Transcript of
The Real Brokerage Inc.
Second Quarter ended June 30, 2026
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Participants

Alix Lumpkin - Chief Legal Officer, The Real Brokerage Inc.
Tamir Poleg - Chairman and 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.

Analysts

Stephen Sheldon - William Blair & Company
Naved Khan - B. Riley Financial
Valentin Alvar - JonesTrading
Nick McAndrew - Zelman & Associates

Presentation

Operator
Good morning, ladies and gentlemen, and welcome to The Real Brokerage Earnings Call for the second quarter ended June 30, 2026. At this time, all participants have been placed on a listen-only mode, and we will open the floor for your questions and comments after the presentation.

I will now turn the call over to Alix Lumpkin, Chief Legal Officer at The Real Brokerage. Ma'am, the floor is yours.

Alix 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 second quarter ended June 30, 2026. 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, Real published an earnings press release including results for the second quarter ended June 30, 2026. The press release, along with the consolidated financial statements and related management's discussion and analysis for the quarter, have been filed with the U.S. Securities and Exchange Commission on EDGAR and with 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, including our management's discussion and analysis for the period ended June 30, 2026, our annual information form for the fiscal year ended December 31, 2025, and our management information circular dated July 9, 2026, as well as our SEC reports and the S-4 registration statement filed in connection with the RE/MAX transaction. 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 - Chairman and Chief Executive Officer, The Real Brokerage Inc.
Thank you, Alix, and good morning, everyone. Real is a real estate technology company built to improve how real estate works for the professionals at the center of a transaction and, ultimately, for the buyers and sellers they serve. We attract productive real estate professionals with a differentiated value proposition, help them build stronger businesses through superior technology and support, and expand the products and services available to them and their clients over time. When we do these things well, and operate with financial discipline, we create durable value for agents, consumers, and shareholders alike.

I want to frame today's call a little differently than usual, as this could be the last time we report to you as a standalone Real. Our security holder vote on the RE/MAX transaction is scheduled for August 14th. Assuming approval by both Real security holders and RE/MAX's shareholders and satisfaction of the remaining closing conditions, we expect to complete the transaction thereafter in the second half of 2026. The headline for the quarter is straightforward. Despite one of the most challenging housing markets in years, we again delivered significant growth, improved core profitability, and further strengthened our balance sheet.

Revenue increased 30% to more than $700 million. Adjusted EBITDA increased 38% to $27.6 million. We ended the quarter with record cash and short-term investments of $86.6 million. Those results reinforce something we've believed for a long time. When we consistently help great real estate professionals build better businesses, we can deliver differentiated growth, improve profitability, and create long-term value. That's why we believe the RE/MAX transaction is such an important step in our evolution.

RE/MAX brings an iconic global brand, highly productive agents, and franchise owners with deep local market expertise. Real brings a modern AI-enabled technology platform, a differentiated economic model, and a track record of innovation and disciplined execution. Together, we believe we can better support real estate professionals, improve the experience for buyers and sellers, and build a stronger, more profitable company for the long-term.

Jenna will discuss the momentum in our operating results and integration progress. Ravi will then discuss our financials in more detail before I return with a few closing remarks. With that, I'll hand it over to Jenna.

Jenna Rozenblat - Chief Operating Officer, The Real Brokerage Inc.
Thanks, Tamir, and good morning. We ended the second quarter with approximately 35,350 agents, up 26% year-over-year, and entered the second half with a strong pipeline. In fact, as of today, our agent count has already exceeded 36,000. Even in a difficult market environment, we continue to experience organic growth from entrepreneurial agents, teams, and independent brokerages looking for better technology, better economics, and a platform that helps them run their businesses more efficiently and more profitably.

We also continue to make progress rolling out new technology that can meaningfully change how agents operate and how they serve their clients. As an example, HeyLeo, our AI relationship management platform for agents, continues to evolve to enhance both the agent and client experience. This includes several new features that Leo 2.0 has beta-launched in recent weeks, including direct integrations with some of the largest real estate CRMs in the industry.

As a result, with the help of Leo, our agents can now seamlessly leverage agentic AI to help activate, engage, and nurture their leads. This matters because most agents already have significant opportunities sitting inside their client database, but simply don't have the time or tools to consistently follow up with their clients. By helping agents respond faster, maintain more consistent engagement, and identify when their clients are ready to act, we believe HeyLeo can improve agent productivity while creating a better experience for buyers and sellers. We're very pleased with the early results and feedback from our agents and look forward to making this technology available to all of our agents once fully rolled out.

Turning to RE/MAX, as Chief Integration Officer for the transaction, my primary focus is straightforward, be ready to execute on day one while preserving the strengths that have made both organizations successful. Since our last call, we have established an integration management office, identified leaders across every major division and work stream, and have engaged experienced third-party advisors to assist us with our integration plans and support day one readiness.

Based on the work completed to date, we remain confident in our ability to achieve approximately $30 million of cost synergies within 3 years of closing. As we gain better visibility after closing, we'll continue evaluating additional opportunities, and we'll communicate our progress transparently. Throughout the process, our priority is to bring together the best of both organizations, while making the transition as seamless as possible for employees, agents, franchise owners, and consumers. Success won't be measured by how quickly we change things. It will be measured by how effectively we strengthen the combined platform, while preserving the relationships and culture that have made both successful.

With that, I'll turn it to Ravi.

Ravi Jani - Chief Financial Officer, The Real Brokerage Inc.
Thank you, Jenna. Good morning, everyone. Let me provide a little more context around the financial results. Consolidated revenue for the second quarter was $700.6 million, up 30% year-over-year. Growth was driven by a 27% increase in closed transactions to a record 62,380, substantially outpacing both the U.S. and Canadian home sales markets, together with a 1% improvement in average agent productivity and a 2% increase in average revenue per transaction.

Ancillary revenue from Real Wallet, One Real Title, and One Real Mortgage grew a combined 28% year-over-year to $4.2 million, with Wallet revenue growing 140%, Title growing 29%, and Mortgage growing 10%. The key takeaway is that Real continues to take market share and grow at a significant rate despite a housing market that remains near historically low transaction levels. At the same time, our high margin ancillary businesses are also delivering improved growth and profitability.

Gross profit was $58.3 million, up 22% year-over-year, while gross margin was 8.3% compared to 8.9% in the prior year. The year-over-year decline was primarily a mix effect. In the second quarter, approximately 42% of our closed transaction size came from capped agents, up 300 basis points year-over-year. Post-capped transactions carry a lower brokerage margin by design. That is the economic trade-off for retaining our highest-producing agents, and our strong retention rates give us confidence that it remains the right trade-off.

Total operating expenses were $65.3 million in the second quarter, including $11.6 million in acquisition-related costs associated with the pending RE/MAX transaction. This resulted in a reported operating loss of $7 million in the second quarter, compared with operating income of $1.7 million in the second quarter of 2025. On a normalized basis, excluding acquisition-related costs, operating income would have more than doubled from the prior year.

Net loss was $8 million, and on a non-GAAP basis, adjusted EBITDA was $27.6 million, up 38% year-over-year. Adjusted EBITDA margin expanded to 3.9% from 3.7% in the prior year. We ended the quarter with a record $86.6 million in unrestricted cash and short-term investments, up from $49.9 million at the start of the year.

Subject to the satisfaction of remaining closing conditions for the RE/MAX transaction, we expect to prioritize debt repayment and deleveraging following closing. With respect to the standalone Real business, we expect the third quarter to follow normal seasonal patterns across the residential real estate industry, with revenue and adjusted EBITDA declining sequentially from the second quarter and gross margin lower year-over-year.

Assuming the RE/MAX transaction closes as expected, we intend to use our third quarter call in November to provide a combined company baseline and preliminary

2027 guidance for the combined business. More details on our results and key operating metrics can be found in the earnings press release, financial statements, and investor presentation that accompany this call.

I'll now turn it back to Tamir.

Tamir Poleg - Chairman and Chief Executive Officer, The Real Brokerage Inc.
Thank you, Ravi, and thank you, Jenna. 12 years ago, we started Real with a simple goal, make life better for real estate agents. That mission has never wavered. While we can't control mortgage rates or the pace of the housing market, we can control how we innovate, how we execute, and how we support the thousands of real estate professionals who trust us with their businesses. This quarter's results reflect that focus.

To our agents and employees, thank you for believing in what we're building every day. And to the RE/MAX agents, franchise owners, and employees listening today, thank you for the trust you've earned over more than 50 years. Together, we have the opportunity to write the industry's next great chapter by bringing together the best of both organizations for our agents, our consumers, and our shareholders.

With that, we can open the line for questions.

Operator
Certainly. Everyone at this time, we'll be conducting a Q&A session for analysts. [Operator Instructions] Your first question is coming from Stephen Sheldon from William Blair. Your line is live.

Q: Hey, good morning. Thanks for taking my questions. First, it would be great to hear what you're seeing and hearing kind of in the agent and team recruiting pipeline. You continue to go quickly there, which is great. I guess, have there been any signs that the pending merger with RE/MAX is impacting that pipeline either positively or negatively? Yeah, would just love to hear what you're seeing there.

Tamir Poleg - Chairman and Chief Executive Officer, The Real Brokerage Inc.
Thanks, Stephen. Yes, after somewhat a slower start for the year in Q1, Q2 was more robust in terms of agent adds, and we're seeing a stronger pipeline at the moment. I think that the announcement of the RE/MAX deal definitely gave us some tailwinds in terms of agents reaching out or teams reaching out and contemplating joining Real. So I think that all in all, it's a positive. So we are seeing momentum. As Jenna mentioned, we are over 36,000 agents at the moment, so Q3 started very strongly, and we expect that momentum to continue through the rest of the year.

Our focus at the moment is obviously attracting agents that are not with the Real/RE/MAX group. So we're trying to attract agents from other brokerages and making sure that we protect the network on the RE/MAX side and making sure that we protect the broker-owners' businesses as well. So we are focused on attracting agents from the outside and at the same time also working on integration. But the pipeline is strong, and we have a few very large opportunities as well, in the pipeline. Hopefully, they will materialize before the end of the year.

Q: Got it. That's helpful. And then, as a follow-up on ancillary solutions, Title and Mortgage continue to grow quickly, but still remain pretty small, I think, in the grand scheme of things. I think some investors are wondering when we might see more of a step function change within those high margin revenue streams. I know with the RE/MAX merger, maybe things might change a little bit. Just as we think about the existing business, any signs that things might pick up as we enter into 2027?

Tamir Poleg - Chairman and Chief Executive Officer, The Real Brokerage Inc.
Sure. On the Mortgage side, we see a lot of momentum. Kate is doing the right things, and we're seeing some of our best agents opting into the Real Originate program. I think that revenue will probably kind of show that momentum later this year or at the beginning of 2027. So I think that on the Mortgage side, we should expect some better results moving forward.

On the Title side, Title did grow 30% year-over-year. We are seeing some greater attach rates with some of the JVs. I think that we can do a better job at just propelling revenue over there as well. But we're mindful of that and, again, those two companies continue to grow. I think that Leo 2.0, which we just launched for beta, which I'll just maybe spend a minute on.

Leo 2.0 is a version of Leo that enables our agents to connect their CRMs into Leo and allow Leo to nurture their leads. We are now integrating the mortgage and title flows into Leo, so that Leo can actually offer One Real Mortgage and One Real Title solutions to our agents' clients, and we're seeing some great results before even integrating Mortgage and Title flows into Leo. Leo is able to nurture leads and just create opportunities for agents. So the feedback has been amazing, and we expect that to also push the ancillary services revenue moving forward. It's not a short-term effort. It's going to take a while, but we're confident that we're on the right track.

Q: Good to hear. Thank you.

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

Q: Great. Thanks a lot. Maybe just one on Leo. How many IMSs [ph] are you connected to now? Are you able to have nationwide coverage with Leo, or is that still something that you are broadening out?

Tamir Poleg - Chairman and Chief Executive Officer, The Real Brokerage Inc.
We're still broadening it out. I think that we are now covering close to 90% of the transactions in the U.S. into all of Canada. So it's almost fully built out in terms of MLS coverage.

Q: Got it. And then maybe just on the attach rate for Mortgage and Title. Between the two, which one do you think you're seeing greater momentum than you had expected? And thoughts kind of there should growth rates be maybe exit in the year or early next year in these two?

Tamir Poleg - Chairman and Chief Executive Officer, The Real Brokerage Inc.
Maybe I'll provide some information on the attach rates on the Title side. Overall, on the JV attach rates, we're looking at 45% attach rates on the JV side. On a company-wide attach rate, for eligible deals, we're looking at 3.24%, so kind of no change from last quarter. Our highest attach rates JVs, we're looking at Texas at 67% and some others north of 80% or between 67% and 80%. Within the JVs, we're looking at very high attach rates, and it's just a matter of getting more high producing agents to partner with those JVs.

On the Mortgage side, and back to your question, I think that in terms of momentum, we're feeling more momentum on the mortgage side. Even though, it's still not manifested in the revenue, I think that it will start manifesting in the next couple of quarters. But both companies are on the right track. I think that we can do a better job on the Title side.

Q: Got it. I'll get back in the queue. Thank you, guys.

Tamir Poleg - Chairman and Chief Executive Officer, The Real Brokerage Inc.
Thank you.

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

Q: Hey, good morning. This is Valen Alvar here filling in for Matthew Erdner. Thanks for taking my question. I just had a quick question here. So as you mentioned, gross margin was 8.3% versus the 8.9% last year. How should we think about the year-over-year trend in the back half of that? Thanks.

Ravi Jani - Chief Financial Officer, The Real Brokerage Inc.
Thanks for the question. Yeah, I mentioned we are seeing an increasing shift in our transaction mix towards post-cap agents. And so, I mentioned as it relates to Q3, we do expect gross margin to be lower year-over-year, albeit, wouldn't expect the same order of magnitude of a decline as we saw in Q2. Part of that's because we announced a couple of fee model changes that go into effect in September, and you'll see that carry through into the fourth quarter of the year as well. And so that combined with what should be a pickup in some of the ancillary businesses, should result in less of a year-over-year moderation in gross profit margin relative to what you saw this quarter.

Q: Great. Thank you.

<u>Ravi Jani - Chief Financial Officer, The Real Brokerage Inc.</u>
And I'll just clarify. As we look at Q4, we would expect it to be relatively flat year-over-year.

Q: Great. Thank you.

<u>Tamir Poleg - Chairman and Chief Executive Officer, The Real Brokerage Inc.</u>
Sure. No problem.

<u>Operator</u>
Thank you. [Operator Instructions] Your next question is coming from Nick McAndrew from Zelman. Your line is live.

Q: Thanks for taking my questions. Maybe just one on the headcount side of things to start. I know that the headcount efficiency ratio moved modestly lower this quarter, but your operating expenses per transaction continued to improve. So just any insight into where you are currently adding headcount and, I guess, assuming the RE/MAX transaction does close, does that change the strategy around future headcount at all, or is there an opportunity to kind of improve that again over time as reZEN's leveraged across the broader network? Thanks.

<u>Ravi Jani - Chief Financial Officer, The Real Brokerage Inc.</u>
Yeah, sure, Nick. I'll take the first part, and then I'll let Tamir or Jenna chime in on the go-forward headcount outlook. But this quarter, what drove the employee count higher and, therefore, the efficiency ratio moderately lower is something we talked about on the last call, which is that we have a number of contract roles that we've converted to full time employees. Those are mainly in the brokerage and compliance space. Those were roles that we previously relied on third-party contractors, and then we converted a number of them to FTEs. And so, that's why, as we mentioned last quarter, it is P&L neutral, and so you didn't really see an impact on our operating costs or operating leverage. But, yes, from that specific ratio, just converting a contractor to an FTE does have an impact.

I would note that we don't expect that to continue at a similar rate into the second half. If you look at last year, the Q2 was sort of the low water mark for headcount efficiency ratio, and then we did most of our hiring in the first half, and then you saw the headcount efficiency ratio improve in the second half of the year.

To your second question, yes, the ratio will be a little bit fluid post-acquisition. And so, we'll do our best and endeavor to provide you with that level of visibility. But given certain employees will be spanning both organizations, we'll try and give you the best ratio so you can compare on an apples-to-apples basis. But, Tamir, anything you wanted to add on just sort of go forward resourcing?

<u>Tamir Poleg - Chairman and Chief Executive Officer, The Real Brokerage Inc.</u>
Sure. So, we plan to bring that type of efficiency that we have implemented on the Real side into RE/MAX as well. So, we will continue to update after we close the

transaction when it comes to headcount efficiencies and overall cost savings. But we have a solid plan in place. We've been working very closely with RE/MAX management and their team to identify areas of opportunities, and I think that you will be happy with the results that we will post in the coming quarters.

Q: Cool. And just one on HeyLeo. I think last quarter, you just discussed the early HeyLeo beta and just that ability to hopefully help agents reengage leads. Can any just update on just the rollout to the broader agent base and any feedback you've gotten so far and just how agents and maybe consumers are using the products, if at all? Thanks.

Tamir Poleg - Chairman and Chief Executive Officer, The Real Brokerage Inc.
Sure. So we actually rolled out the Leo 2.0 beta version about 2 weeks ago. We have over 200 of our most successful agents and teams that already connected their CRMs to Leo 2.0. And the feedback was immediate and overwhelmingly positive. So Leo was able to create opportunities for them with dormant leads that were lying in their CRMs for years, and were actually out in the market without the agents knowing that. And Leo was able to just engage in conversations with them and show them listings and create appointments for the agents just to go and look at homes with the client. So the feedback was very positive.

Just the bottom-line of it is that Leo is generating revenue for the agents. This is a great starting point for us if we want to monetize Leo in multiple ways. So we'll continue to update, but the immediate or short-term feedback was better than we expected, to be honest.

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

Q: Thanks for taking me back. I just had some follow-ups. Maybe, just on between U.S. and Canadian markets, I think last quarter you'd called out some weakness in the Canadian market. I just wanted to see how that trended in the second quarter. And then, I have a follow-up.

Ravi Jani - Chief Financial Officer, The Real Brokerage Inc.
Sure, yeah. Thanks, Naved. You're right, the Canadian market has been weaker than the U.S. So in the U.S., our average per agent productivity, transactions per average agent was up around 3%, which was consistent with the market. Again, quite a tough comp, I'd add. But in Canada, our average transactions per agent was actually down 9%, and that's a combination of a challenging market in the provinces where we operate as well as a couple of specific tough comps where a couple of top agents had record first halves of last year, like hundreds of transactions, and this year the numbers are 30 to 50. There's a little bit of a comp issue given the Canadian agent base is a fraction of the U.S. base. It probably exacerbates the percentages, but we are continuing to see declines in Canada on a per agent basis.

Now, on an aggregate Canada basis, our revenue did grow, and our agent count does continue to grow as we've opened up new provinces. But on a per agent basis, the broader market environment is continuing to be a headwind.

Q: Great. And then maybe just to clarify something you said in answering another question, what type of were these contract roles that you converted into employees?

Ravi Jani - Chief Financial Officer, The Real Brokerage Inc.
It was primarily state brokers and compliance specialists. So these were roles that we previously worked with third-party contractor firms that we've now brought on full-time employees. Jenna, if you want to discuss the rationale and how it better serves our agents and gives them local market expertise, maybe you could give Naved some more context.

Jenna Rozenblat - Chief Operating Officer, The Real Brokerage Inc.
Sure, absolutely. I would say there's really twofold here. One is, as we've grown, there's been more work and more demand for those resources. So having those in-house increases the commitment level of those individuals and allows for better connection between the agent population and those roles. And so, what we have found is that there's a better delivery from a work standpoint, and then also just better interactions from our agent population with those folks. And so, a number of reasons why we wanted to do that overall. But at the end of the day, it's to better serve the agents that we have.

Ravi Jani - Chief Financial Officer, The Real Brokerage Inc.
Yeah. Naved, I might just add, because you did ask about mortgage and title previously. Part of the bonus compensation structure for those full-time employee brokers is attached to driving attach rates in the states where they serve. So there is alignment not just in the brokerage, but also across Title and Mortgage, that's one of the other benefits of bringing those roles in-house.

Q: Understood. Thank you.

Ravi Jani - Chief Financial Officer, The Real Brokerage Inc.
Thanks, Naved.

Operator
Thank you. There are no further questions from analysts in the queue. I'll now hand the floor over to CFO, Ravi Jani, for questions from retail investors.

Ravi Jani - Chief Financial Officer, The Real Brokerage Inc.
Thanks, Matthew. Now that we've completed the analyst Q&A portion, we'd like to address a few questions that were submitted through our Say Technologies Shareholder portal. We received some great questions this quarter. And so, we appreciate everybody who participated.

Q: First question for Tamir. As a RE/MAX franchise owner, how will combining two companies with different business models create value for existing franchisees? What specific benefits, opportunities, or competitive advantages should franchise owners expect as the integration moves forward?

Tamir Poleg - Chairman and Chief Executive Officer, The Real Brokerage Inc.
That's a great question. We recognize that franchise owners are the backbone of the RE/MAX network. Our objective is to make their businesses stronger, not to change what has made them successful. RE/MAX franchise owners have spent decades building successful local businesses and around one of the most recognized brands in the real estate space. We believe that the combination gives us the opportunity to strengthen that value proposition by giving franchise owners access to a modern technology platform, AI capabilities, and a broader suite of services that can help them attract and retain productive agents, while improving agent productivity.

Just as importantly, we believe our technology platform can simplify the brokerage technology stack. Today, many brokerages and franchise owners rely on multiple third-party vendors for CRMs, AI tools, communication platforms, and other agent productivity software. We believe that reZEN can replace many of those point solutions, reducing both complexity and cost for franchise owners, while delivering a more integrated experience for agents.

Beyond technology, we also see opportunities to expand the ways franchise owners participate in the economics of their businesses over time through ancillary services such as Mortgage and Title, as well as Real's revenue share model if they choose to, which has been a powerful driver of agent attraction, by the way, and engagement on the Real side. But throughout the process, we're approaching integration with a great deal of respect for the RE/MAX franchise model. Our focus is on preserving the strength that has made the network successful, while bringing together the best capabilities from both organizations. And we believe that's how we create long-term value for all the stakeholders.

Lastly, I will say that I will be on the RE/MAX Broker Owner Conference in Nashville in 10 days. And I'm looking forward to meeting you and sharing more information on our plans moving forward.

Ravi Jani - Chief Financial Officer, The Real Brokerage Inc.
Great. Thanks, Tamir.

Q: Next question for Jenna. What's one decision leadership has made over the past year that shareholders probably didn't notice but you believe will have one of the biggest long-term impacts on Real?

A - Jenna Rozenblat - Chief Operating Officer, The Real Brokerage Inc.
Sure. I would point to a decision that probably isn't obvious from the outside, which is that we decided to invest just as aggressively in using AI to transform our own operations as we did in building AI for the agents. So most people have heard of Leo,

see Leo, but behind the scenes, we've also built an in-house AI automation team, and they're really focused on rethinking how work gets done across every department at Real.

Over the past year, that team has automated hundreds of workflows that we've estimated saved thousands of hours of manual work. That's really one of the reasons we've been able to maintain one of the leanest operating cost structures in the industry, while continuing to scale at a very high rate. It allows our people to spend less time on repetitive administrative work and more time on activities that create value for our agents. What's exciting is that I think we're still in the very early innings. AI just isn't another product for us, right? It's becoming how we build software, how we serve our agents, and how we run our company. Over time, we believe that we'll continue to improve the customer experience, strengthen our operating leverage, and widen our competitive advantage.

Ravi Jani - Chief Financial Officer, The Real Brokerage Inc.
Thanks, Jenna. I'll take the next question.

Q: How much expected profit will this merger bring and positive free cash flow?

Ravi Jani - Chief Financial Officer, The Real Brokerage Inc.
As we noted back in April, on a pro forma basis, the two companies generated approximately $160 million of combined adjusted EBITDA in 2025. If you layer on the $30 million of run rate synergies that we publicly committed to, that number moves to roughly $190 million, and we see that as a floor, not a ceiling. And so, there's a clear path to growing it further through revenue synergies, additional cost synergies, and obviously through organic growth in the businesses. And so that strong foundation plus the numerous levers for adjusted EBITDA growth is what underpins our confidence in the deal's ability to drive higher profitability and durable free cash flow in the future.

Q: Last question for Tamir. How directly tied to the real estate market is the outlook for the company's goals, and is there a plan and path to grow and increase profit, or is any major takeoff going to be reliant on a real estate boom?

Tamir Poleg - Chairman and Chief Executive Officer, The Real Brokerage Inc.
Thanks for the question. The housing market certainly affects transaction volumes, but one of the things we're most proud of is that we've shown consistent growth through both good years and challenging years. And to put that in context, in a typical year, the U.S. sees about $5.2 million existing home sales. We've been running nearly 20% below that, around $4 million, for the past 3 years. In spite of that backdrop, we've grown organically, primarily by taking market share, attracting productive agents, somewhere between 5,000 and 10,000 per year for the past 3 years, while increasing ancillary adoption and expanding margins as we scale.

Those are things that we can control regardless of the macro environment. A healthier housing market would certainly benefit the entire industry, including Real and our agents, but our strategy is not dependent on waiting for the market to improve. Our focus is on continuing to execute and expanding our share of the market that's available today, regardless of market conditions.

Ravi Jani - Chief Financial Officer, The Real Brokerage Inc.
Great. Thank you, Tamir. With that, we can close the call. If you'd be willing to provide the replay instructions, we can then close.

Operator
Absolutely. In order to access the replay, you need to call 877-481-4010 with a confirmation code of 54149. And once again, the replay phone number is 877-481-4010, and the confirmation code is 54149. The replay will be available 2 hours after this call concludes. You may disconnect your phone lines at this time and have a wonderful day. Thank you for your participation.