



Company Presentation

NASDAQ FTHM

Fathom is a national, technology-driven, real estate services platform integrating residential brokerage, mortgage, title, insurance, and SaaS offerings to brokerages and agents by leveraging proprietary cloud-based software

UPDATED December 2023



Disclaimer

Fathom Holdings, Inc.



Forward Looking Statements

This presentation contains forward-looking statements about Fathom Holdings Inc. based on management's current expectations, which are subject to known and unknown uncertainties and risks. Our actual results could differ materially from those discussed due to a number of factors, including uncertainty as to our future revenue and profitability, management of growth, interest rates, the real estate market, our ability to raise additional equity and debt financing on favorable terms, competition, general economic and real estate industry uncertainties such as those caused by ongoing anti-trust litigation, and other risk factors set forth from time to time in our SEC filings. We are providing this information as of the date of this presentation and do not undertake any obligation to update any forward-looking statements contained in this presentation as a result of new information, future events or otherwise.

Non-GAAP Measures

This presentation contains certain supplemental financial measures that are not calculated pursuant to U.S. generally accepted accounting principles ("GAAP"). These non-GAAP measures are in addition to, and not a substitute for or superior to, measures of financial performance prepared in accordance with GAAP. For a reconciliation of our non-GAAP measures see the bottom of slide 12, and for important disclosures see slide 18.



Who is Fathom?

The Future of Real Estate



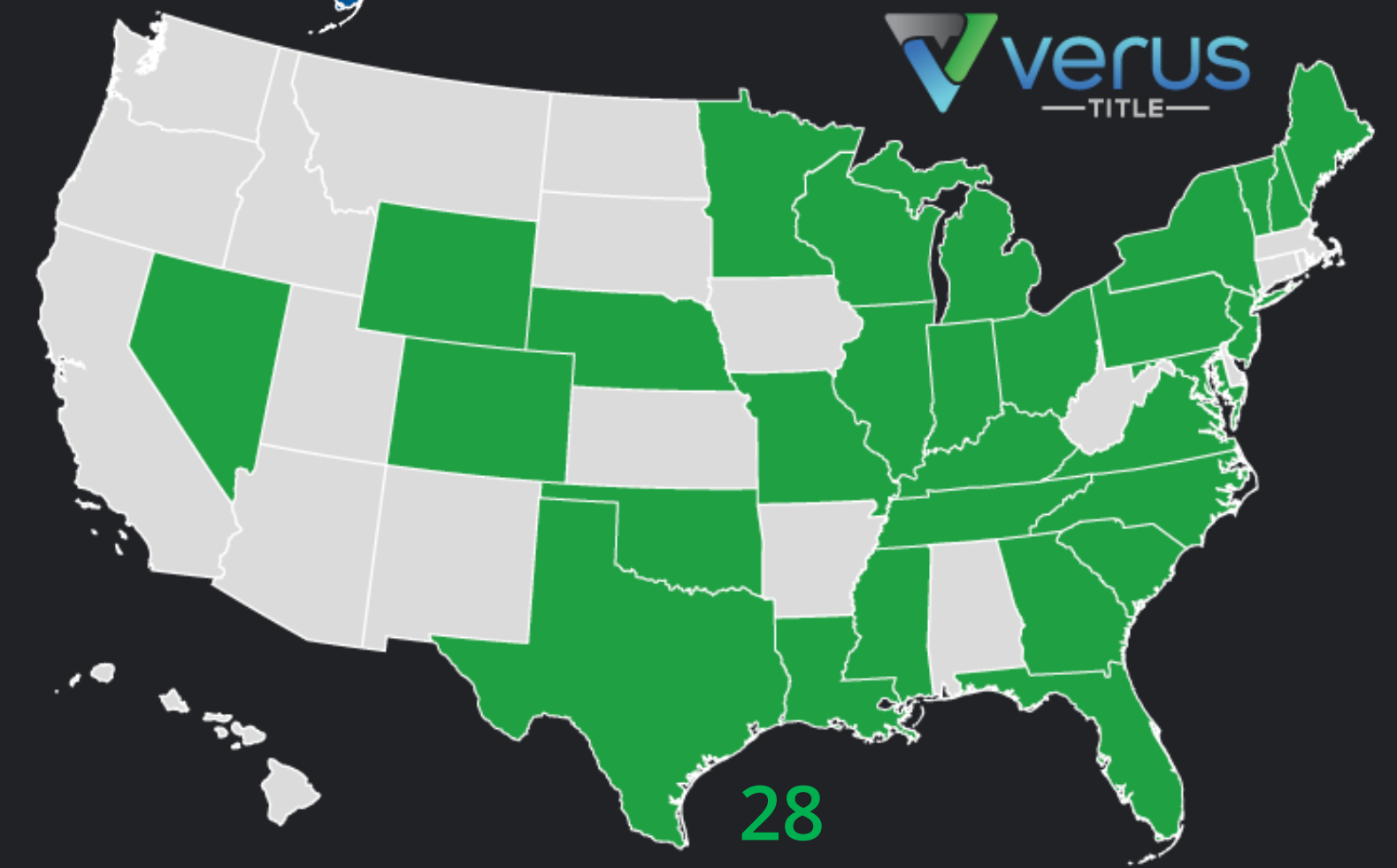
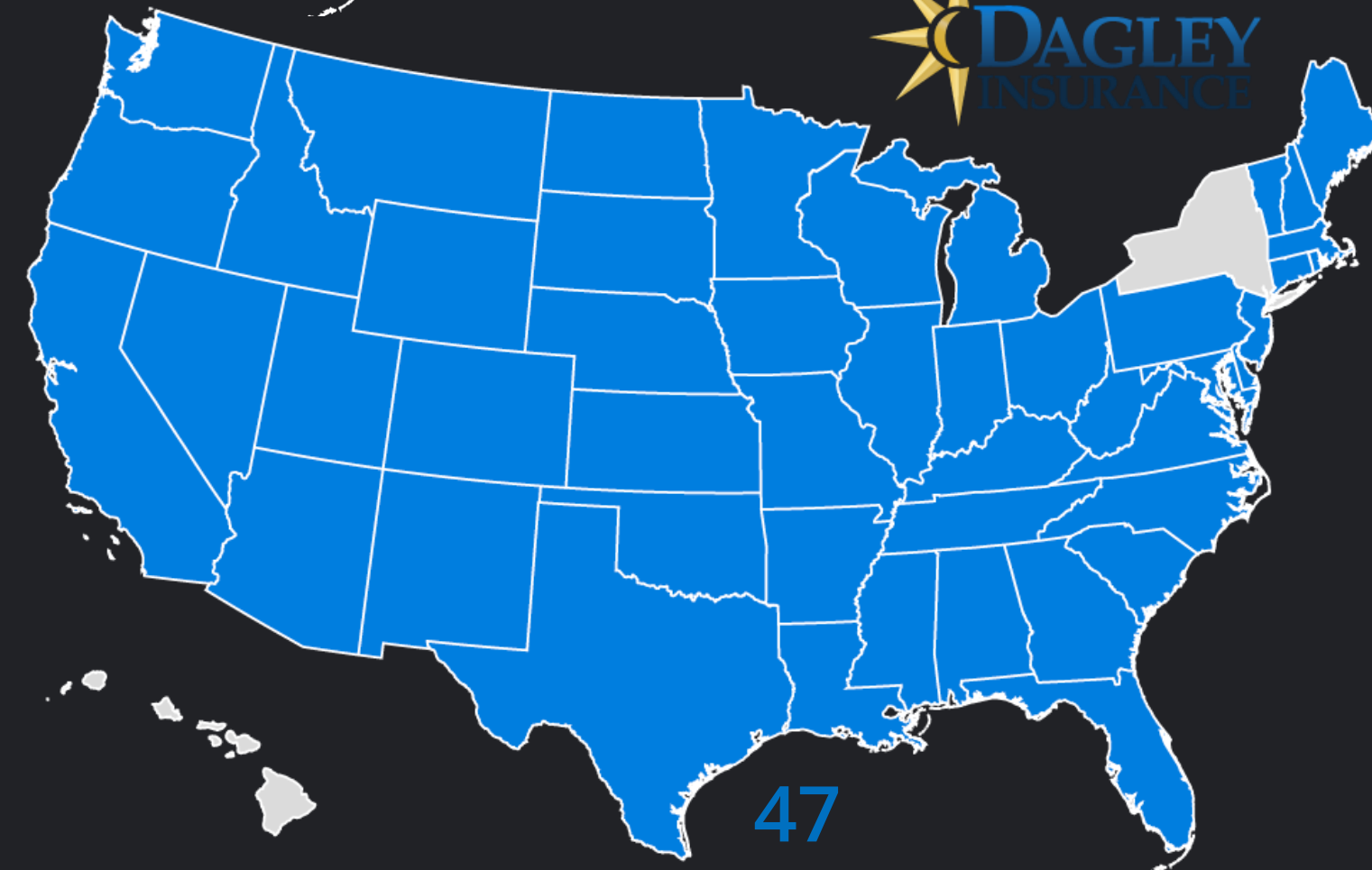
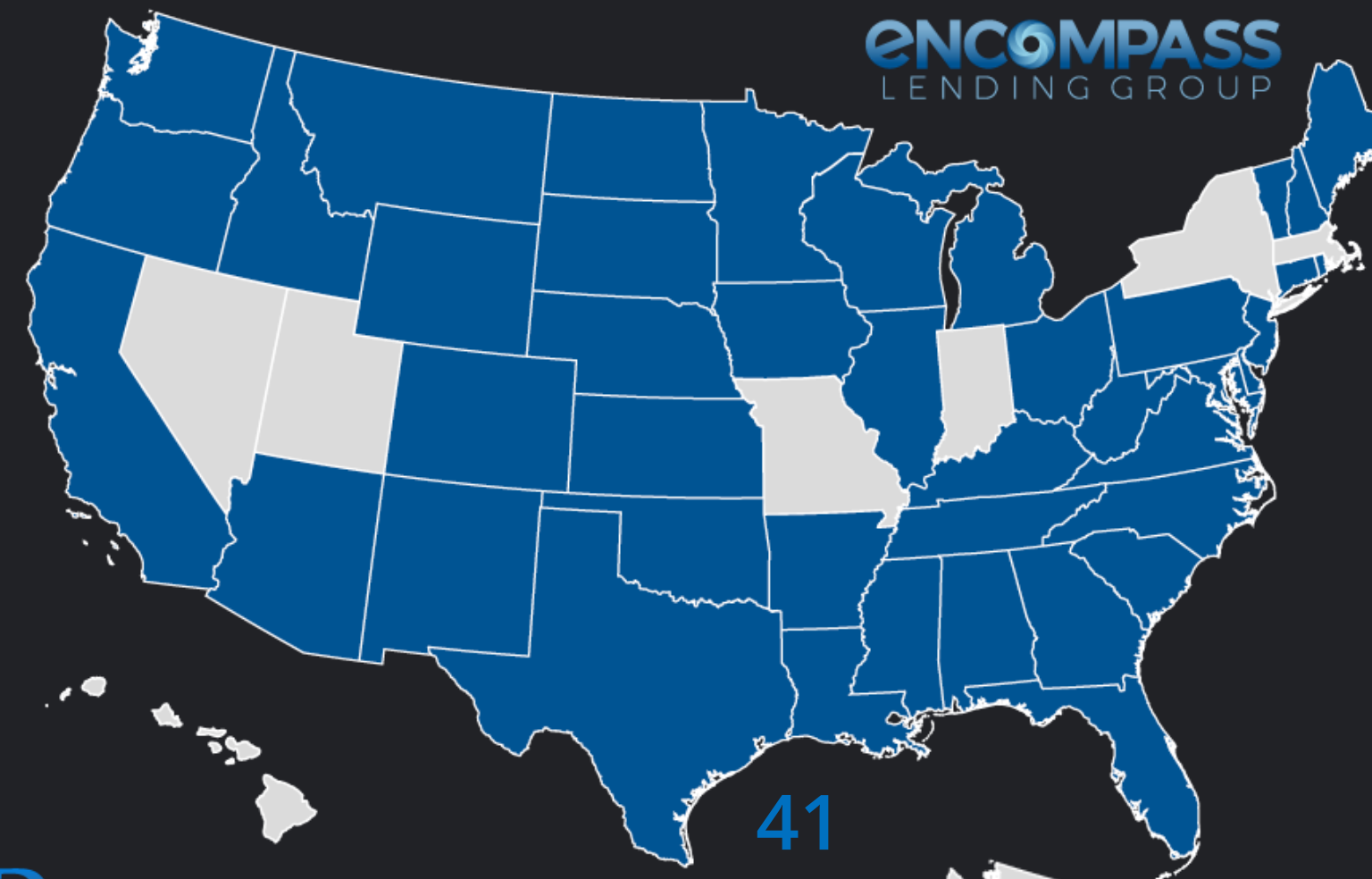
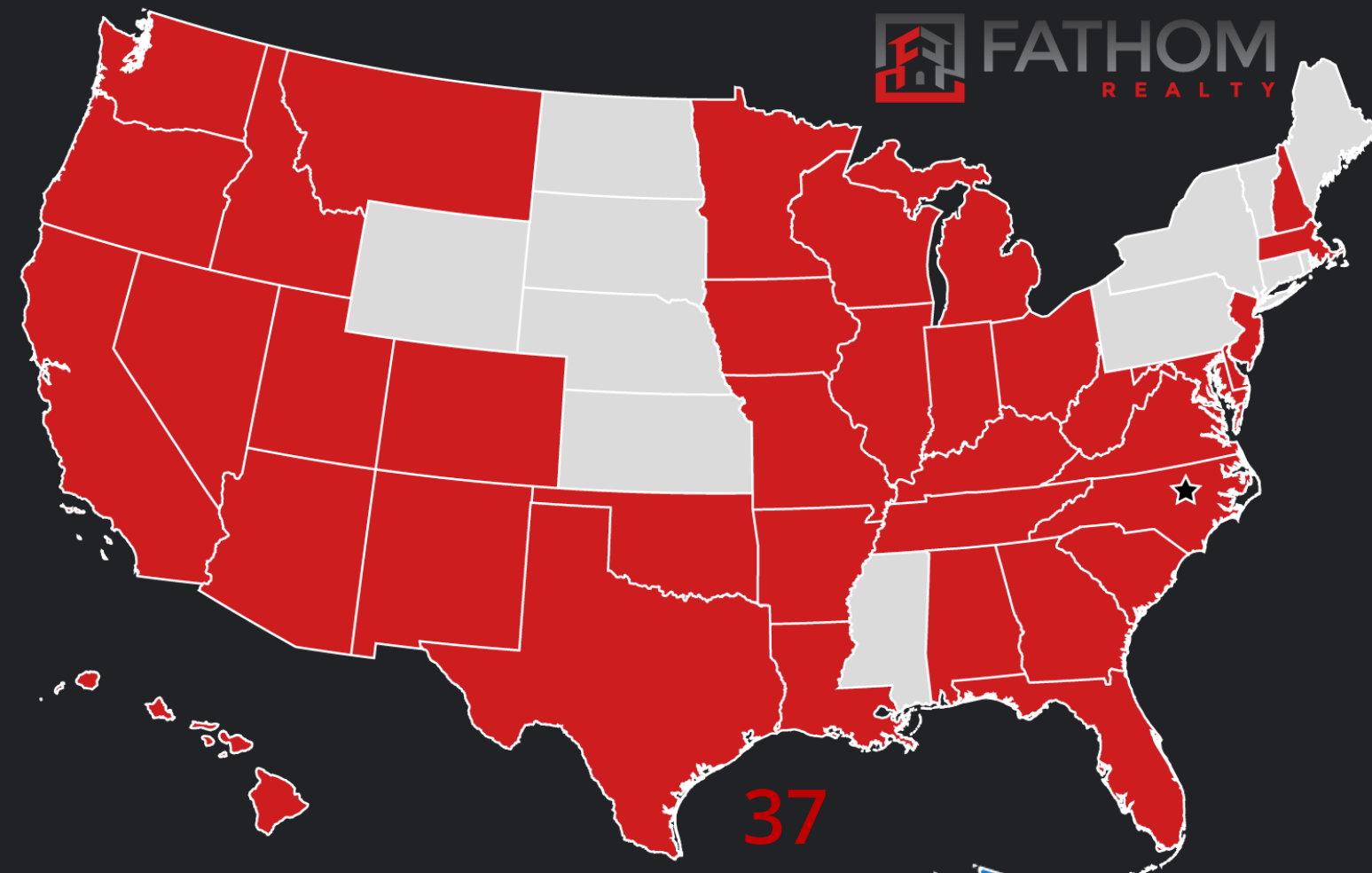
Fathom Holdings is a fast-growing residential real estate brokerage that offers real estate agents the opportunity to keep more of their hard-earned commission dollars through a differentiated commission model. Our unique, low-cost, and disruptive model has allowed Fathom to attract high quality agents and enjoy agent retention rates approximately twice the national average.

In addition, our wholly owned mortgage, title, and insurance businesses allow Fathom to generate significantly more revenue and profit per transaction. Further, Fathom licenses its technology platform to other agents and brokerages through a subscription offering, further increasing long-term revenue potential.

- Industry-best commission model
- In-house technology platform creating a barrier to entry
- Highly scalable and asset-light for faster path to profitability
- Upside on mortgage, title, insurance, and SAAS
- 10th largest brokerage in the U.S.
- All the tech, training, and support of our peers, minus the high fees

National Coverage

Expansion Plans to All 50 States and Canada



Solid Performance

Compared to Overall Market



-15.9%

REVENUE GROWTH

3Q 2023 \$93.5M revenue
Compared to **-25%** for industry

13%

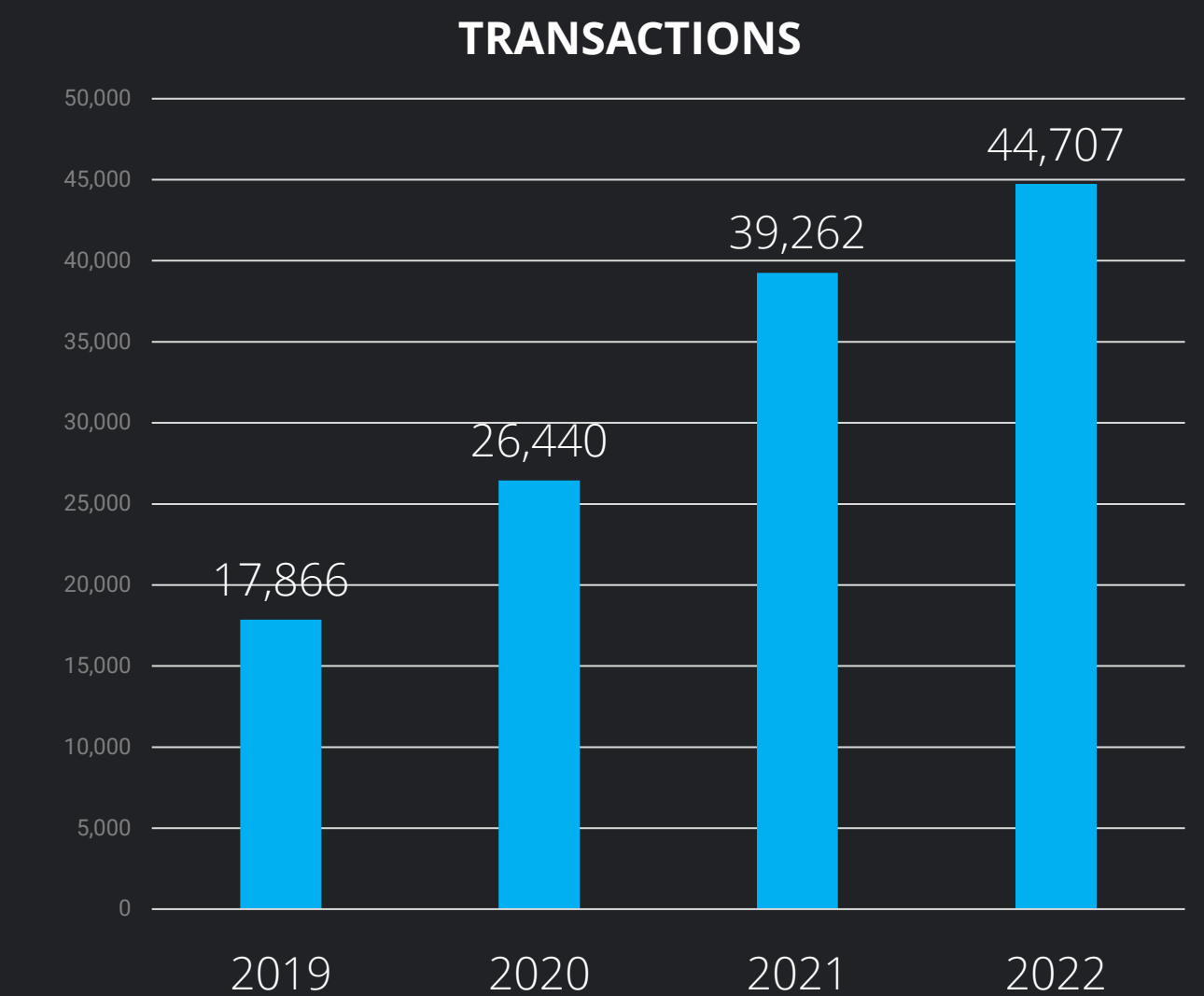
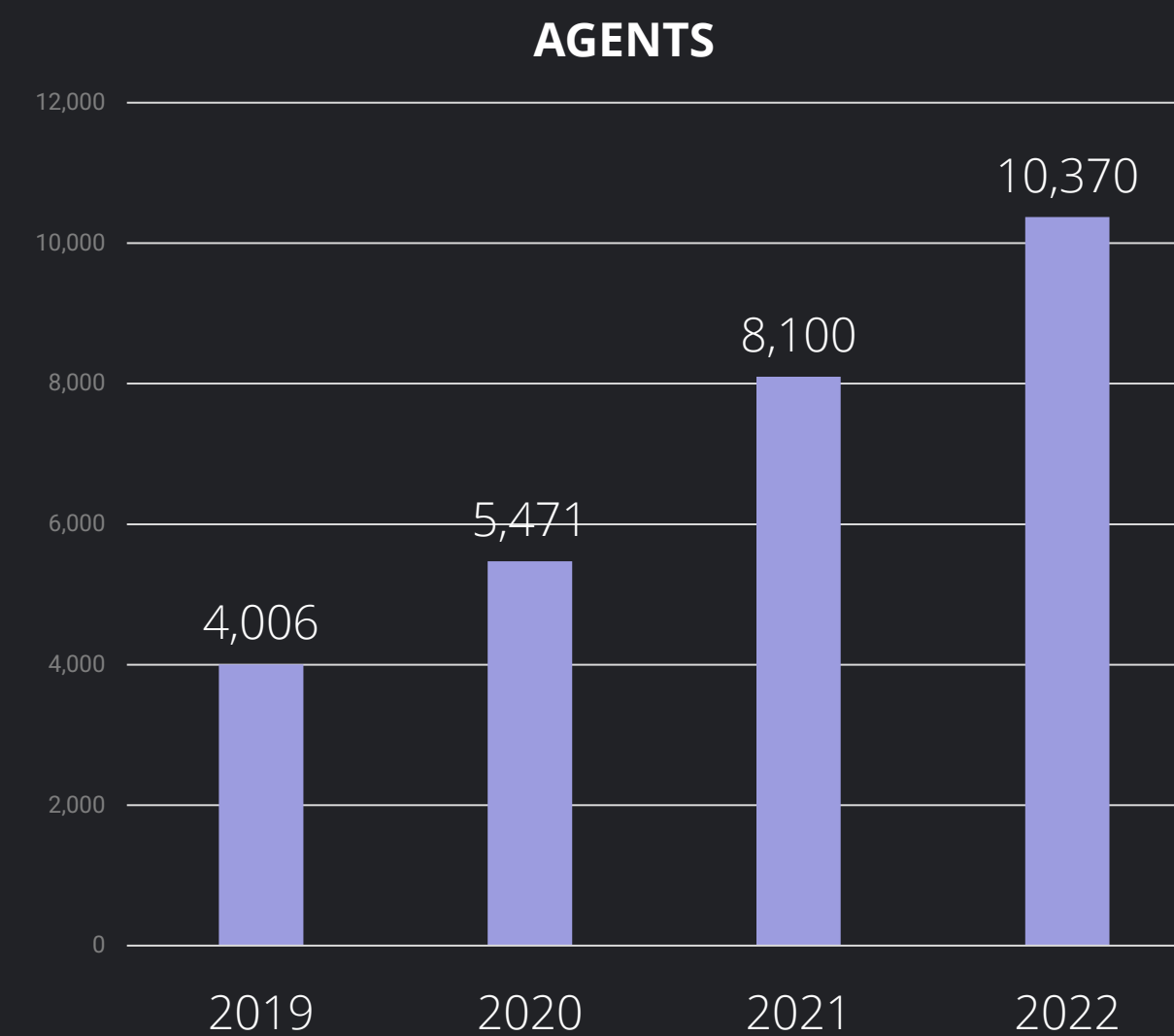
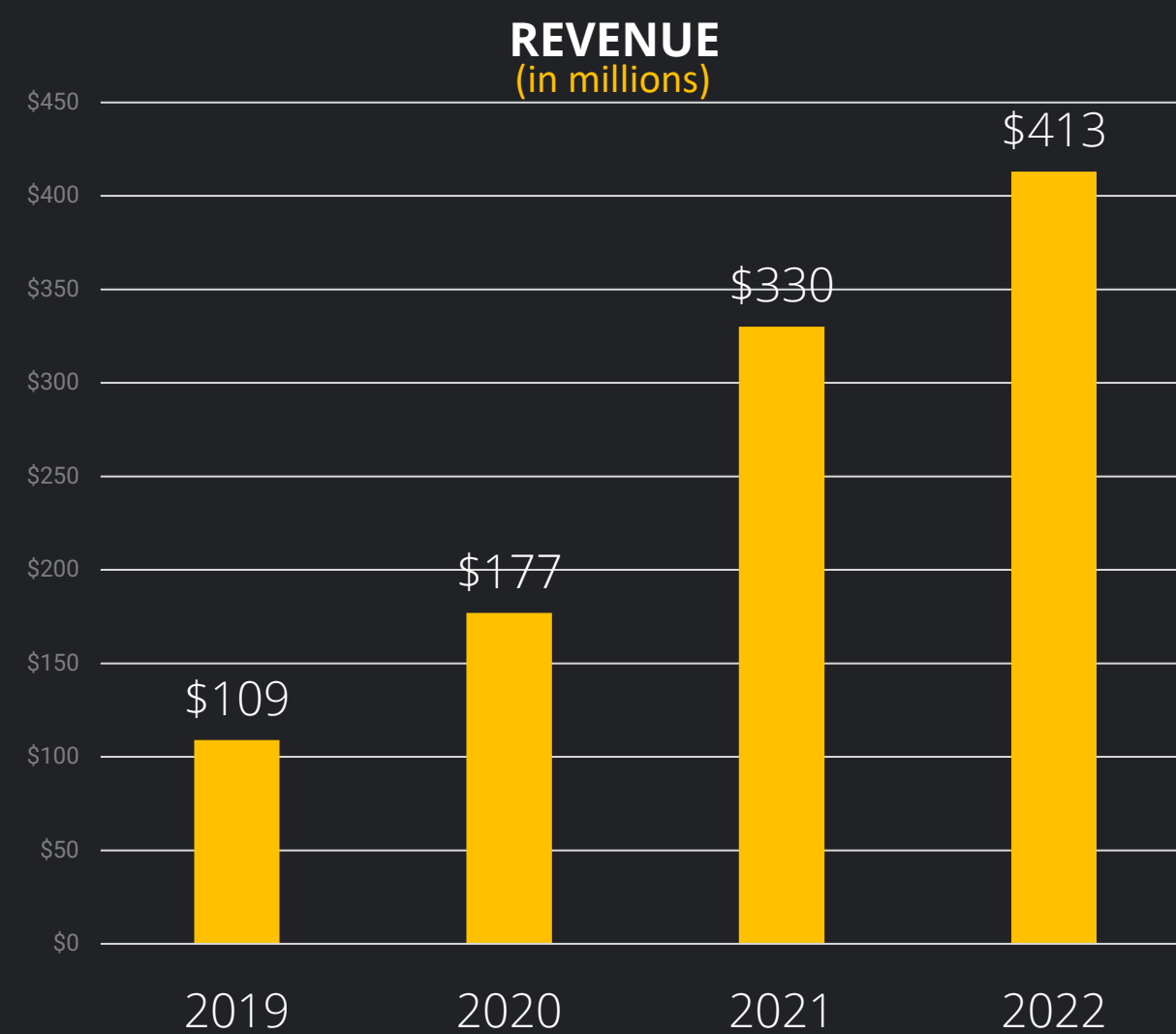
AGENT GROWTH

3Q 2023 11,333 agents
Compared to **-1.6%** for industry

-14.7%

TRANSACTION GROWTH

3Q 2023 10,303 transactions
Compared to over **-20%** for industry



Industry Best Commission Split - Revised for 2024

Fathom Holdings, Inc.



\$700

Annual Subscription Fee

Collected on First Sale of Each Anniversary Year

Half of Industry Average

\$550

Transaction Fee per Sale

\$150/Sale After 15 sales
Resets on Anniversary

5% of Agent's Commission on Average

Agents earn **more** income. Highly **attractive** to agents.



\$431,000 Sale Price
x 2.7% Commission %
\$11,637 Total Commission
- \$550 Flat-fee to Fathom
\$11,087 Total to Agent

vs

TRADITIONAL BROKERAGE

\$431,000 Sale Price
x 2.7% Commission %
\$11,637 Total Commission
- \$3,491 Split to Broker (30%)
\$8,145 Total to Agent

\$2,942* MORE INCOME ON JUST ONE SALE

**based on median sales price and common agent commission in U.S. at the time chart created*



Thousands of Fathom
agents acting as **recruiters**



LEVEL 1

STOCK GRANTS

- \$250 stock grants for referred agents
- 2-year vesting

LEVEL 2

CAP FOR LIFE

- Refer 4 agents* who join Fathom
- Become Capped for life
- Only pay the lower capped fee per sale, forever



LEVEL 3

FREE FOR LIFE

- Refer 4 additional agents* (8 total)
- Become Free for life
- No more fees of any kind



Low Agent Acquisition Cost

Data as of 3Q 2023



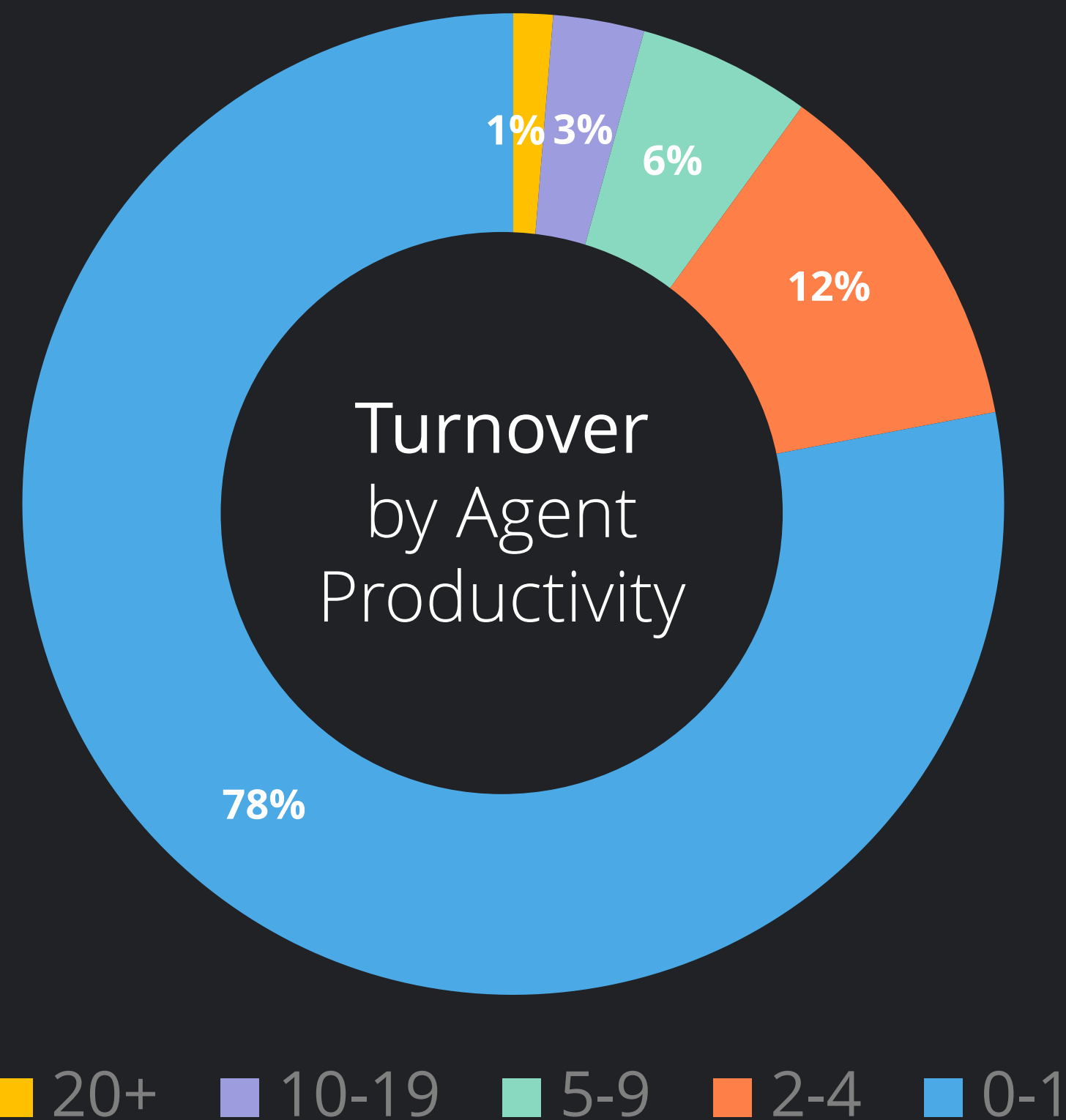

\$1,000
3Q23 Cost to Acquire 1 Agent

Quick Break-even 21X LTV to CAC	
Annual Fee on 1st Sale	+ \$700
Transaction Fee per Sale	+ \$550
Gross Profit on 1st Sale	= \$1,250
Cost to Acquire Agent	- \$1,000
Break-even	First Sale



Low Agent Turnover

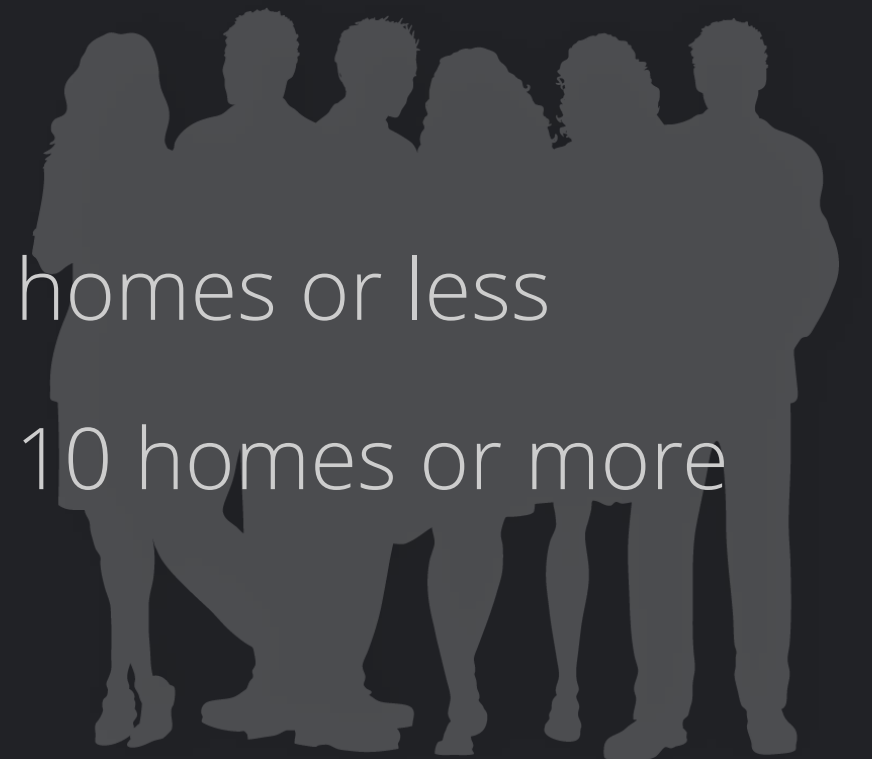
Data as of 3Q 2023



Lower turnover with our model

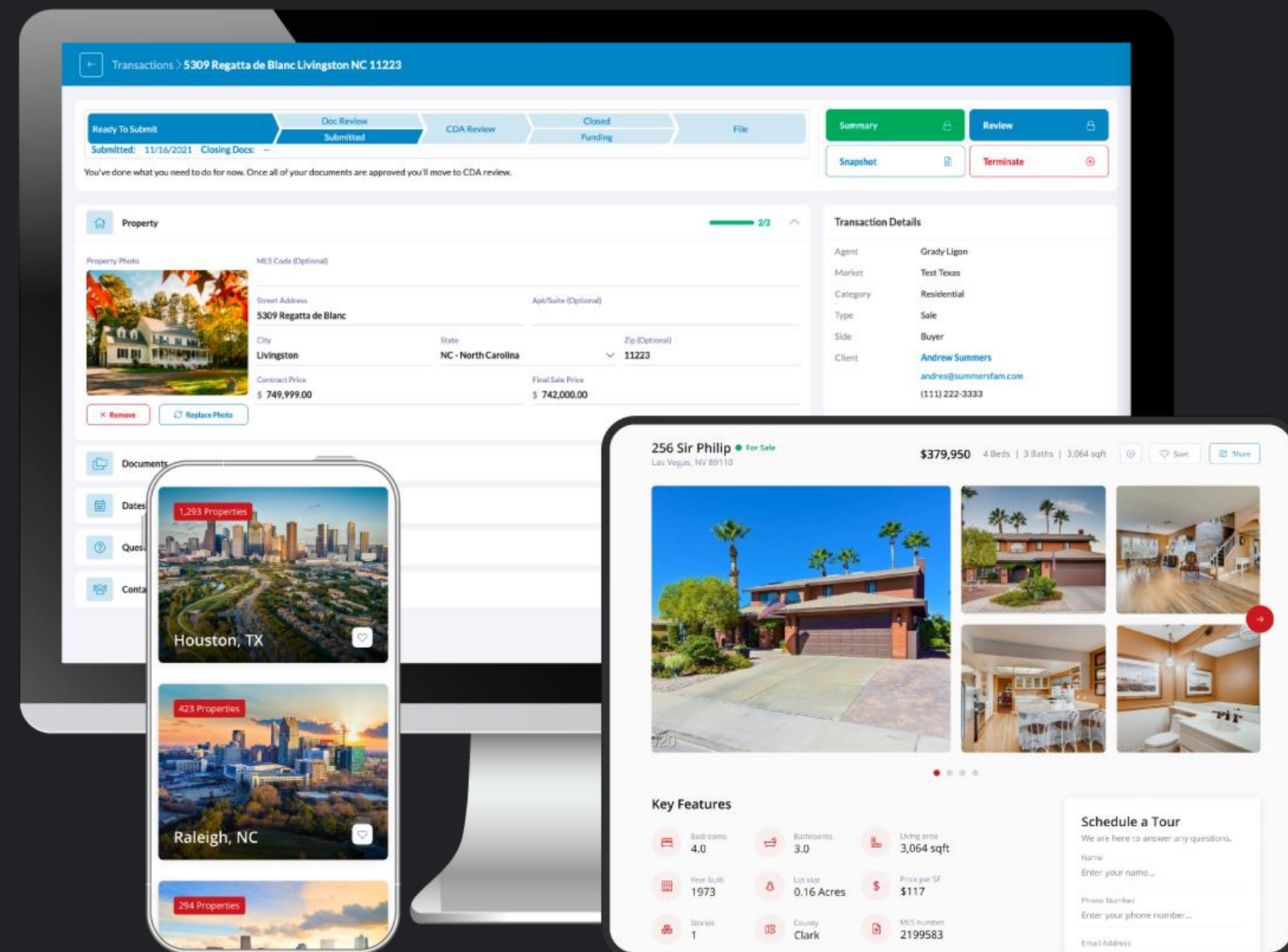
Fathom 1.8% per month
VS
Industry 3%+ per month

- ▶ 90% of the agents who leave sell 4 homes or less
- ▶ Only 4.3% of agents who leave sell 10 homes or more



intelliAgent

Fathom's Proprietary Software



- ▶ **Streamline** and automate operations
- ▶ **Faster** expansion into new markets
- ▶ **Eliminate** external tech costs
- ▶ **Reduce** costs per agent with growth
- ▶ **Improve** attach rates for core businesses
- ▶ **Increase** revenue per transaction and agent

Hypothetical Revenue Model

Fathom Holdings, Inc.



Expected \$40M+ in Adjusted EBITDA
at 100,000 sales, assuming a 10% attach rate



Revenue Breakdown per Business Line (excludes SaaS)					
	REAL ESTATE	LEAD GEN	MORTGAGE	TITLE	INSURANCE
GROSS REVENUE	\$9,000	\$9,000	\$10,000	\$2,000	\$450
GROSS PROFIT	\$550	\$4,500	\$8,000	\$1,200	\$400
GROSS PROFIT MARGIN	6.1%	50.0%	80.0%	60.0%	88.9%
OPERATING PROFIT	\$250	\$1,500	\$2,500	\$650	*\$300
OPERATING PROFIT MARGIN	2.8%	16.7%	25.0%	32.5%	67.0%

*Beginning on the second year after renewal

NOTE 1: Hypothetical numbers based on a \$300,000 real estate sale price

NOTE 2: These are forward-looking statements subject to numerous risks and uncertainties, including those detailed under "risk factors" in our form 10-K and other SEC filings. See important disclosures regarding non-GAAP metrics on pages 2 and 20

Consolidated Statements of Operation

Fathom Holdings, Inc.



	2018 Audited	2019 Audited	2020 Audited	2021 Audited	2022 Audited	Q1 2023 Reviewed	Q2 2023 Reviewed	Q3 2023 Reviewed
Gross commission income	\$77,306	\$111,206	\$176,631	\$314,373	\$390,615	\$73,170	\$94,633	\$88,247
Other service revenue	-	-	153	15,857	22,349	4,371	5,456	5,277
Total Revenue	\$77,306	\$111,206	\$176,784	\$330,230	\$412,964	\$77,541	\$100,089	\$93,524
Commission & other agent-related costs	\$73,437	\$105,257	\$166,344	\$300,509	\$372,246	\$69,172	\$88,892	\$83,770
Operations and support	-	-	21	5,470	8,249	1,614	1,904	1,886
Technology and development (incl. D&A)	-	-	372	3,911	7,715	1,290	1,624	1,760
General and administrative	5,108	9,539	10,316	32,733	43,217	9,601	10,159	9,793
Marketing	255	341	970	1,895	5,218	715	927	796
Depreciation and amortization	23	60	36	1,817	3,096	695	820	891
Total Operating Expenses	\$78,823	\$115,197	\$178,059	\$346,335	\$439,741	\$83,087	\$104,326	\$98,896
Income (loss) from operations	(\$1,517)	(\$3,991)	(\$1,275)	(\$16,105)	(\$26,777)	(\$5,546)	(\$4,237)	(\$5,372)
Other expenses (income), net	119	110	74	(367)	903	143	83	106
Loss before income taxes	(1,636)	(4,101)	(1,349)	(15,738)	(27,680)	(5,689)	(4,320)	(5,478)
Income tax expense (benefit)	27	(8)	(8)	(3,247)	(54)	12	25	18
Net Loss	(\$1,663)	(\$4,093)	(\$1,341)	(\$12,491)	(\$27,626)	(\$5,701)	(\$4,345)	(\$5,496)
Other expenses (income), net	119	110	74	(367)	903	143	83	106
Income tax expense (benefit)	27	(8)	(8)	(3,247)	(54)	12	25	18
Depreciation and amortization	23	60	166	2,748	5,346	1,357	1,510	1,599
Other non-cash and transaction-related cost	-	-	-	1,187	73	-	-	200
Stock compensation expense	253	1,630	728	4,011	9,131	2,820	3,185	3,320
Adjusted EBITDA	(\$1,241)	(\$2,301)	(\$381)	(\$8,159)	(\$12,227)	(\$1,369)	\$458	\$(253)

(in 000's)

Immediate Initiatives as Chief Executive Officer

Fathom Holdings, Inc.



Marco Fregenal

CEO

1. **Cut costs** by up to \$1.2M per quarter to ensure Cash Flow Positive in 2Q24
2. Raised agent fees for 2024 to **increase EBITDA** by approximately **\$3.1M** in 2024
3. **Raised capital** in December 2023 to fortify balance sheet, safeguard against possible market volatility, and position Fathom for **growth opportunities**
4. Implemented strategy to **increase agent growth** by an additional **50% or greater**
5. **Improve Fathom's tech** offering to further drive operations, agent productivity, and agent recruitment

Growth Initiatives for Founder & Chief Evangelist

Fathom Holdings, Inc.



Josh Harley

Founder

1. Implement an aggressive walk-over strategy to increase agent growth through small brokerages
2. Engage current Fathom agents to improve agent referrals, agent retention, and attach rate for mortgage, title, and insurance
3. Remain the face of Fathom to the industry, speaking at industry events, and engaging the media to promote Fathom

Meet The Executives

Fathom Holdings, Inc.



Josh Harley

Founder

Past Chair & CEO of Fathom
U.S. Marine Corps Veteran
Past CEO of Everdrive



Marco Fregenal

CEO | CFO

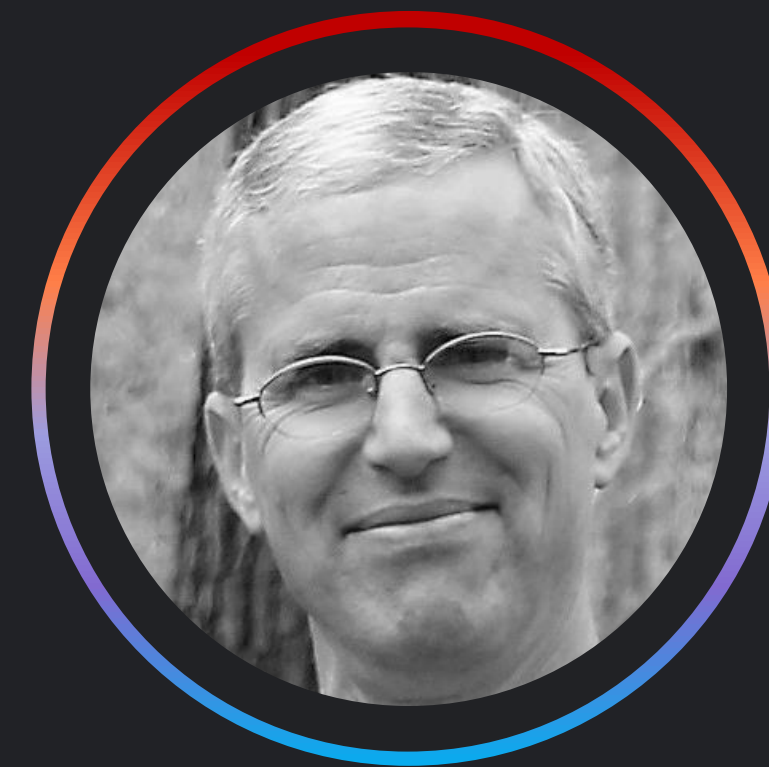
Past President of Fathom
Past COO of PageNet Brazil
Past Co-founder How Stuff Works



Samantha Giuggio

Realty COO

Past SVP of Fathom Realty
Past Regional VP of Fathom
Realty



Scott Loftin

CTO

Past CIO of PageNet Brazil
Past CTO How Stuff Works



Joanne Zach

Sr. VP of Finance

CPA, Corporate Finance Leader
25 years public and private industry
Past – Auditor, Arthur Andersen

Meet The Board Members

Fathom Holdings, Inc.



Scott Flanders

Board Chair

Past Chief Executive Officer of eHealth, Inc.



David Hood

Audit Chair

Past Audit partner at Ernst & Young; Past Vice President, Finance at Quintiles Americas



Jennifer Venable

Nom & Gov Chair

VP and General Counsel at Capitol Broadcasting Co.; Past Commercial Counsel and Senior Partner Manager of Red Hat



Steve Murray

Board Member

Chief Executive Officer and Founder of REAL Trends



Ravila Gupta

Board Member

President and Chief Executive Officer of Bagchi Group



Glenn Sampson

Board Member

Held various senior level positions at Exxon Mobil; Original private investor in FTHM



APPENDIX



Disclaimer

Fathom Holdings, Inc.



Note About Non-GAAP Financial Measures

To supplement its consolidated financial statements, which are prepared and presented in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"), the Company uses Adjusted EBITDA, a non-GAAP financial measure, to understand and evaluate its core operating performance. This non-GAAP financial measure, which may be different than similarly titled measures used by other companies, is presented to enhance investors' overall understanding of the Company's financial performance and should not be considered a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP.

Fathom defines Adjusted EBITDA as net loss, excluding other (income) expense, net, income tax expense, depreciation and amortization, and share-based compensation expense.

Fathom believes that Adjusted EBITDA provides useful information about the Company's financial performance, enhances the overall understanding of our past performance and future prospects, and allows for greater transparency with respect to a key metric used by management for financial and operational decision-making. The Company believes that Adjusted EBITDA helps identify underlying trends in its business that otherwise could be masked by the effect of the expenses excluded in Adjusted EBITDA. In particular, Fathom believes the exclusion of share-based compensation expense related to restricted stock and restricted stock unit awards provides a useful supplemental measure in evaluating the performance of its operations and provides better transparency into its results of operations.

Adjusted EBITDA is being presented to assist investors in seeing the Company's financial performance through the eyes of management, and because it believes this measure provides an additional tool for investors to use in comparing Fathom's core financial performance over multiple periods with other companies in its industry.

Adjusted EBITDA should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. There are a number of limitations related to the use of Adjusted EBITDA compared to net loss, the closest comparable GAAP measure, including: Adjusted EBITDA excludes share-based compensation expense related to restricted stock and restricted stock unit awards, which have been, and will continue to be for the foreseeable future, significant recurring expenses in the Company's business and an important part of its compensation strategy; and Adjusted EBITDA excludes certain recurring, non-cash charges such as depreciation and amortization of property and equipment and acquired and internally developed intangible assets, although these are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future.



Industry Lawsuits - Risk and Potential Benefit

Fathom Holdings, Inc.



What

Anti-trust commission lawsuits claiming conspiracy and collusion to keep agent commissions artificially high. Every brokerage and real estate association could eventually be named in copycat lawsuits.

Did Fathom Conspire? **NO!**

Risk

Fathom named in copycat lawsuit in Texas. Initial cost to defend against lawsuit and possible damages if found guilty. Fathom's flat fee commission model could counter the argument that Fathom benefited from a perceived conspiracy.

FATHOM LISTINGS

- 68% were below 2.5%
- 47% were below 2%
- 19% were below 1%
- Only 24% were 2.5-3%

Benefit

*POTENTIAL

Long term industry ramifications could be a further compression on agent commissions. This could lead agents to look for a lower cost brokerage to recoup lost commission income. Fathom could be a beneficiary of lawsuits.



Awards & Recognition

Fathom Holdings, Inc.



TOP 100 PLACES TO WORK

The Dallas Morning News

2017 #3	2018 #1
2019 #2	2020 #2
2021 #3	2022 #4



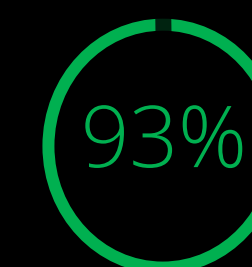
REALTRENDS
GC2022
GAMECHANGERS
Josh Harley

SP200 Most Powerful
Leaders In Real Estate

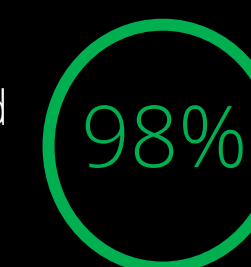


Josh Harley
Fathom Realty CEO, #75

glassdoor
4.7 ★★★★★



Recommend a Friend



Approve of CEO

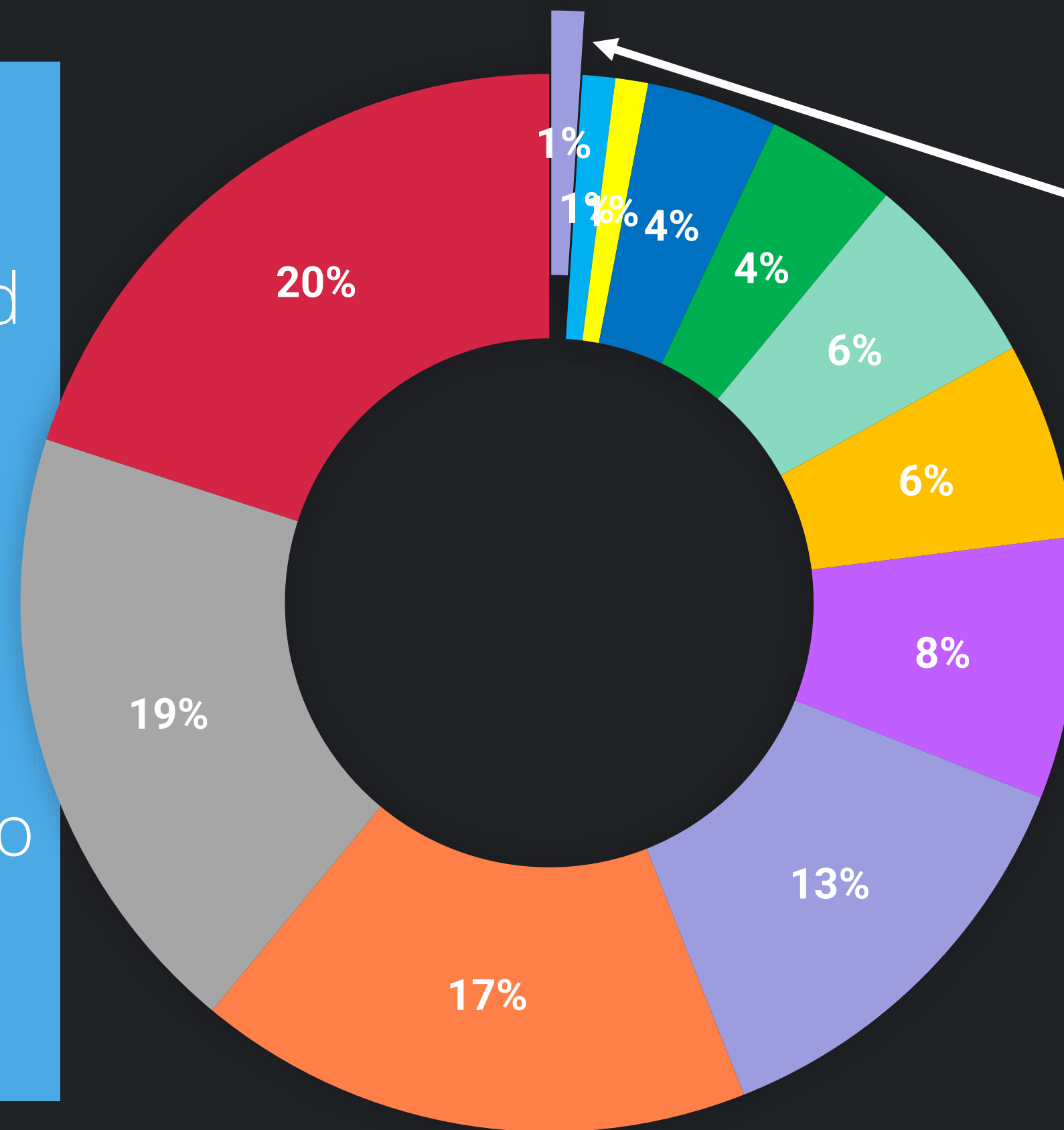
Agents Win Business

Not Brands



Over **96%** of clients chose an agent based on their abilities, relationships, or marketing

Only **1%** of clients chose an agent due to what brokerage they were with



Why Clients Chose Their Agent

- Agent's Brokerage 1%
- Agent's Pro Designations 1%
- Agent's Volunteerism 1%
- Agent Accessibility 4%
- Other 4%
- Agent is Caring 6%
- Agent Timely Responses 6%
- Agent's Knowledge of Area 8%
- Agent is Friend/Family 13%
- Agent Reputation 17%
- Agent's Experience 19%
- Agent is Honest 20%

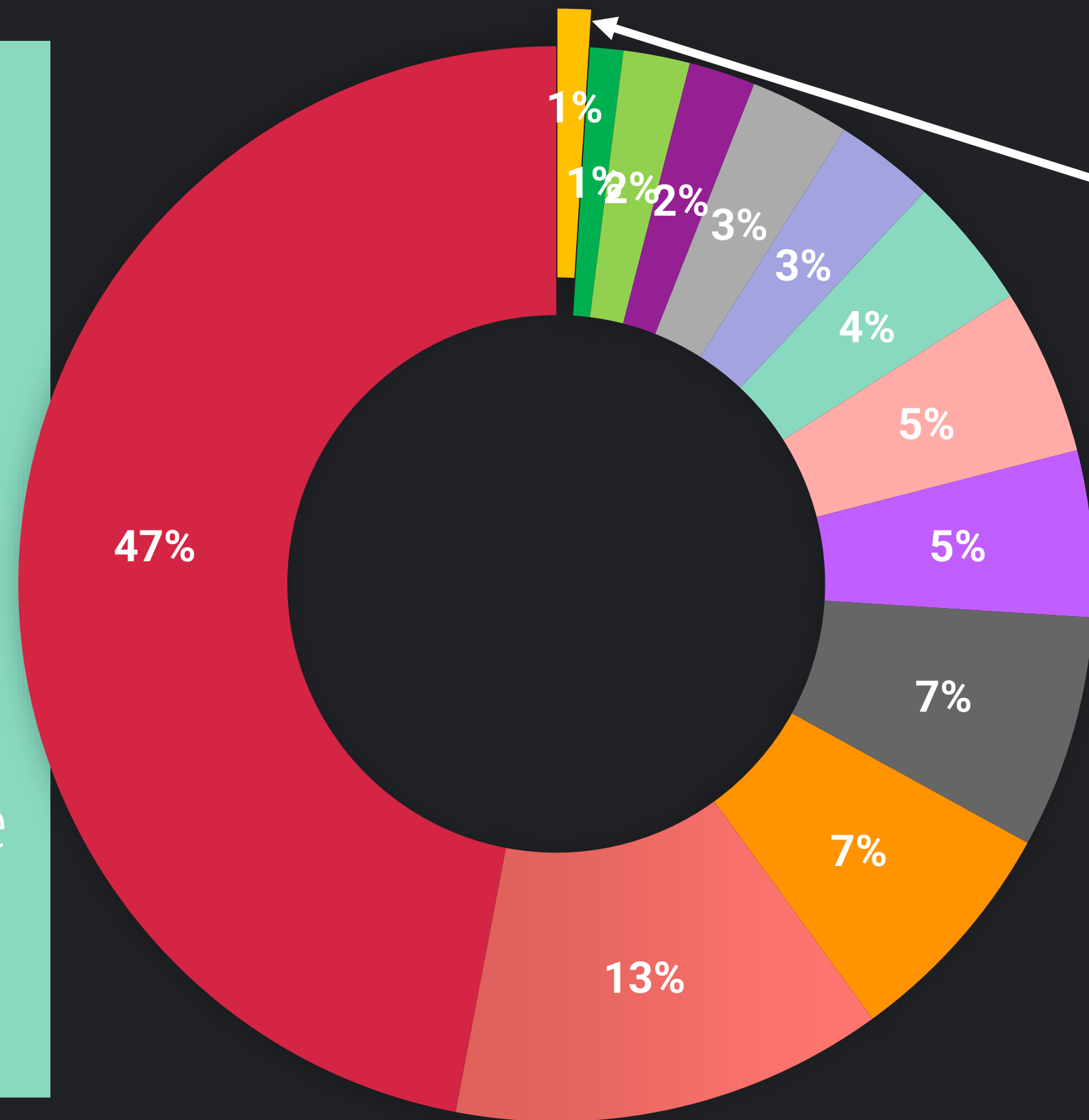
Relationships Win Business

Not Offices



Over **95%** of buyers found their agent through that agent's relationships and marketing

Only **1%** of buyers found their agent due to agent being at an office



How Clients Find a Real Estate Agent

- Walked Into or Called Office 1%
- Mobile App 1%
- Social Media 2%
- Company Relocation 2%
- Contacted by Agent 3%
- Other 3%
- Visited Agent's Open House 4%
- Saw For Sale Sign 5%
- Referred by Other Agent 5%
- Website Registration 7%
- Online Property Inquiry 7%
- Used Agent Previously 13%
- Referred by Friend/Family 47%