAP metric that reflects our fixed cash overhead, improved to 4.3% of revenue, down from 5.7% in the prior year period. On a unit basis, our adjusted OpEx per transaction declined 22% year-over-year to \$440 in the fourth quarter of 2025, down from \$565 in the prior year, further validating the scalability of our platform. Importantly, this operating leverage drove improvements across our profitability metrics.

Operating loss improved to \$5.2 million in the fourth quarter compared to \$6.4 million in the fourth quarter of 2024, while full year operating loss narrowed to \$9.2 million from a loss of \$25.2 million in 2024. Net loss improved to \$4.2 million in the quarter and a loss of \$8.1 million for the full year compared to a net loss of \$6.7 million and

\$26.5 million for the respective prior year periods. Adjusted EBITDA rose 56% to \$14.2 million in the fourth quarter and reached \$62.9 million for the full year, a 57% year-over-year increase from 2024. Real generated \$66 million in cash flow from operating activities for the full year and returned \$39 million to shareholders via share repurchases, including \$15 million in the fourth quarter. We ended the year with \$49.9 million in unrestricted cash and investments and we continue to carry no debt.

Our capital allocation strategy remains disciplined, focused on maintaining ample liquidity to fund our organic growth, while retaining the flexibility to return capital to shareholders and evaluate strategic M&A. Regarding our outlook, we're not providing formal guidance at this time. In the near term, as others in the industry have noted, January and February saw an unseasonably slow start to the year. Volatile weather and historic snowstorms across much of the country impacted transaction velocity during the first two months. Consequently, we expect Q1 revenue, operating loss and adjusted EBITDA to decline sequentially from Q4 2025 levels. However, on a full year basis, we expect the fundamental trends of organic growth significantly outpacing the broader industry to persist.

We also remain confident in our ability to drive revenue and gross profit growth at a faster rate than operating expenses, which should result in year-over-year improvements in both GAAP and non-GAAP profitability metrics for the full year 2026. More details on our results and key operating metrics can be found in the earnings press release and investor presentation that accompany this call.

I'll now turn it back to Tamir.

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## Tamir Poleg

*Co-Founder, Chairman & Chief Executive Officer, The Real Brokerage, Inc.*

Thank you, Ravi, and thank you, Jenna. Let me close with a broader perspective on the business we are building. Real estate is among the world's largest and most complex asset classes. A single transaction involves the convergence of buyers, sellers, agents, lenders, attorneys, regulators and multiple sources of capital. It often involves leverage and requires compliance that varies across jurisdictions. And for most consumers, it happens only a handful of times in their lives. That combination, high value, high complexity and low frequency makes trust and infrastructure critically important. When we started Real, our goal wasn't to build a better brokerage. It was to reinvent the model entirely economically, technologically and culturally.

Traditional firms were built on physical infrastructure and overhead with technology as an afterthought. We chose a different path. We aligned our economics with agents, built a unified system for the entire transaction lifecycle, and we focused on culture by treating our agents as long-term partners. The brokerage was our starting point, but the platform is our destination. Our platform today encompasses a massive funnel of high value transactions, by building a platform that productive agents never want to leave, we earned the right to serve them more deeply across mortgage, title, fintech services and now consumer engagement. These are not opportunistic add-ons.

They are integrated components of our flywheel, attract productive agents, process transactions with unmatched efficiency, improve infrastructure with every deal, retain through alignment and value, and ultimately capture more of the transaction lifecycle as the ecosystem matures. What makes this model resilient isn't just our code, but the compounding advantages of a scaled network, years of platform development localized down to the municipality level and the massive volume of structured data we capture with every transaction. In 2025, we proved the model. We reached nearly \$2 billion in revenue and processed over 185,000 transactions, all while generating meaningful cash flow, achieving our first quarter of GAAP profitability, and strengthening our balance sheet in a constrained housing environment.

We cannot control the macro environment, but we can control our vision, our execution and our discipline. We believe the opportunity ahead remains significant. Thank you to our agents, employees and partners for your belief in Real. We are still in the early innings, and we are building this to endure.

## QUESTION AND ANSWER SECTION

**Operator:** Thank you. Everyone, at this time, we'll be conducting a question-and-answer session. [Operator Instructions] Your first question is coming from Stephen Sheldon from William Blair. Your line is live.

**Stephen Sheldon**

*Analyst, William Blair & Co. LLC*

Q

Hey, thanks. Good morning. First, I think, I probably asked this most times. But I just wanted to ask about the agent recruiting environment and pipeline. There was a lot of changes in the industry, especially with the Compass-Anywhere merger. So are you seeing that create any more opportunity to attract agents, and are you seeing any pickup in agent interest to join since you announced some of the AI initiatives in late 2025?

**Tamir Poleg**

*Co-Founder, Chairman & Chief Executive Officer, The Real Brokerage, Inc.*

A

Hi, Stephen. Yeah. There are a lot of moving parts right now in the industry and a lot of uncertainty for many agents. I think that, when it comes to us, we still have a very strong pipeline. We have not tried to be opportunistic with approaching teams or agents that were a part of some mergers in the industry. We believe in our value and believe that we shouldn't be [indiscernible] (00:21:55) on just occasions in the industry in order to attract agents. So the pipeline is strong. We think that there is an opportunity to double down even more on agent attraction. And in the coming weeks, we will announce some exciting things around that. We also think that the technology that we will be introducing later this year will help us attract agents even at a faster pace. So we're still very optimistic about our ability to continue and grow the way we have been in recent years.

**Stephen Sheldon**

*Analyst, William Blair & Co. LLC*

Q

Got it. Good to hear. And then I have a follow up on the Title side. Great to hear that you have more states opening, it sounds like three more on top of the current 13. How should we be thinking about the trajectory of Title in 2026, especially as you move past the headwind from switching from team to state-based JVs?

**Tamir Poleg**

*Co-Founder, Chairman & Chief Executive Officer, The Real Brokerage, Inc.*

A

Sure. So 2025 was a transition year. We did a change in leadership at the beginning of 2025, and then we transitioned from team-based JVs to state-based JVs and now we're starting to see the fruits of that labor. We're also doubling down on focusing on non-teams or any agent with 10 to 20 transactions within those 13 states. So we think that, in the coming month and couple of quarters, we will see a significant movement. We're not happy with the performance in 2025. We understand that it was a transition year, but it's time for us to start seeing the signals of that growth. So it takes time, but I think that we have the right model and the right leadership in place and we'll start seeing the signs later this year.

**Stephen Sheldon**

*Analyst, William Blair & Co. LLC*

Q

Good to hear. Thank you.

**Tamir Poleg**

*Co-Founder, Chairman & Chief Executive Officer, The Real Brokerage, Inc.*

Thanks.

A

**Operator:** Thank you. Your next question is coming from Naved Khan from B. Riley. Your line is live.

**Naved Khan**

*Analyst, B. Riley Securities, Inc.*

Great. Thank you very much. So two questions from me. Maybe one just building on the Title. So can you maybe quantify the drag from the transition that you had, at least had in fourth quarter from transitioning from the old structure to the state level JVs? And then, I think, on the last earnings you shared some data points about attach rate that you were seeing in some of these markets that have transitioned over. Can you maybe share some color on like how these are progressing, are you seeing continued improvement in attach rate where markets have transitioned over? And the second question I had was on Mortgage. So now you have more than, I guess, 100 loan officers, and you'd also introduced the consumer facing video to kind of help with that in terms of driving attach for Mortgage. What are the early results from these initiatives that you're seeing? Thank you.

Q

**Tamir Poleg**

*Co-Founder, Chairman & Chief Executive Officer, The Real Brokerage, Inc.*

Thank you, Naved. So on Title, the attach rates that we've been seeing in the past couple of months are between 3% and 4%. Within the JVs, we have seen attach rates of 30% to 40%. So we want to see those percentages grow even further. And we also think that there's a potential to expand those JVs and invite more agents and focus on the highest producing agents. And those are efforts that are taking place right now. It takes a little bit of time to have those conversations with the agents and teams and get them signed up and then earn their deals and move from there. This is why it's taking a little bit of time. But we would like to see the attach rates go beyond where they are right now, obviously, in the short term. On Mortgage, as you know, we brought in Kate as the new CEO of One Real Mortgage, month-and-a-half ago. We have a very strong pipeline of productive agents that are in the process of getting licensed as loan officers, and obviously, they will be a part of our loan officer base.

A

So I think that, within a couple of months, when they ramp up and start sending their deals, we'll see an uptick in Mortgage. We're very happy of Kate's actions so far, and I think that they will have a very positive effect on revenue later on this year. So I think that Mortgage is really on the right track. When it comes to Leo, what we are now doing with Leo, we're trying to experiment with AI technology that helps our agents nurture leads and convert leads in the background without them doing too much. And we think that, that will also help us drive Mortgage and Title. It's still in the early days, it's alpha tests, but it's showing very promising signs. So I'm very optimistic about our ability to attach ancillary services to technology. And I think, that Leo will become an integral and essential part of a transaction for many of our agents in the very near future.

**Naved Khan**

*Analyst, B. Riley Securities, Inc.*

Okay. And then can you maybe just quantify the drag from the transition in the Title side, moving from entity to state level JVs?

Q

**Ravi Jani**

*Chief Financial Officer, The Real Brokerage, Inc.*

A

I can take that one. Yeah, it's similar to last quarter. It was in the neighborhood of a couple of hundred thousand dollars of revenue from JVs that existed in the prior year that were wound down and haven't ramped back up. And so yeah, importantly, on the point of how we expect Title to grow throughout the year, we would expect to see growth reaccelerate as we lap some of those transitions. So yeah, we should be back to double-digit and solid double-digit growth as the year progresses.

**Naved Khan**

*Analyst, B. Riley Securities, Inc.*

Q

Thank you.

**Operator:** Thank you. Your next question is coming from Matthew Erdner from JonesTrading. Your line is live.

**Matthew Erdner**

*Analyst, JonesTrading Institutional Services LLC*

Q

Hey, good morning, guys. Thanks for taking the question. I know you guys touched a little bit on the capped agents, kind of 400-basis point increase. Where do you expect margins to kind of normalize, I guess, once we work through, I guess, call it the slug of the market where a lot of the capped agents are winning transactions?

**Ravi Jani**

*Chief Financial Officer, The Real Brokerage, Inc.*

A

Yes. Thanks, Matt, for the question. I think, we're at a point where, while we expect this mix shift to probably continue in the first half as we get into the second half of the year, as some of the fee model changes we had announced last year start to manifest and we start to see ancillary reaccelerate, we should be at a point where we're seeing less of or no drag on margins as we get to the second half. But just given where we ended 2025 and entered 2026, we expect to see this mix shift dynamic in the first half and then that should level off. And I think, the important thing to keep in mind is that, while we are focused on the margin rate, we're also focused on the gross profit dollars and our ability to grow the gross profit dollars faster than we grow OpEx, which we proved throughout 2025. And so we are mindful of the margin, and we have taken corrective action on that front. But I think importantly, we're controlling what we can control on the fixed OpEx side as well. And so that should translate to improved bottom line.

**Matthew Erdner**

*Analyst, JonesTrading Institutional Services LLC*

Q

Got it. That's helpful there. And then last one from me. I'll keep it kind of short here. What are you guys looking for in terms of greater adoption on the Wallet side and kind of growing that overall deposit base, call it?

**Tamir Poleg**

*Co-Founder, Chairman & Chief Executive Officer, The Real Brokerage, Inc.*

A

Yeah. It's a combination of a couple of things. We have about 7,000 agents on the Wallet and we want to see more agents just utilizing the Wallet. We think that there are ways to push agents to adopt the Wallet even further. And we're contemplating those actions will probably see them later on this year. At the same time, one of the biggest drivers of revenue to the Wallet is Real capital, and Real capital expands to more and more states. I think, that we're currently in 20 or 21 states, so we have still a long way to go there. So as we see more states opening up and more agents having lines of credit available to them, we will see more revenue driving into the Wallet.

**Matthew Erdner**

*Analyst, JonesTrading Institutional Services LLC*

Got it. That makes sense. Thank you, guys.

Q

**Tamir Poleg**

*Co-Founder, Chairman & Chief Executive Officer, The Real Brokerage, Inc.*

Thank you.

A

**Ravi Jani**

*Chief Financial Officer, The Real Brokerage, Inc.*

Thanks, Matt.

A

**Operator:** Thank you. [Operator Instructions] Your next question is coming from Nick McAndrew from Zelman. Your line is live.

**Nick McAndrew**

*Analyst, Zelman Partners LLC*

[indiscernible] (00:30:45) my questions. Maybe one on the churn side of things to start. So I think, agent churn has improved pretty dramatically in just the back half of the year to the mid single-digits. And I'm just wondering how much of that is attributable to ancillary products like Real Wallet, and maybe the credit lines that are creating switching costs for agents versus how much of this is just simply better agent quality coming in the door. Thank you.

Q

**Tamir Poleg**

*Co-Founder, Chairman & Chief Executive Officer, The Real Brokerage, Inc.*

Thank you, Nick. It's a good question. And I think that, our performance on agent retention is especially remarkable given all of the dynamics in the market and the fact that agents are really hurting right now. I think that, everything that we release, Leo, Wallet, all of the features, all of the technology that we offer our agents, adds an incremental way to just value the platform. So the more services we offer, the hardest it gets to leave the platform. Obviously, if you have a line of credit from Real, it's really difficult to give that up. If you have Leo available to you and you can ask questions and get immediate answers and get all of your files reviewed within seconds, it's really difficult to step away from that. So I think that all of those just add up to a platform that is really, really attractive for agents.

A

**Nick McAndrew**

*Analyst, Zelman Partners LLC*

Thanks, Tamir. Yeah. That's helpful. And maybe following up on that, I think, just there's been some level of multiple compression in a lot of software names across the space that have been driven by concerns around agentic AI disruption. And I'm curious if you're able to just reiterate how you think about the tech stack relative to peers. But even more broadly, just as AI tools become increasingly accessible, is there any risk that agents start building or adopting their own tools independently, or do you view all of these kind of agentic AI developments as just a net opportunity for Real's platform?

Q

**Tamir Poleg**

*Co-Founder, Chairman & Chief Executive Officer, The Real Brokerage, Inc.*

A

Obviously, we see that as an opportunity. And if you look at our financial performance, you can see that the numbers speak for themselves. At the same time, we also see a huge opportunity in the implementation of AI, and the fact that a lot of the things that agents do can be help with AI. I don't think that agents can figure all of that on their own. I think that it's important to have an integrated platform where all of the information is in one place and AI has actually access to all of your documents, all of your past performance, all of your financials, all of your conversations. It makes the AI substantially more efficient, and this is what we're trying to build. I think, that agents on their own will never have the ability to build something as powerful as what we're building for them. So for us, we'll continue to invest and we just want to create an unfair advantage for agents. And it's starting to happen these days.

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**Ravi Jani***Chief Financial Officer, The Real Brokerage, Inc.*

A

All right. Well, thanks for the question, Nick. Now, that we've concluded – well, actually, Matthew, are there any more questions in the queue?

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**Operator:** Certainly, there are no further questions in the queue.

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**Ravi Jani***Chief Financial Officer, The Real Brokerage, Inc.*

A

Great. Well, now that we've completed the analyst portion of the call, we wanted to address some of the questions we received from shareholders on the Say Technologies Q&A portal that was opened last week. We received a number of excellent questions, and so thank you to all who participated. First question for Tamir, when do you expect Real to turn a profit, and is there anything shareholders can do to help Real become profitable?

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**Tamir Poleg***Co-Founder, Chairman & Chief Executive Officer, The Real Brokerage, Inc.*

A

Thank you for the question. It's important to understand that for a company with our growth profile and capital efficiency, profitability is largely a strategic choice. Many of our peers are currently posting much steeper losses, as you've seen, despite having significantly larger agent bases, which we believe validates the superior efficiency of our model. To give some context, our largest segment, North American brokerage, was nearly breakeven in the full year of 2025. The significant majority of our consolidated loss currently reflects our ancillary businesses, where we are deliberately choosing to invest today because we believe the long-term returns will be substantial. As for what shareholders can do to help, at the most, the correct way to support our path to profitability is to engage with our ecosystem. If you're buying or selling a home, work with a Real agent, utilize a One Real Mortgage loan officer and choose one Real Title for your Escrow and Title services. Increasing the attach rates of these services directly fuels our highest margin revenue streams, and significantly accelerates our timeline to consolidated profitability.

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**Ravi Jani***Chief Financial Officer, The Real Brokerage, Inc.*

A

Thanks, Tamir. The next question I'll take. You anticipate stock-based compensation to continue to scale at around the same pace as cash flow or, well, will it level out or decrease at some point.

So I appreciate the opportunity to clarify our approach to equity. First, it's important to note that nearly all of our agent equity awards are tied directly to production, and so we don't write large upfront checks or offer guaranteed signing bonuses. Equity is primarily earned only when a transaction closes or an agent reaches a production-based milestone, such as hitting their annual cap or achieving elite status. And we're already seeing some natural

leverage in the model as we scaled in the fourth quarter, specifically, stock-based compensation as a percentage of revenue declined by 80 basis points year-over-year.

And as we continue to grow revenue and gross profit faster than our fixed head count, we would expect this leverage to continue, reducing stock-based compensation both as a percentage of sales and free cash flow over time. You've seen that over the past few years. And so with all that said, we remain highly mindful of dilution, which is why we have a buyback program in place to offset it. And given where our stock is currently trading, we're pleased to be in a position where we have that excess cash available to repurchase shares.

The last question for Tamir, can you talk about the growth in Real Wallet and revenue growth specifically? How has it trended since the product launched?

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**Tamir Poleg**

*Co-Founder, Chairman & Chief Executive Officer, The Real Brokerage, Inc.*

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Sure. Real Wallet has been a standout story, success story for us. The business generated around \$900,000 in 2025, and is currently generating annualized revenue of over \$1.5 million, which continues to grow on a month-over-month basis. We now have over 7,000 agents utilizing the Wallet, as I mentioned, with our total deposit balance growing to over \$23 million. On the lending front, we've extended over \$8 million in lines of credit, and notably, our US balances now exceed those in Canada. Beyond being an attractive high margin revenue line, the Wallet serves as a unique value proposition and a powerful retention tool that deepens our relationship with our most productive agents.

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**Ravi Jani**

*Chief Financial Officer, The Real Brokerage, Inc.*

Great. Well, that concludes the retail shareholder Q&A. If you have any more questions on today's earnings release, please feel free to contact me and our investor relations team. Matthew, would you please give the conference call replay instructions once again and close the call? Thank you.

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**Operator:** Certainly. Ladies and gentlemen, today's conference will be available for replay. The replay phone numbers are 877-481-4010 or 919-882-2331. The replay code is 53464. And once again, the replay phone numbers are 877-481-4010 or 919-882-2331, and the replay code is 53464. You may disconnect your phone lines at this time and have a wonderful day. Thank you for your participation.

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