Opendoor

September 2026 Update from Kaz

September 9, 2026

There has been a lot of speculation lately about where Opendoor is on the path to ANI break-even, and I worry some folks think we are further ahead than we actually are. Rather than have you guess, I want to do two things. First, give you a direct update on how Q3 is tracking, and second, start releasing numbers more frequently so you can track our progress for yourself and hold us accountable.

To say the thing up front: we are not at ANI break-even yet. What we are seeing in the actual numbers of the business this week, the speed of underwriting, the accuracy of our models, the response from our users and the forward revenue created are all going very well. We're making lots of progress, but rebuilds are bumpy.

TL;DR: The worsening housing market at the end of August pushed us roughly six to eight weeks behind on our Adjusted EBITDA guidepost, meaning the twelve-month window in which we expect to be adjusted EBITDA profitable now starts this quarter rather than last quarter. For Q3, we expect revenue to increase 10-15% year over year, Contribution Profit dollars to increase 70-75% year over year, and Contribution Margin to land between 3.2% and 3.5%. We still expect to exit 2026 ANI-positive on a twelve-month go-forward basis.

On our first earnings call I told you we would make the right long-term decisions for the business, not manage it around a quarterly number. August tested whether we meant it.

For most of its life as a public company, Opendoor sold homes slower than the market. Between our IPO and my start date, we cleared at roughly 85% of market pace and lagged the market two days out of every three. We held on to homes under the belief that waiting protected margins. Holding homes was our own version of bloodletting, the "cure" for weak margins. It did not work, and it made this company fragile.

Over my first year, we changed that. We now clear significantly faster than the market, beating it nearly nine days out of ten. This is our job: clear faster.

When we reported earnings in early August, July contribution margin was tracking ahead of our plans and the housing market looked like it might be stabilizing. Instead, the last two weeks of August were among the worst we have seen for housing in years. Clearance slowed further and delistings stayed high. That is not an excuse - it's just what happened.

We had a choice. Slow sales, protect the margin number, and let homes age. Or price to clear. Old Opendoor chose the first option for years. It made the quarter look better, but it made the company worse. We are not doing that again. Time has a cost, and selling homes fast is the discipline this business requires. We are going to clear homes, even when that hurts margins.

Our job is to sell homes, not park inventory or pull listings offline when things get tough. The market got worse, but it did not break our resale engine. We are still clearing faster than the market. That is part of the business we rebuilt, and it held. Don't confuse any of this with the business moving backwards. The business is in materially better condition today. Revenue and contribution margin will both be higher year over year. And as the rest of the rebuild catches up, a market like this will hurt us less going forward.

Nothing longer-term is changing. We expect Opendoor will be ANI-positive on a twelve-month go-forward basis exiting 2026. That depends on buying fast and selling fast. If margins were resetting permanently, that would change things. That is not what is happening. We are repricing one book of inventory and clearing it instead of rolling it into next year.

To help you follow all that we are doing better, both on sales and acquisitions, we are going to give you more to track every week on accountable.opendoor.com. Just as you should not have to wait until earnings to see what is happening on acquisitions, you should not have to wait to see how many homes we sold or how fast we cleared.

Last week, we sold 223 homes, and cleared 19% faster than the market, adjusted for delistings. The weekly numbers will be noisy, just as the acquisition numbers were when we first started publishing them. What matters is the trend: as we buy more homes, are we selling them at the pace we planned and staying ahead of the market or not? And when we are behind, you will see it for yourself.

I told you how we would manage this company: for years, not quarters. Twelve months from now, judge us based on that. Either we fixed the company or not. The core metrics say we are on track. For Q3, year over year, we expect margin to be up. Revenue up. Velocity up. The end of August was absolutely brutal for housing and pushed us back by roughly six to eight weeks. We're not going to take that sitting down.

- Kaz

About Opendoor

Opendoor is a leading e-commerce platform for residential real estate transactions whose mission is to power life's progress, one move at a time. Since 2014, Opendoor has provided people across the U.S. with a simple and certain way to sell and buy a home. Opendoor is a team of problem solvers, innovators, and operators who are leading the future of real estate. Opendoor currently operates in markets nationwide. For more information, please visit www.opendoor.com.

Forward Looking Statements

This communication contains certain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements contained in this communication that do not relate to matters of historical fact should be considered forward-looking, including statements regarding: our expectations for the third quarter of 2026, including with respect to the housing market, Contribution Profit, Contribution Margin, Revenue and Adjusted EBITDA; our expectations for the fourth-quarter and full-year 2026, including with respect to Contribution Margin and Adjusted EBITDA; Adjusted Net Income profitability on a twelve-month go-forward basis; inventory levels and clearance; resale velocity and expected sales volumes; listing availability and performance; mortgage products; operational issues and improvements; margin developments; our business strategy and plans; and our upcoming disclosure of additional operating metrics. These forward-looking statements are based on management’s current expectations, forecasts and assumptions as of the date of this communication. Those assumptions include, among other things, assumptions regarding home pricing, resale velocity, transaction volumes, inventory levels and mix, holding costs, direct selling costs, inventory valuation adjustments, operating expenses, financing costs, housing-market conditions, access to and use of listing data, the performance of our technology and operating systems, and the development and execution of our mortgage products. Because the third quarter is ongoing, the financial and operating estimates described above are preliminary and unaudited and may change as we complete our quarter-end closing and review procedures. Actual results could differ materially from those expressed or implied by these forward-looking statements as a result of, among other things: our ability to implement our strategy and execute our operating plans; the current and future health and stability of the economy and residential housing market; interest rates, inflation, recession, home-price fluctuations, housing inventory and changes in consumer demand; our ability to acquire, price, list and resell homes profitably and expeditiously; inventory aging, holding costs, direct selling costs and inventory valuation adjustments; changes in resale velocity, clearance rates and listing performance; our ability to maintain relationships with multiple listing services and listing-data providers and to comply with their rules and requirements; our ability to manage growth and realize expected benefits from operating, technology, automation, AI, restructuring and cost-reduction initiatives; errors, failures, outages, vulnerabilities or cybersecurity incidents affecting our digital platform, pricing and valuation technology, inventory systems or other operating systems; the development, scaling, funding, regulation and performance of our mortgage products; our ability to access capital, maintain liquidity and finance our real estate inventory and operations; our outstanding convertible notes and any related cash-settlement or dilution effects; competition; changes in laws and regulation; litigation or regulatory actions; our ability to maintain our Nasdaq listing; and volatility in the price of our common stock and warrants. The foregoing list of factors is not exhaustive. You should carefully consider these factors and the other risks and uncertainties described under “Risk Factors” in our most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 19, 2026, as updated by our subsequent periodic reports and other filings with the SEC. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Forward-looking statements speak only as of the date they are made. Readers are cautioned not to place undue reliance on these statements. Except as required by law, we assume no obligation and do not intend to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise. We do not provide any assurance that we will achieve our expectations.

Use of Non-GAAP Financial Measures

To provide investors with additional information regarding financial results of Opendoor Technologies Inc. (the “Company”), this communication includes references to certain non-GAAP financial measures that are used by management. The Company believes these non-GAAP financial measures including Adjusted Gross Profit, Contribution Profit, Adjusted Net Loss, Adjusted EBITDA, and any such non-GAAP financial measures expressed as a Margin, are useful to investors as supplemental operational measurements to evaluate the Company's financial performance.

The non-GAAP financial measures should not be considered in isolation or as a substitute for the Company's reported GAAP results because they may include or exclude certain items as compared to similar GAAP-based measures, and such measures may not be comparable to similarly-titled measures reported by other companies. Management uses these non-GAAP financial measures for financial and operational decision-making and as a means to evaluate period-to-period comparisons. Management believes that these non-GAAP financial measures provide meaningful supplemental information regarding the Company's performance by excluding certain items that may not be indicative of the Company's recurring operating results.

Adjusted Gross Profit and Contribution Profit

We believe that Adjusted Gross Profit and Contribution Profit are useful financial measures for investors as they are supplemental measures used by management in evaluating unit level economics and our operating performance. Each of these measures is intended to present the economics related to homes sold during a given period. We do so by including revenue generated from homes sold (and adjacent services) in the period and only the expenses that are directly attributable to such home sales, even if such expenses were recognized in prior periods, and excluding expenses related to homes that remain in inventory as of the end of the period. Contribution Profit provides investors a measure to assess Opendoor's ability to generate returns on homes sold during a reporting period after considering home purchase costs, renovation and repair costs, holding costs and selling costs.

Adjusted Gross Profit and Contribution Profit are supplemental measures of our operating performance and have limitations as analytical tools. For example, these measures include costs that were recorded in prior periods under GAAP and exclude, in connection with homes held in inventory at the end of the period, costs required to be recorded under GAAP in the same period. Accordingly, these measures should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP.

Adjusted Gross Profit / Margin

We calculate Adjusted Gross Profit as gross profit under GAAP adjusted for (1) inventory valuation adjustment in the current period, and (2) inventory valuation adjustment in prior periods. Inventory valuation adjustment in the current period is calculated by adding back the inventory valuation adjustments recorded during the period on homes that remain in inventory at period end. Inventory valuation adjustment in prior periods is calculated by subtracting the inventory valuation adjustments recorded in prior periods on homes sold in the current period. Adjusted Gross Margin is Adjusted Gross Profit as a percentage of revenue.

We view this metric as an important measure of business performance as it captures gross margin performance isolated to homes sold in a given period and provides comparability across reporting periods. Adjusted Gross Profit helps management assess home pricing, service fees and renovation performance for a specific resale cohort.

Contribution Profit / Margin

We calculate Contribution Profit as Adjusted Gross Profit, minus certain costs incurred on homes sold during the current period including: (1) holding costs incurred in the current period, (2) holding costs incurred in prior periods, and (3) direct selling costs. Contribution Margin is Contribution Profit as a percentage of revenue.

We view this metric as an important measure of business performance as it captures the unit level performance isolated to homes sold in a given period and provides comparability across reporting periods. Contribution Profit helps management assess the revenues and certain costs directly attributable to a specific resale cohort.

Adjusted Net Loss and Adjusted EBITDA / Margin

Adjusted Net Loss and Adjusted EBITDA, which are non-GAAP financial measures that management uses to assess our underlying financial performance, are also commonly used by investors and analysts to compare the underlying performance of companies in our industry. We believe these measures provide investors with meaningful period over period comparisons of our underlying performance, adjusted for certain charges that are non-cash, not directly related to our revenue-generating operations, not aligned to related revenue, or not reflective of ongoing operating results that vary in frequency and amount.

Adjusted Net Loss and Adjusted EBITDA are supplemental measures of our operating performance and have important limitations. For example, these measures exclude the impact of certain costs required to be recorded under GAAP. These measures also include inventory valuation adjustments that were recorded in prior periods under GAAP and exclude, in connection with homes held in inventory at the end of the period, inventory valuation adjustments required to be recorded under GAAP in the same period. These measures could differ substantially from similarly titled measures presented by other companies in our industry or companies in other industries. Accordingly, these measures should not be considered in isolation or as a substitute for analysis of our results as reported under GAAP.

We calculate Adjusted Net Loss as GAAP net loss adjusted to exclude non-cash expenses of stock-based compensation, equity securities fair value adjustment, and the amortization of stock-based compensation capitalized to internally developed software (“IDSW”). It excludes expenses that are not directly related to our revenue-generating operations such as restructuring and CEO make-whole provision. It also excludes loss (gain) on extinguishment of debt as these expenses or gains were incurred as a result of decisions made by management to terminate or partially extinguish portions of our outstanding credit facilities or convertible senior notes early; these expenses or gains are not reflective of ongoing operating results and vary in frequency and amount. Adjusted Net Loss also aligns the timing of inventory valuation adjustments recorded under GAAP to the period in which the related revenue is recorded in order to improve the comparability of this measure to our non-GAAP financial measures of unit economics, as described above. Our calculation of Adjusted Net Loss does not currently include the tax effects of the non-GAAP adjustments because our taxes and such tax effects have not been material to date.

We calculated Adjusted EBITDA as Adjusted Net Loss adjusted for depreciation and amortization, property financing and other interest expense, interest income, and income tax expense. Adjusted EBITDA is a supplemental performance measure that our management uses to assess our operating performance and the operating leverage in our business. Adjusted EBITDA Margin is Adjusted EBITDA as a percentage of revenue.

Opendoor has not provided a quantitative reconciliation of forecasted Contribution Profit to forecasted Gross Profit, forecasted Contribution Margin to forecasted GAAP gross margin, nor a reconciliation of forecasted Adjusted EBITDA to forecasted GAAP net income (loss) within this communication because the Company is unable, without making unreasonable efforts, to calculate certain reconciling items with confidence. These items include, but are not limited to, inventory valuation adjustment and equity securities fair value adjustment. These items, which could materially affect the computation of forward-looking GAAP gross profit (loss), GAAP gross margin, and net income (loss), are inherently uncertain and depend on various factors, some of which are outside of the Company's control. For a full reconciliation of the non-GAAP financial measures referenced in the Company's Q2 2026 Open House press release to their most directly comparable GAAP financial measures, please refer to the Company's Q2 2026 Open House press release, available here.

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