COMPASS

2Q 2022

Business Update & Supplementary Information

Safe Harbor Statement

This presentation includes forward-looking statements, which are statements other than statements of historical facts, and statements in the future tense. These statements include, but are not limited to, statements regarding our future performance, including expected financial results for the third quarter and full year of 2022, plans for our cost reduction program, long-term financial targets, and our expectations for operational achievements. Forward-looking statements are based upon various estimates and assumptions, as well as information known to us as of the date of this presentation, and are subject to risks and uncertainties, including but not limited to: general macroeconomic conditions in the U.S. and globally (e.g., inflation), geopolitical events (e.g., conflict in Ukraine), the health of the U.S. real estate industry, and risks generally incident to the ownership of residential real estate, including seasonal and cyclical trends (e.g., increases in mortgage interest rates, continued limited inventory, slowed consumer demand, reduced home affordability and declines in price appreciation and home prices); our ability to continuously innovate, improve and expand our platform; our ability to attract new agents and retain current agents or increase agents' utilization of our platform; our ability to expand our brokerage and adjacent services businesses; our ability to offer additional adjacent services; our ability to grow revenue from adjacent services at our anticipated rate; our ability to achieve expected benefits from our mortgage business and our joint venture, OriginPoint; our rapid growth and rate of growth; our net losses and ability to achieve or sustain profitability in the future; any future impact of the ongoing COVID-19 pandemic on our business; our ability to compete successfully in the markets in which we operate; the effect of monetary policies of the federal government and its agencies; any decreases in our gross commission income or the percentage of commissions that we collect; fluctuation of our quarterly results and other operating metrics; our ability to successfully complete acquisitions and integrate target companies; the effect of the claims, lawsuits, government investigations and other proceedings that we are subject to from time to time; our ability to protect our intellectual property rights; and other general market, political, economic, and business conditions. Additionally, these forward-looking statements, particularly our expected financial results and long-term financial targets, involve risks, uncertainties and assumptions, including those related to any future impacts of the ongoing COVID-19 pandemic and inflationary pressure on our clients' spending decisions. Significant variation from the assumptions underlying our forward-looking statements could cause our actual results to vary, and the impact could be significant. Accordingly, actual results could differ materially from those predicted or implied or such uncertainties could cause adverse effects on our results. Reported results should not be considered as an indication of future performance.

More information about factors that could adversely affect our results of operations, financial condition and prospects, or that could cause actual results to differ from those expressed or implied in forward-looking statements is included under the captions "Risk Factors", "Legal Proceedings" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our most recent annual report on Form 10-K and our subsequent quarterly reports on Form 10-Q, copies of which are available on the Investor Relations page of our website at https://investors.compass.com/ and on the SEC website at www.sec.gov. All information in this presentation speaks as of August 15, 2022. All forward-looking statements contained herein are based on information available to us as of the date hereof, and we do not assume any obligation to update these statements as a result of new information or future events. Undue reliance should not be placed on the forward-looking statements in this presentation.

Non-GAAP Financial Measures

To supplement our condensed consolidated financial statements, which are prepared in accordance with GAAP, we present certain non-GAAP financial measures, such as Adjusted EBITDA, Adjusted EBITDA margin, non-GAAP C&O, non-GAAP S&M, non-GAAP O&S, non-GAAP R&D, non-GAAP G&A (collectively, non-GAAP financial measures), in this presentation. Our use of non-GAAP financial measures has limitations as an analytical tool, and these measures should not be considered in isolation or as a substitute for analysis of financial results as reported under GAAP.

Compass uses non-GAAP financial measures in conjunction with GAAP measures as part of our overall assessment of our performance, including the preparation of our annual operating budget and quarterly forecasts, to evaluate the effectiveness of our business strategies and to communicate with our board of directors concerning our financial performance. We believe non-GAAP financial measures are also helpful to investors, analysts and other interested parties because they can assist in providing a more consistent and comparable overview of our operations across our historical financial periods. Non-GAAP financial measures have limitations as analytical tools, therefore you should not consider them in isolation or as substitutes for analysis of our results as reported under GAAP. Because of these limitations, you should consider non-GAAP financial measures alongside other financial performance measures, including net loss attributable to Compass, Inc., operating cash flows and our other GAAP measures. In evaluating non-GAAP financial measures , you should be aware that in the future we may incur expenses that are the same as or similar to some of the adjustments reflected in this presentation. Our presentation of non-GAAP financial measures should not be construed to imply that our future results will be unaffected by the types of items excluded from the calculation of non-GAAP financial measures. Non-GAAP financial measures are not presented in accordance with GAAP and the use of these terms varies from others in our industry.

Reconciliations of these non-GAAP financial measures have been provided in the financial statement tables included in this presentation and investors are encouraged to review these reconciliations.

2Q 2022 Highlights

FINANCIAL[1]

$2.0B | +4%

2Q22 Revenue & Y-o-Y Growth

81.5% | +60 BPS

2Q22 Non-GAAP Commission & Other Related Expenses as a % of Revenue & Y-o-Y Increased

$4M | -$67M

2Q22 Adjusted EBITDA & Y-o-Y Change

-$30M | -$111M

2Q22 Free Cash Flow & Y-o-Y Change

OPERATIONAL

12,979 | +22%

2Q22 Average Number of Principal Agents & Y-o-Y Growth

28,103 | +26%

2Q22 Total Avg Agents & Y-o-Y Growth

66,846 | +2%

2Q22 Total Transactions & Y-o-Y Growth

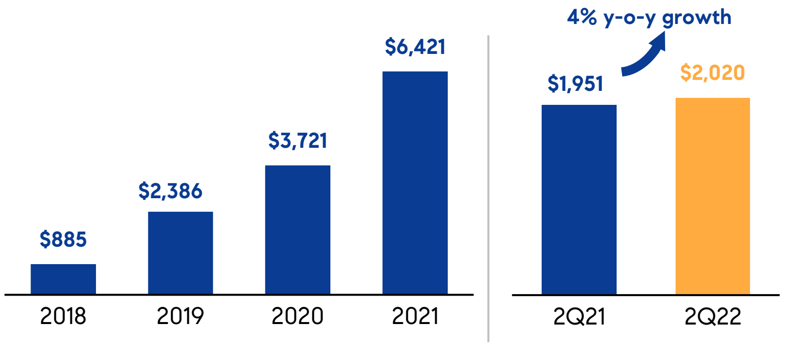
$76.8B | Flat

2Q22 Gross Transaction Volume & Y-o-Y Growth

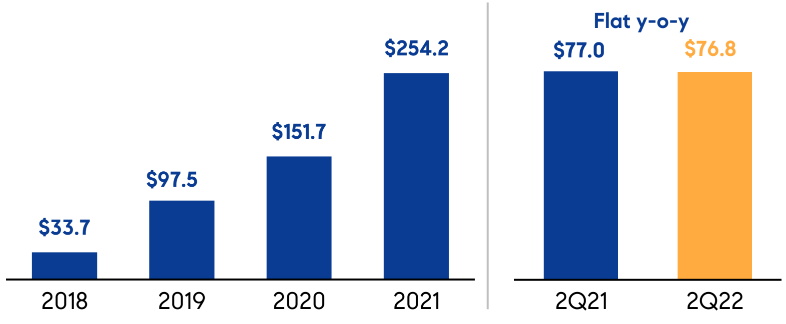
(1) See Financial Tables section for a reconciliation of GAAP to Non-GAAP measures

Strong Growth Over Several Years

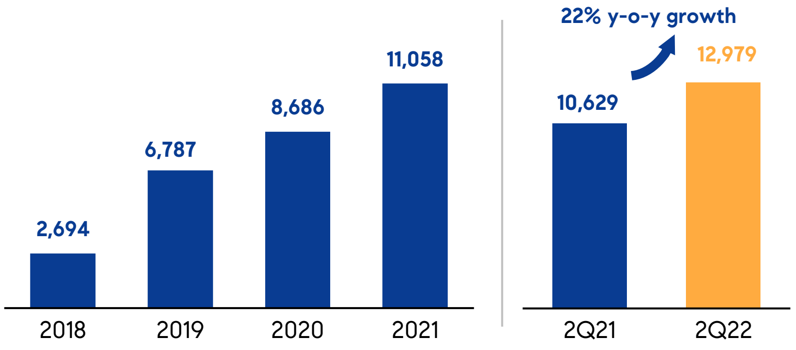
Total Revenue ($M)



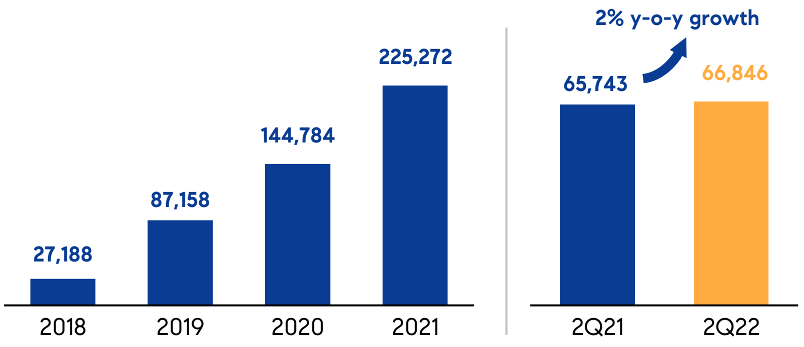
Gross Transaction Value ($B)



Average Number of Principal Agents



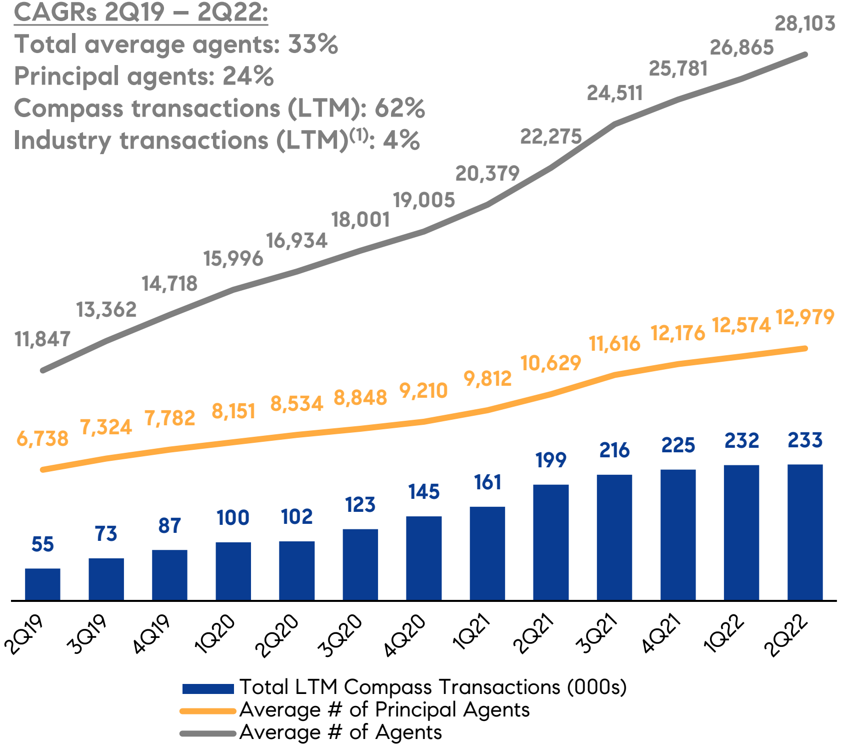
Total Transactions



Growth in agent count and productivity have driven rapid market share gains

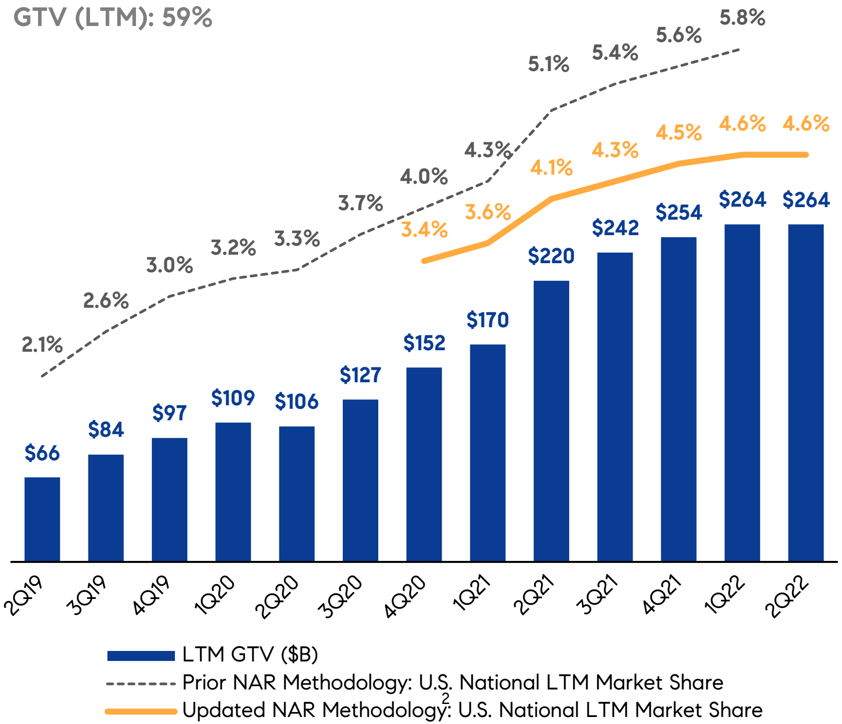
Our agents become more and more productive …

CAGRs 2Q19 – 2Q22:
Total average agents: 33%
Principal agents: 24%
Compass transactions (LTM): 62%
Industry transactions (LTM)[1]: 4%



… driving rapid GTV growth and market share gains

CAGR 2Q19 – 2Q22:
GTV (LTM): 59%



(1) As reported by NAR
(2) On July 21, 2022, NAR restated monthly average (mean) sales prices of existing homes from January 2020 through June 2022 to reflect their change in methodology to better account for outliers of high priced homes, noting that the monthly average (mean) sales prices are NAR's best estimates and given the outliers, they are less reliable. This resulted in higher monthly average (mean) sales prices of existing homes than what was reported prior and increases in total market GTV than what was reported prior.

Guidance

3Q 2022

Revenue	$1.4B - $1.5B
EBITDA	$(85)M - $(60)M
Weighted-Average Share Count	431M – 434M

FY 2022

Revenue	$6.15B - $6.45B
EBITDA	$(225)M - $(150)M
Weighted-Average Share Count	425M – 430M

FY 2023

Non-GAAP Operating Expense after C&O	$1.05B - $1.15B

Reconciliation of GAAP to Non-GAAP Operating Expenses *(in millions, unaudited)*

	Three Months Ended				Twelve Months Ended June 30, 2022
	September 30, 2021	December 31, 2021	March 31, 2022	June 30, 2022	
Non-GAAP operating expenses excluding commissions and other related expense:					
Sales and marketing	$ 120.3	$ 133.7	$ 134.3	$ 143.7	$ 532.0
Operations and support	88.9	97.2	96.5	97.8	380.4
Research and development	76.5	89.0	91.3	88.3	345.1
General and administrative	41.4	41.3	40.4	36.6	159.7
Total non-GAAP operating expenses excluding commissions and other related expense	$ 327.1	$ 361.2	$ 362.5	$ 366.4	$ 1,417.2

The following table provides a reconciliation of total Non-GAAP operating expenses excluding commissions & other related expense to GAAP operating expenses (in millions):

	Three Months Ended				Twelve Months Ended June 30, 2022
	September 30, 2021	December 31, 2021	March 31, 2022	June 30, 2022	
Total non-GAAP operating expenses excluding commissions and other related expense	$ 327.1	$ 361.2	$ 362.5	$ 366.4	$ 1,417.2
Adjustments to reconcile non-GAAP operating expenses excluding commissions and other related expense to GAAP operating expenses:					
Non-GAAP commissions and other related expense	1,404.3	1,301.2	1,129.4	1,646.5	5,481.4
Restructuring costs	—	—	—	18.9	18.9
Depreciation and amortization	16.7	19.3	18.7	25.4	80.1
Stock-based compensation	71.1	93.4	63.8	59.2	287.5
Acquisition related expenses	3.6	9.4	8.1	3.0	24.1
Litigation charge	21.3	—	—	—	21.3
Total GAAP operating expenses	$ 1,844.1	$ 1,784.5	$ 1,582.5	$ 2,119.4	$ 7,330.5

Appendix

Compass & Industry Historical Transactions and Sales Volume Seasonality

NAR Historical Sales Volume Seasonality

	Q1	Q2	Q3	Q4
2016	18%	30%	29%	24%
2017	19%	30%	28%	24%
2018	19%	30%	28%	23%
2019	18%	29%	29%	24%
2020	17%	21%	32%	30%
2021	18%	28%	28%	25%
2016 - 2019	**18%**	**30%**	**28%**	**24%**

Compass Historical GTV Seasonality

	Q1	Q2	Q3	Q4
2018	11%	21%	28%	40%
2019	14%	30%	28%	28%
2020	17%	18%	31%	34%
2021	17%	30%	27%	25%

Source: NAR
Note: The figures presented herein may not sum due to rounding

Financial Tables

Condensed Consolidated Balance Sheets *(in millions, unaudited)*

	June 30, 2022	December 31, 2021
Assets		
Current assets		
Cash and cash equivalents	$ 430.5	$ 618.3
Accounts receivable, net of allowance	61.4	48.5
Compass Concierge receivables, net of allowance	58.2	32.9
Other current assets	109.7	94.9
Total current assets	659.8	794.6
Property and equipment, net	188.6	157.4
Operating lease right-of-use assets	493.6	484.7
Intangible assets, net	115.9	127.2
Goodwill	198.3	188.3
Other non-current assets	59.2	48.4
Total assets	$ 1,715.4	$ 1,800.6
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	$ 43.5	$ 34.6
Commissions payable	95.9	63.9
Accrued expenses and other current liabilities	191.3	240.9
Current lease liabilities	87.7	81.5
Concierge credit facility	30.4	16.2
Total current liabilities	448.8	437.1
Non-current lease liabilities	495.5	483.0
Other non-current liabilities	15.3	32.9
Total liabilities	959.6	953.0
Stockholders' equity		
Common stock	—	—
Additional paid-in capital	2,636.4	2,438.8
Accumulated deficit	(1,884.2)	(1,595.0)
Total Compass, Inc. stockholders' equity	752.2	843.8
Non-controlling interest	3.6	3.8
Total stockholders' equity	755.8	847.6
Total liabilities and stockholders' equity	$ 1,715.4	$ 1,800.6

Condensed Consolidated Statements Of Operations *(in millions, except share and per share data, unaudited)*

	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
Revenue	$ 2,020.1	$ 1,951.4	$ 3,417.1	$ 3,065.3
Operating expenses:				
Commissions and other related expense [(1)]	1,652.9	1,590.4	2,799.3	2,532.6
Sales and marketing [(1)]	154.9	124.3	299.9	235.6
Operations and support [(1)]	104.9	96.7	213.8	166.7
Research and development [(1)]	107.2	73.5	215.4	170.1
General and administrative [(1)]	55.2	59.4	110.5	152.3
Restructuring costs	18.9	—	18.9	—
Depreciation and amortization	25.4	14.9	44.1	28.4
Total operating expenses	2,119.4	1,959.2	3,701.9	3,285.7
Loss from operations	(99.3)	(7.8)	(284.8)	(220.4)
Investment income, net	0.3	—	0.4	—
Interest expense	(0.7)	(0.6)	(1.4)	(1.1)
Loss before income taxes and equity in loss of unconsolidated entity	(99.7)	(8.4)	(285.8)	(221.5)
Income tax (expense) benefit	1.5	1.3	1.4	2.0
Equity in loss of unconsolidated entity	(2.9)	—	(5.0)	—
Net loss	(101.1)	(7.1)	(289.4)	(219.5)
Net (income) loss attributable to non-controlling interests	(0.1)	—	0.2	—
Net loss attributable to Compass, Inc.	$ (101.2)	$ (7.1)	$ (289.2)	$ (219.5)
Net loss per share attributable to Compass, Inc., basic and diluted	$ (0.24)	$ (0.02)	$ (0.69)	$ (0.87)
Weighted-average shares used in computing net loss per share attributable to Compass, Inc., basic and diluted	427,987,083	377,615,338	421,719,718	252,958,956

[(1)] Total stock-based compensation expense included in the condensed consolidated statements of operations is as follows (in millions):

	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
Commissions and other related expense	$ 6.4	$ 11.7	$ 23.4	$ 56.3
Sales and marketing	11.2	8.6	21.9	17.6
Operations and support	4.1	2.8	8.4	7.8
Research and development	18.9	13.5	35.8	63.0
General and administrative	18.6	17.7	33.5	77.1
Total stock-based compensation expense	$ 59.2	$ 54.3	$ 123.0	$ 221.8

Stock-based compensation expense for the six months ended June 30, 2021 includes the following amounts related to a one-time acceleration of stock-based compensation expense in connection with the IPO (in millions):

	IPO Related Expense
Commissions and other related expense	$ 41.7
Sales and marketing	1.8
Operations and support	3.1
Research and development	46.9
General and administrative	55.0
Total stock-based compensation expense	$ 148.5

Condensed Consolidated Statements Of Cash Flows *(in millions, unaudited)*

	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
Operating Activities		
Net loss	$ (289.4)	$ (219.5)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:		
Depreciation and amortization	44.1	28.4
Stock-based compensation	123.0	221.8
Equity in loss of unconsolidated entity	5.0	—
Change in acquisition related contingent consideration	(0.3)	(0.5)
Bad debt expense	3.4	6.2
Amortization of debt issuance costs	0.5	0.6
Changes in operating assets and liabilities:		
Accounts receivable	(14.5)	(10.4)
Compass Concierge receivables	(26.9)	(3.3)
Other current assets	(15.0)	(18.2)
Other non-current assets	(3.3)	(10.8)
Operating lease right-of-use assets and operating lease liabilities	3.9	2.0
Accounts payable	10.6	(5.6)
Commissions payable	31.9	27.8
Accrued expenses and other liabilities	6.7	25.6
Net cash (used in) provided by operating activities	(120.3)	44.1
Investing Activities		
Investment in unconsolidated entity	(12.5)	—
Capital expenditures	(41.4)	(20.1)
Payments for acquisitions, net of cash acquired	(15.0)	(103.8)
Net cash used in investing activities	(68.9)	(123.9)
Financing Activities		
Proceeds from exercise and early exercise of stock options	7.7	16.2
Taxes paid related to net share settlement of equity awards	(13.8)	—
Proceeds from drawdowns on Concierge credit facility	26.7	15.5
Repayments of drawdowns on Concierge credit facility	(12.5)	(12.8)
Payments related to acquisitions, including contingent consideration	(6.7)	(6.7)
Payments of debt issuance costs for credit facilities	—	(1.4)
Proceeds from issuance of common stock upon initial public offering, net of offering costs	—	439.6
Net cash provided by financing activities	1.4	450.4
Net (decrease) increase in cash and cash equivalents	(187.8)	370.6
Cash and cash equivalents at beginning of period	618.3	440.1
Cash and cash equivalents at end of period	$ 430.5	$ 810.7

Net Loss to Adjusted EBITDA Reconciliation *(in millions, unaudited)*

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net loss attributable to Compass, Inc.	$ (101.2)	$ (7.1)	$ (289.2)	$ (219.5)
Adjusted to exclude the following:				
Depreciation and amortization	25.4	14.9	44.1	28.4
Investment income, net	(0.3)	—	(0.4)	—
Interest expense	0.7	0.6	1.4	1.1
Stock-based compensation	59.2	54.3	123.0	221.8
Benefit from income taxes	(1.5)	(1.3)	(1.4)	(2.0)
Restructuring costs	18.9	—	18.9	—
Acquisition-related expenses[1]	3.0	9.9	11.1	10.9
Adjusted EBITDA	$ 4.2	$ 71.3	$ (92.5)	$ 40.7

[1] For the three months ended June 30, 2022 and 2021, acquisition-related expenses includes a $0.7 million gain and a $2.7 million loss, respectively, as a result of changes in the fair value of contingent consideration and $3.7 million and $7.2 million, respectively, in expenses related to acquisition consideration treated as compensation expense over the underlying retention periods. For the six months ended June 30, 2022 and 2021, acquisition-related expenses includes a $0.3 million gain and a $0.5 million gain, respectively, as a result of changes in the fair value of contingent consideration and $11.4 million and $11.4 million, respectively, in expenses related to acquisition consideration treated as compensation expense over the underlying retention periods.

Reconciliation of Operating Cash Flows to Free Cash Flow *(in millions, unaudited)*

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net cash used in operating activities	$ (9.3)	$ 91.4	$ (120.3)	$ 44.1
Less:				
Capital expenditures	(20.6)	(10.1)	(41.4)	(20.1)
Free cash flow	$ (29.9)	$ 81.3	$ (161.7)	$ 24.0

Reconciliation of GAAP to Non-GAAP Operating Expenses *(in millions, unaudited)*

	Three Months Ended June 30, 2022				
	Commissions and other related expense	Sales and marketing	Operations and support	Research and development	General and administrative
GAAP Basis	$ 1,652.9	$ 154.9	$ 104.9	$ 107.2	$ 55.2
Adjusted to exclude the following:					
Stock-based compensation	(6.4)	(11.2)	(4.1)	(18.9)	(18.6)
Acquisition-related expenses	—	—	(3.0)	—	—
Non-GAAP Basis	$ 1,646.5	$ 143.7	$ 97.8	$ 88.3	$ 36.6

	Three Months Ended June 30, 2021				
	Commissions and other related expense	Sales and marketing	Operations and support	Research and development	General and administrative
GAAP Basis	$ 1,590.4	$ 124.3	$ 96.7	$ 73.5	$ 59.4
Adjusted to exclude the following:					
Stock-based compensation	(11.7)	(8.6)	(2.8)	(13.5)	(17.7)
Acquisition-related expenses	—	—	(9.9)	—	—
Non-GAAP Basis	$ 1,578.7	$ 115.7	$ 84.0	$ 60.0	$ 41.7

	Six Months Ended June 30, 2022				
	Commissions and other related expense	Sales and marketing	Operations and support	Research and development	General and administrative
GAAP Basis	$ 2,799.3	$ 299.9	$ 213.8	$ 215.4	$ 110.5
Adjusted to exclude the following:					
Stock-based compensation	(23.4)	(21.9)	(8.4)	(35.8)	(33.5)
Acquisition-related expenses	—	—	(11.1)	—	—
Non-GAAP Basis	$ 2,775.9	$ 278.0	$ 194.3	$ 179.6	$ 77.0

	Six Months Ended June 30, 2021				
	Commissions and other related expense	Sales and marketing	Operations and support	Research and development	General and administrative
GAAP Basis	$ 2,532.6	$ 235.6	$ 166.7	$ 170.1	$ 152.3
Adjusted to exclude the following:					
Stock-based compensation	(56.3)	(17.6)	(7.8)	(63.0)	(77.1)
Acquisition-related expenses	—	—	(10.9)	—	—
Non-GAAP Basis	$ 2,476.3	$ 218.0	$ 148.0	$ 107.1	$ 75.2

Key Business Metrics and Non-GAAP Financial Measures *(unaudited)*

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Total Transactions	66,846	65,743	114,213	106,011
Gross Transaction Value (in billions)	$ 76.8	$ 77.0	$ 130.5	$ 120.8
Average Number of Principal Agents	12,979	10,629	12,777	10,221
Net loss attributable to Compass, Inc. (in millions)	$ (101.2)	$ (7.1)	$ (289.2)	$ (219.5)
Net loss attributable to Compass, Inc. margin	(5.0%)	(0.4%)	(8.5%)	(7.2%)
Adjusted EBITDA[(1)] (in millions)	$ 4.2	$ 71.3	$ (92.5)	$ 40.7
Adjusted EBITDA margin[(1)]	0.2%	3.7%	(2.7%)	1.3%

Non-GAAP Commissions & Other Related Expense Excluding Agent Equity Program Contributions *(In millions, unaudited)*

	Three Months Ended					
	March 31, 2021	**June 30, 2021**	**September 30, 2021**	**December 31, 2021**	**March 31, 2022**	**June 30, 2022**
GAAP commissions & other related expense	$ 942.2	$ 1,590.4	$ 1,430.6	$ 1,347.3	$ 1,146.4	$ 1,652.9
Adjusted for the following:						
Stock-based compensation related to the Agent Equity Program	(44.6)	(11.7)	$ (26.3)	(46.1)	(17.0)	(6.4)
Agent Equity Program contributions	20.1	34.2	27.6	23.6	11.8	16.3
Non-GAAP commissions & other related expense excluding Agent Equity Program contributions	$ 917.7	$ 1,612.9	$ 1,431.9	$ 1,324.8	$ 1,141.2	$ 1,662.8

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