



FATHOM

Investor Presentation

NASDAQ **FTHM**

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

[VISIT IR.FATHOMINC.COM](https://ir.fathominc.com) →

June 2024



Legal **Disclaimer**

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 13, and for important disclosures see slide 17.



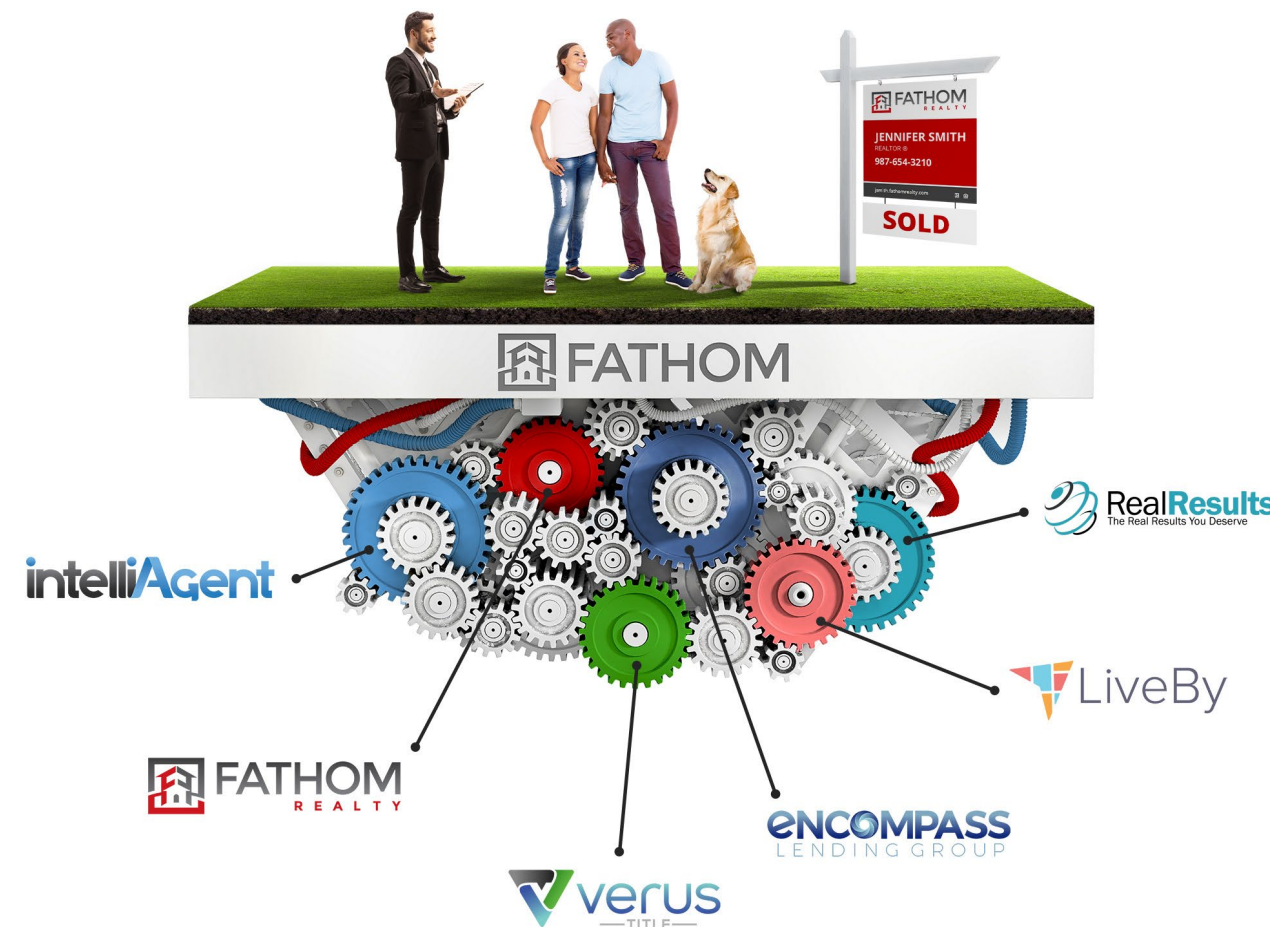
Who is **Fathom**?

The future of real estate.

Fathom Realty is a fast-growing real estate company that is redefining what a brokerage should look like. Fathom's mission has always been to transform the industry through radical innovation, fostering a culture of care, and offering agents the highest income potential. Our reimagined revenue share program rewards agents for contributing to our growth and together, we are building a future where everyone wins.

Fathom 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 and title businesses allow Fathom to generate more revenue and profit per transaction.



Investment **Highlights**

Unmatched Agent Value Proposition

1. Industry-best commission plans
2. Revenue sharing on all plans
3. All the tech, training, and support of the largest brands, minus the high fees

Competitive Advantage

4. Highly scalable and asset-light
5. Proprietary technology platform creating a barrier to entry
6. Upside on mortgage, title, and SaaS
7. Experienced management team



Fathom's Guiding Principles

CARE. We believe first and foremost in caring for others as ourselves. In placing this principle at our very core, it will guide our actions as we grow and make decisions that affect our agents, our stockholders, our clients, and the communities in which we serve.

SERVICE. We believe in the principles of servant leadership. By truly serving others and placing their needs first, we believe they will return that service through excellence, growth, and goodwill.

INTEGRITY. We believe that building trust through integrity is vital in serving our agents and our clients. Therefore, we will be honest and upright in our conduct, unimpaired by selfish ambition or motives.

ACCEPTANCE. We believe that we are called to treat everyone with dignity and honor. We are not called to judge others. Instead, we are called to love and serve them.

RESPECT. We believe in treating others with respect and humility, listening to their words, and seeking first to understand. In doing so, we will build trust and become stronger as an organization, an industry, and a community.

SUPPORT. We believe in supporting others through the sharing of ideas, resources, and helping each other grow both personally and professionally. We will strive to exceed expectations on each and every opportunity.

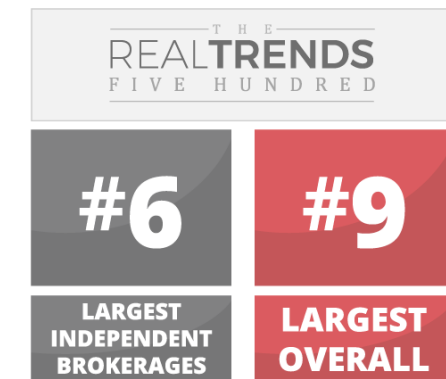
CHARITY. We believe that it is our shared responsibility to feed the hungry, clothe and shelter the poor, and care for the sick. It is with that belief we serve our local communities through agent-led service projects and company-wide charitable giving.

FAMILY. We believe that Fathom is a family and in being such, we help each other, we serve each other, we respect each other, we protect each other, and we care for each other. We do not just talk about being a family, we live it.

TOP 100
PLACES TO WORK

The Dallas Morning News

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



glasdoor

4.7 ★★★★★



Recommend a Friend

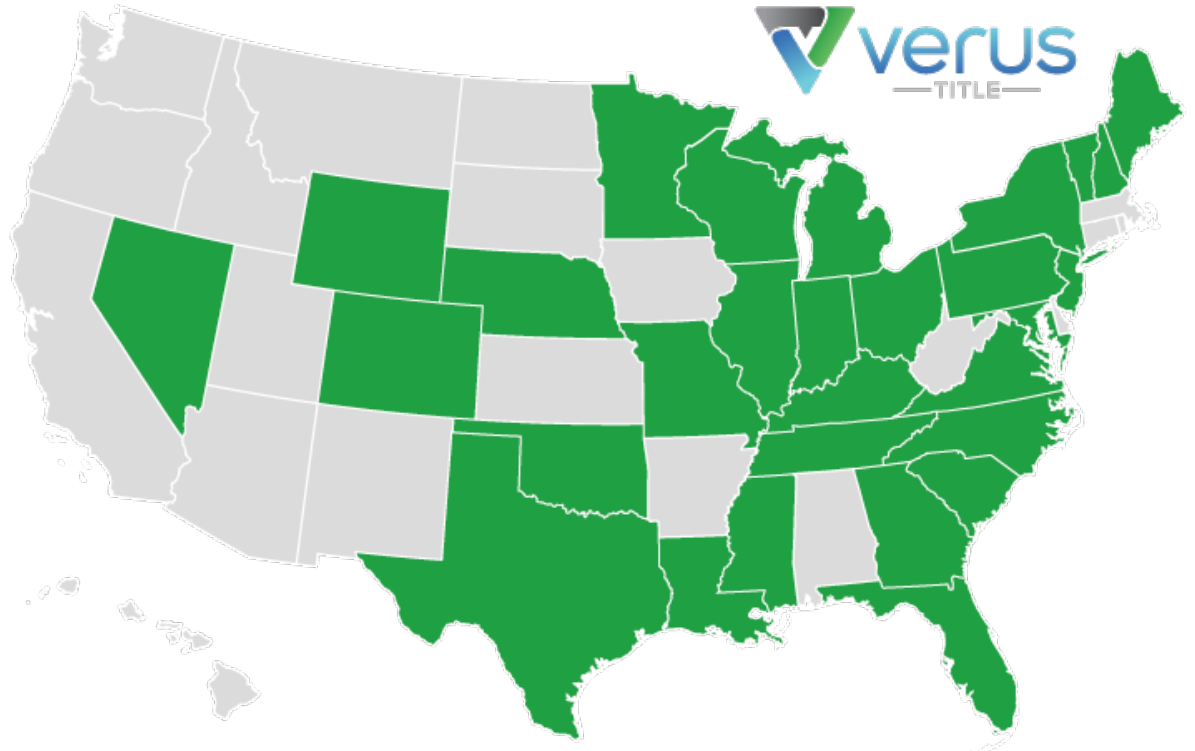
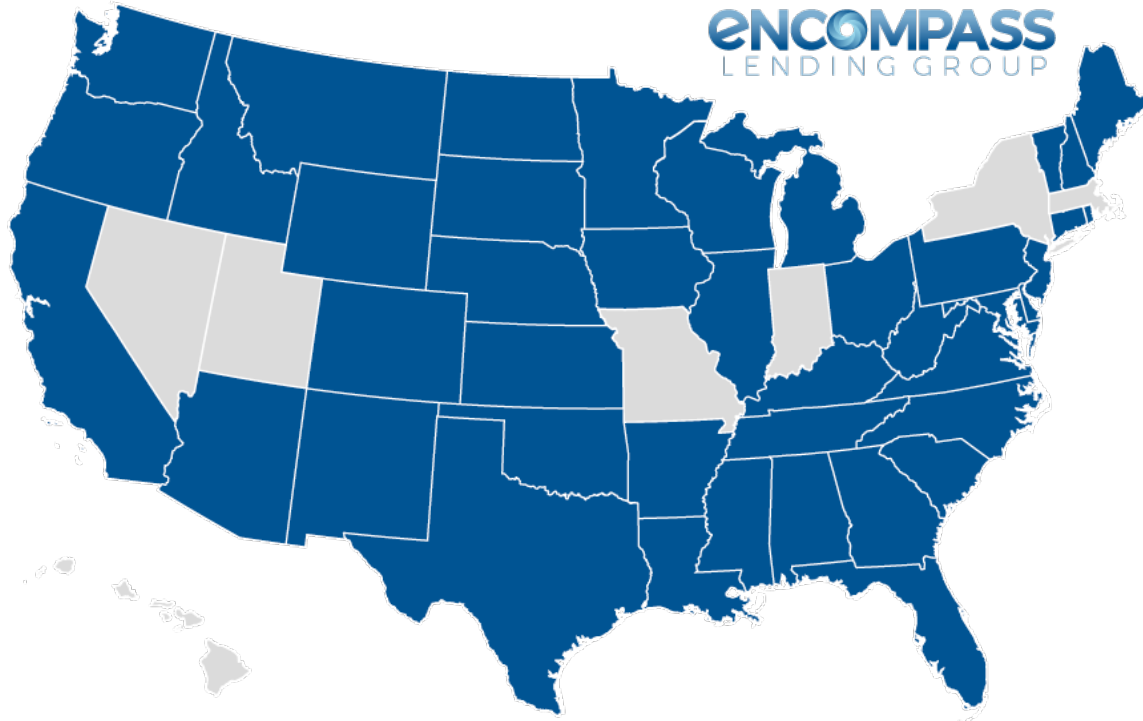
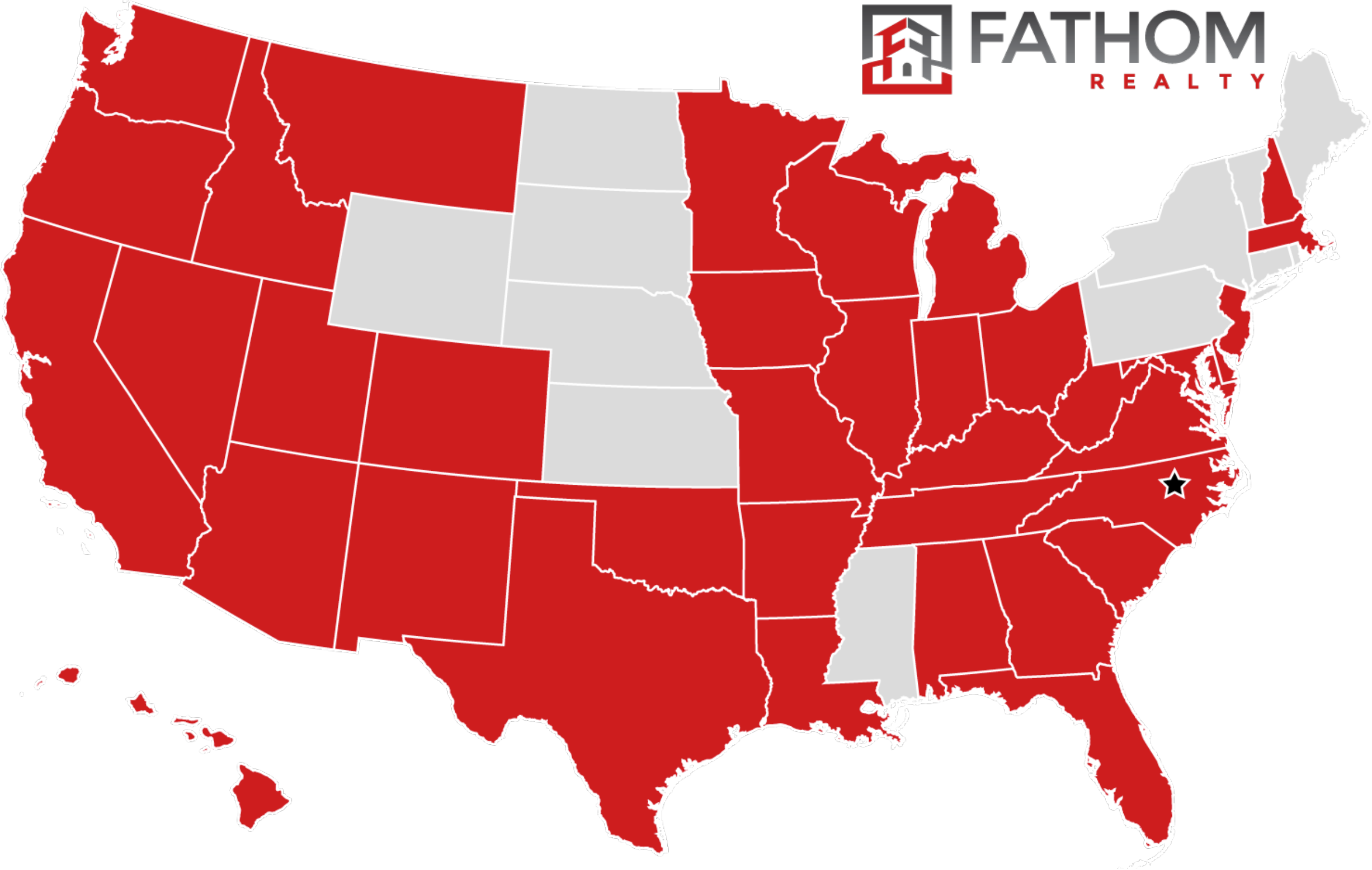


Approve of CEO



Growing Coverage

Expansion plans to all 50 states and Canada.



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.



**TRADITIONAL
BROKERAGE**

\$431,000	Sale Price	vs	\$431,000	Sale Price
x 2.7%	Commission %		x 2.7%	Commission %
\$11,637	Total Commission		\$11,637	Total Commission
- \$550	Flat-fee to Fathom		- \$3,491	Split to Broker (30%)
\$11,087	Total to Agent		\$8,145	Total to Agent

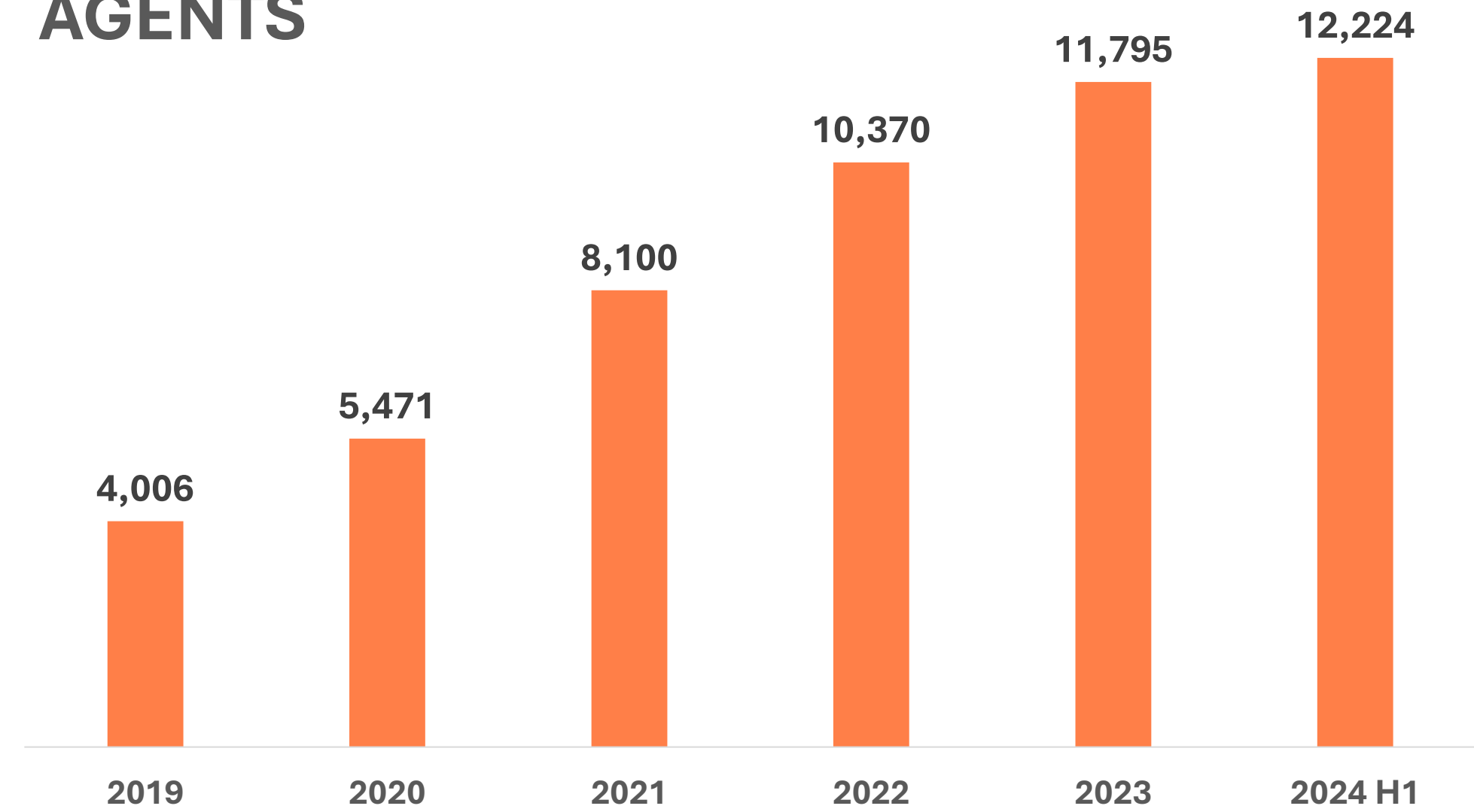
\$2,942* MORE INCOME ON JUST ONE SALE

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

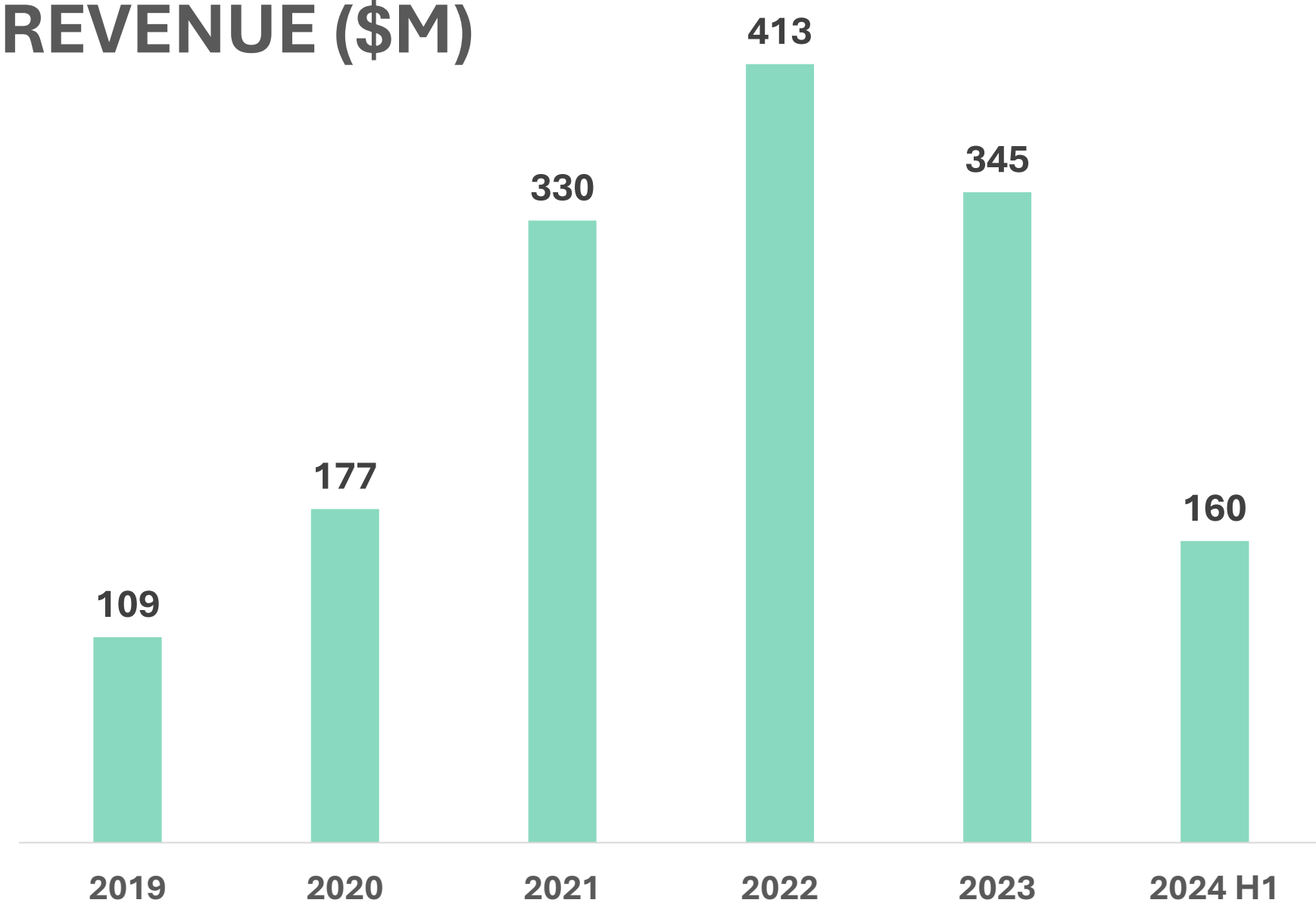


Annual & Q2 2024 Performance Metrics

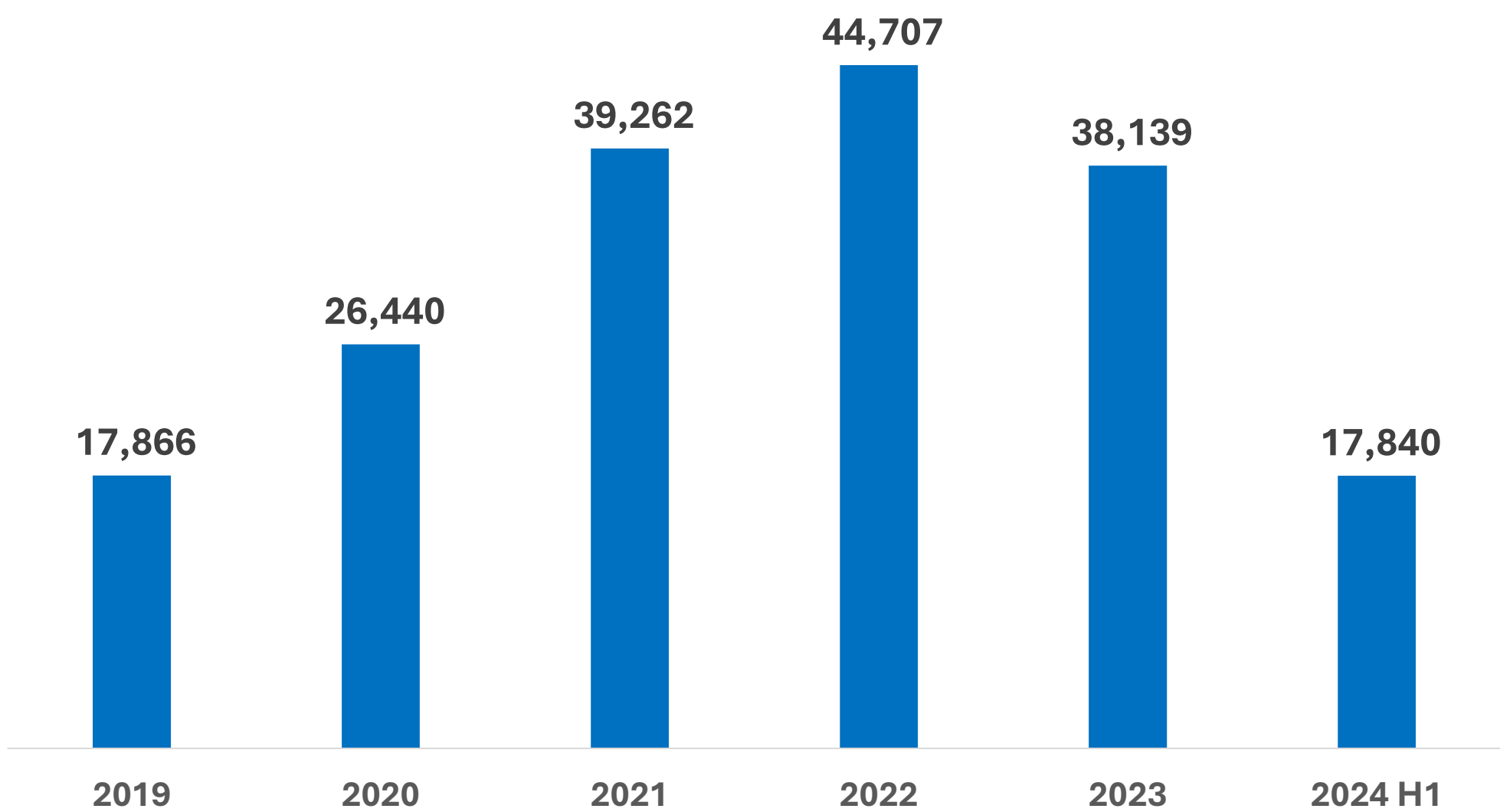
AGENTS



REVENUE (\$M)



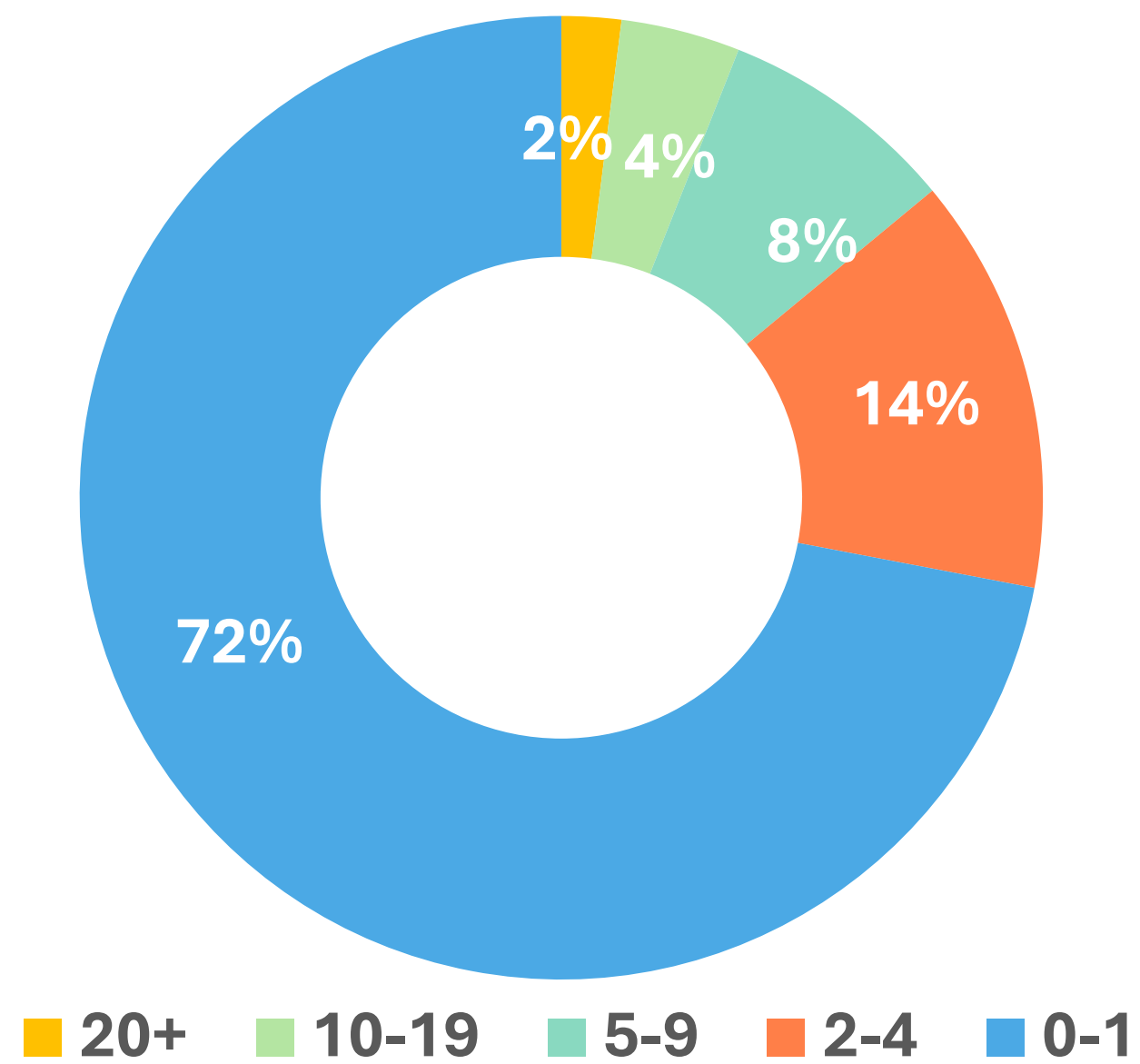
TRANSACTIONS



Low Agent **Turnover**

Data as of Q2 2024

Turnover by Agent Productivity



Lower Turnover With Our Model

Fathom 1.7% / MONTH

VS

Industry 3%+ / MONTH

- 86% of the agents who leave sold less than 4 homes annually
- Only 6% of agents who leave sold more than 10 homes annually



Low Agent **Acquisition Cost**

Data as of Q2 2024



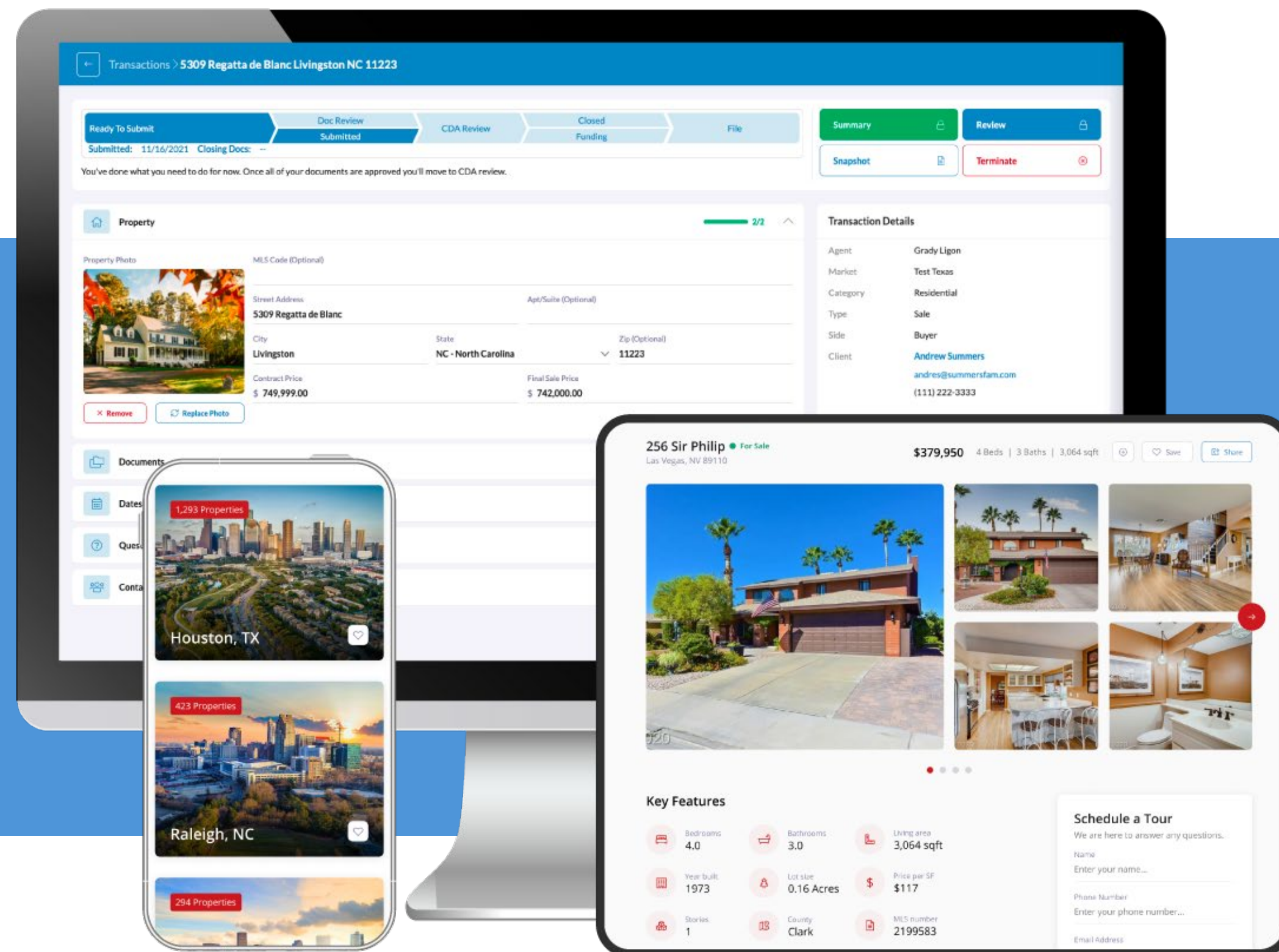
Quick Break-even 15X LTV to CAC	
Annual Fee on First Sale	+ \$700
Transaction Fee per Sale	+ \$550
Gross Profit on First Sale	= \$1,250
Cost to Acquire Agent	- \$1,100
Break-Even	First Sale



Fathom's **Proprietary Tech Platform**

Streamlining the brokerage experience.

intelliAgent



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





Fathom Holdings, Inc.

Financial Overview

Accelerating our path to **sustained profitability.**

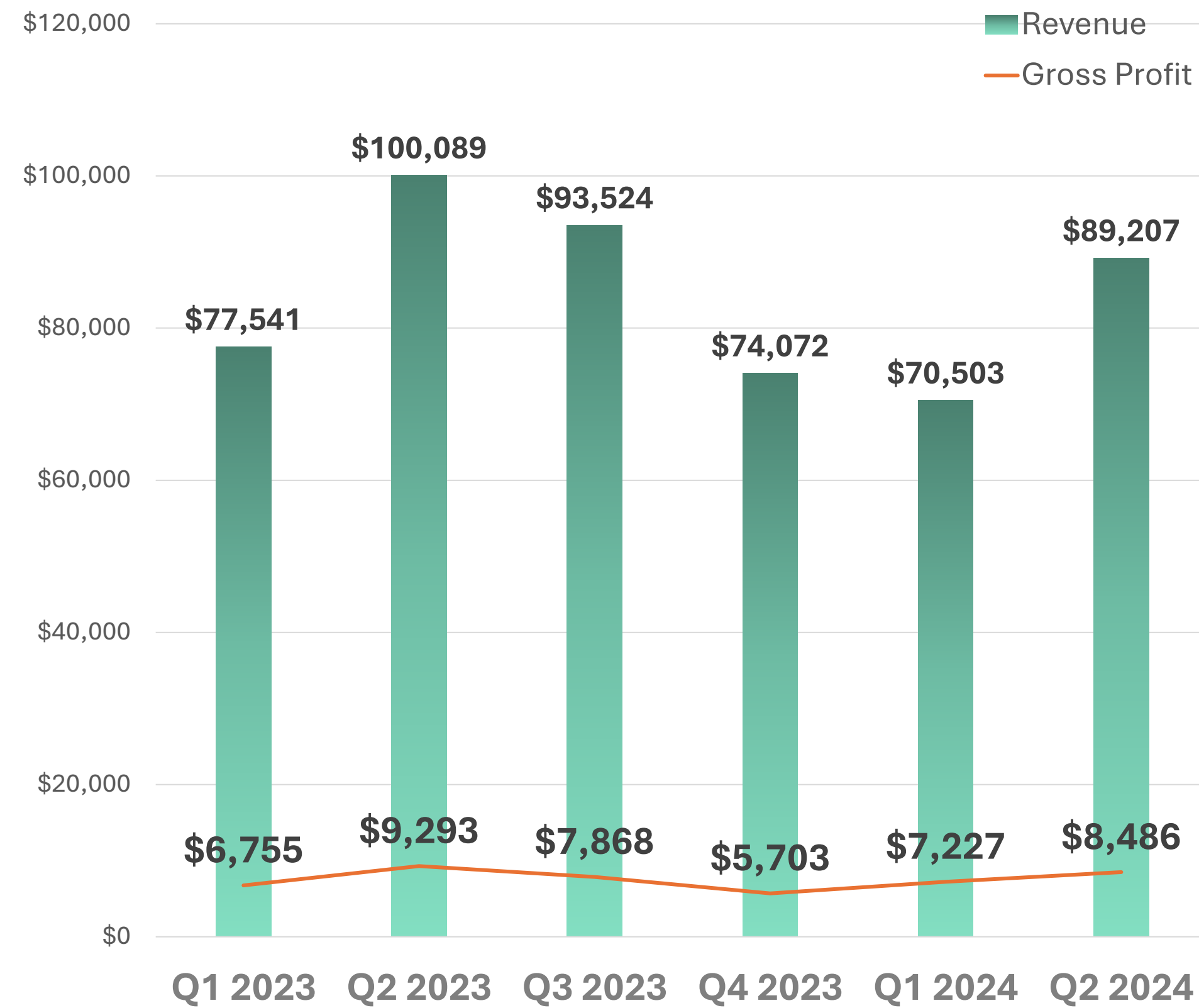


Fathom Holdings Inc

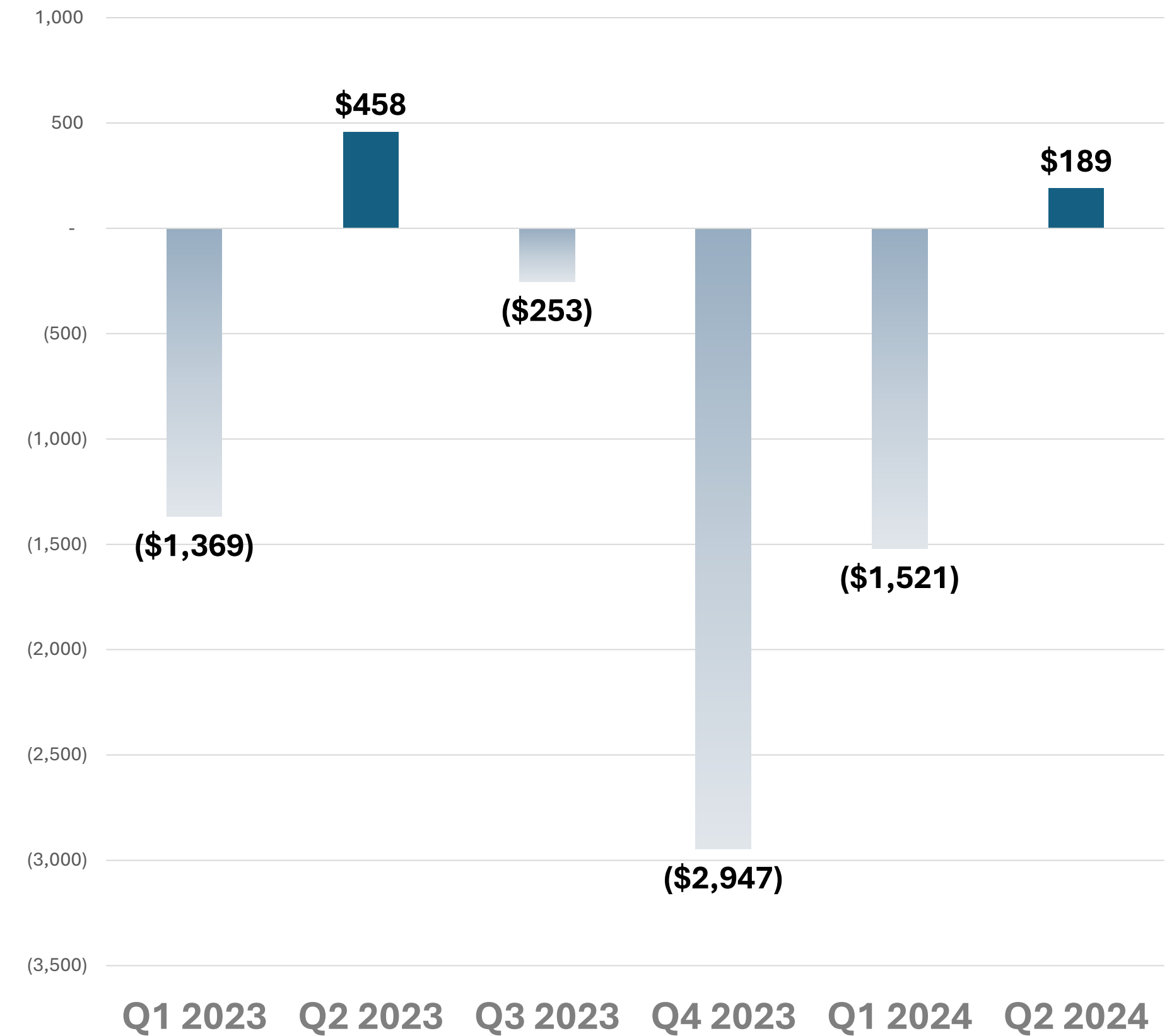
(000's Omitted)

Total Revenue and Gross Profit

(includes insurance business through April 30, 2024)



Total Adjusted EBITDA



Consolidated Statements of Operations

	2019 Audited	2020 Audited	2021 Audited	2022 Audited	2023 Audited	Q1 2024 Unaudited	Q2 2024 Unaudited
Gross commission income	\$111,206	\$176,631	\$314,373	\$390,615	\$325,405	\$65,385	\$83,125
Other service revenue	-	153	15,857	22,349	19,821	5,118	6,082
Total Revenue	\$111,206	\$176,784	\$330,230	\$412,964	\$345,226	\$70,503	\$89,207
Commission & other agent-related costs	\$105,257	\$166,344	\$300,509	\$372,246	\$308,094	\$61,167	\$78,045
Operations and support	-	21	5,470	8,249	7,513	2,109	2,676
Technology and development (incl. D&A)	-	372	3,911	7,715	7,609	1,950	1,906
General and administrative	9,539	10,316	32,733	43,217	38,751	9,602	8,904
Marketing	341	970	1,895	5,218	3,348	600	759
Depreciation and amortization	60	36	1,817	3,096	3,164	728	546
Total Operating Expenses	\$115,197	\$178,059	\$346,335	\$439,741	\$368,479	76,156	92,836
Gain on sale of business	-	-	-	-	-	-	(2,958)
Loss from operations	(\$3,991)	(\$1,275)	(\$16,105)	(\$26,777)	(\$23,253)	(\$5,653)	(671)
Other expenses (income), net	110	74	(367)	903	580	257	629
Loss before income taxes	(\$4,101)	(\$1,349)	(\$15,738)	(\$27,680)	(\$23,833)	(\$5,910)	(1,300)
Income tax expense (benefit)	(8)	(8)	(3,247)	(54)	148	17	(6)
Net Loss	(\$4,093)	(\$1,341)	(\$12,491)	(\$27,626)	(\$23,981)	(\$5,927)	\$(1,294)
Gain on sale of business	-	-	-	-	-	-	(2,958)
Other expenses (income), net	110	74	(367)	903	580	257	629
Income tax expense (benefit)	(8)	(8)	(3,247)	(54)	148	17	(6)
Stock based compensation	1,630	728	4,011	9,131	12,994	2,652	2,499
Depreciation and amortization	60	166	2,748	5,346	5,947	1,480	1,319
Other non-cash and transaction related cost	-	-	1,187	73	201	-	-
Adjusted EBITDA	(\$2,301)	(\$381)	(\$8,159)	(\$12,227)	(\$4,111)	\$(1,521)	189



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



Joanne Zach

Sr. VP of Finance

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



Jon Gwin

COO

Past COO of American Financial Network
LendersOne Board Member
Law License & Doctorate



Meet the **Board**

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



Ravilla Gupta

Board Member

President and Chief Executive Officer of Bagchi Group



Marco Fregenal

CEO | CFO

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





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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. 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.

