

# Investor Presentation

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Q4 2023

**exp** | WORLD  
HOLDINGS, INC.

# Safe Harbor

The statements contained herein may include statements of future expectations and other forward-looking statements<sup>1</sup> that are based on management's current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Such forward-looking statements speak only as of the date hereof, and the company undertakes no obligation to revise or update them. These statements include, but are not limited to, statements about the continued growth of our agent and broker base; expansion of our residential real estate brokerage business into foreign markets; demand for remote working and distance learning solutions and virtual events; development of our ancillary business offerings and demand for those services; and revenue growth and financial performance. Such statements are not guarantees of future performance. Important factors that may cause actual results to differ materially and adversely from those expressed in forward-looking statements include changes in business or other market conditions; adverse outcomes of ongoing antitrust litigation;

the difficulty of keeping expense growth at modest levels while increasing revenues; and other risks detailed from time to time in the company's Securities and Exchange Commission filings, including but not limited to the recently filed Quarterly Reports on Form 10-Q and Annual Report on Form 10-K.

Certain of the financial information contained herein is unaudited or based on the application of non-U.S. GAAP financial measures. These non-U.S. GAAP financial measures should be considered in addition to and not as a substitute for, or superior to, the financial information prepared and presented in accordance with U.S. GAAP. Definitions of such non-U.S. GAAP financial measures and a reconciliation of each non-U.S. GAAP financial measure to its most directly comparable U.S. GAAP financial measure have been included elsewhere in this presentation.

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# eXp World Holdings | Highlights



## Cloud-Based Brokerage Model

Efficient operating model built to thrive in all market conditions



## Increasing Market Share

>87,000 agents<sup>1</sup>

Stable U.S. agent count year over year vs. -2% industry decline<sup>2</sup>



## Solid Financial Profile

Consistent positive cash flow generation<sup>3</sup> and debt-free balance sheet



## Global Network

24 markets worldwide



## Strong Agent Value Prop

Suite of offerings enable agent success through competitive compensation, platforms, coaching/training & events



## Fastest Growing

#1 growth leader across volume and transactions<sup>4</sup>

(1) Total agent count as of Dec. 31, 2023 exceeded 87,000 agents. (2) Industry represents percentage change in NAR membership count from December 2022 to December 2023. (3) Cash flow defined as net cash provided by operating activities excluding change in customer deposits. (4) RealTrends 500 ranked eXp Realty as No. 1 in four categories on the 2023 RealTrends 500: Sides, Top Mover In Sides, Top Mover In Volume and Independent; RISMedia Power Broker 2023 ranked eXp Realty as No. 1 in transactions; T3 Sixty 2023 Real Estate Almanac No. 4 among the nation's largest brokerages based on sales volume.

# Real Estate is Cyclical

Currently Experiencing  
Downward Market Drivers

## UPWARD MARKET DRIVERS

EXPANSION

RECOVERY

## DOWNWARD MARKET DRIVERS

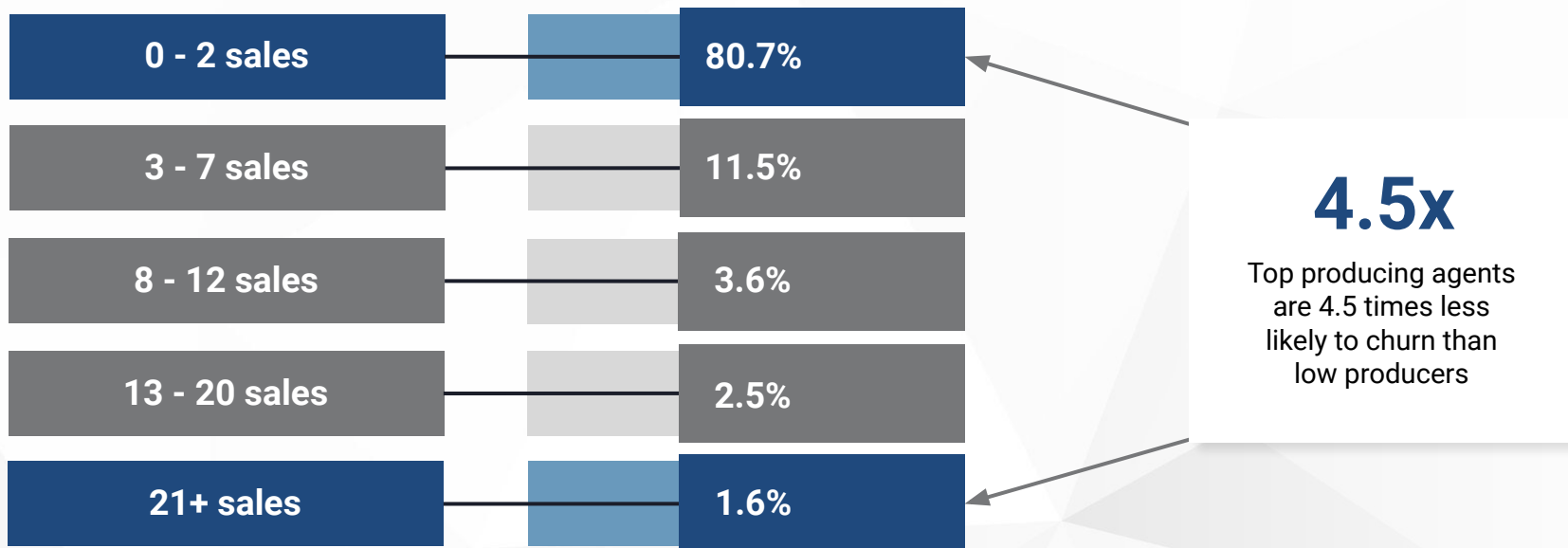
HYPERSUPPLY

RECESSION

The industry  
continues to **grow**  
through cycles.

1975-2023 257% growth in  
number of U.S. realtors\*

### Attrition by U.S. Agent Annual Productivity



Source: Company data, Q4'23. Agent attrition statistics based on prior 12 months of sales data.

# We Were Built For This

A Sustainable Model Through  
All Market Environments

## Strong agent value proposition

- Agent support drives organic market share growth, retention and productivity

## Efficient Operating Model

- Lower fixed costs driven by cloud-based model and no brick-and-mortar
- Organic agent growth = low agent acquisition costs

## Long-term business opportunities

- New Markets
- New Products

# Superior Agent & Broker Value Proposition

eXp's Cloud Model Enables Richer Unit Economics and Broader Geographical Reach For Agents

## Traditional Brokerage

VS.

## eXp Realty

### Operating Model

- High operating expenses and capital costs associated with brick-and-mortar infrastructure
- Geographical reach is local (physical office location); difficult for agents to expand into new markets

### Agent Value Proposition

- High brokerage split with limited revenue share or equity
- Limited added incentives for agents (most upside reserved for Broker/Owner and/or Branch Manager)
- Limited back-office training and support due to constrained brokerage economics

### Operating Model

- Cloud-based model with minimal brick-and-mortar infrastructure reducing overhead expenses
- Geographical reach is global (cloud); eXp's agents can expand into new markets more easily

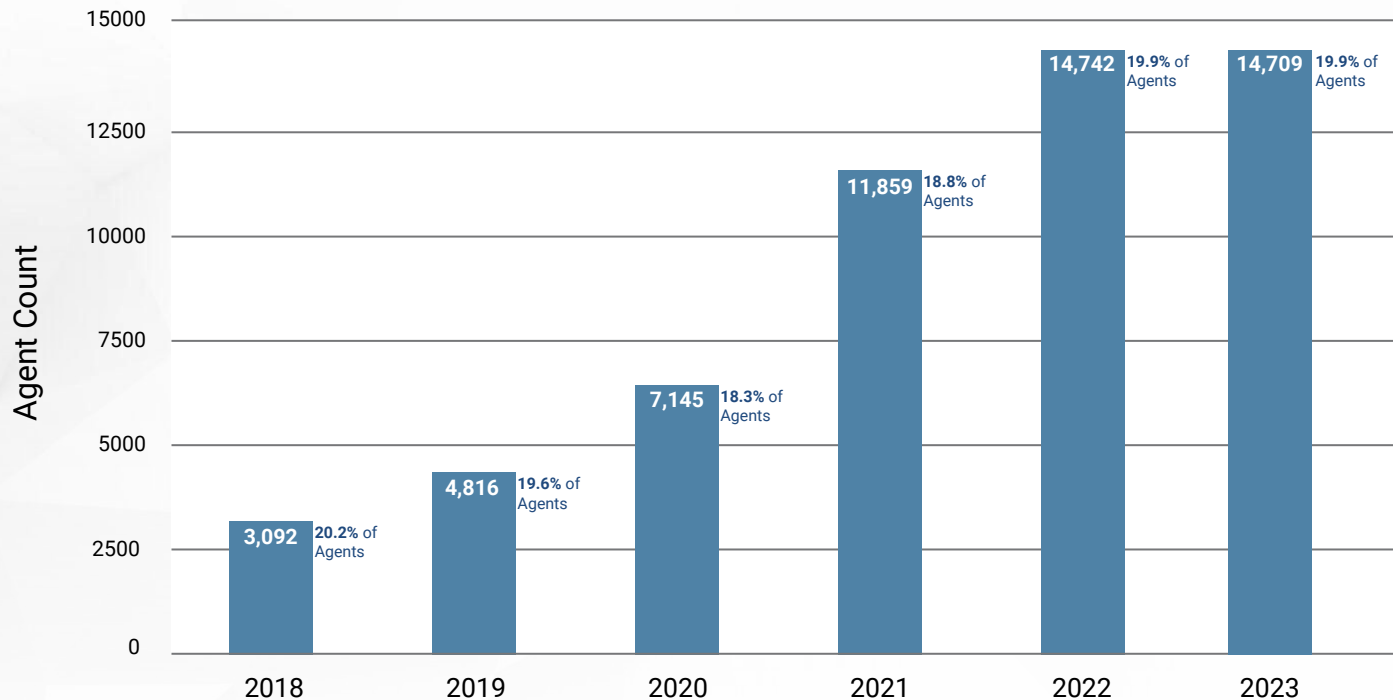
### Agent Value Proposition

- High agent split with annual cap, revenue sharing, and equity opportunities
- Significant added incentives for all agents (upside through attractive revenue sharing and equity programs)
- Ubiquitous back-office and training support helps agents scale and grow more efficiently

# Model Drives Organic Growth & Retention

Agents Are Incentivized to Build the Platform and Stay at eXp Through Revenue Share

## Agents Driving Organic Growth | Receiving Revenue Share



U.S. Agents Active  
in Reporting Year  
with Rev Share

Source: Company data, Q4'23



# Unique Model Provides Agent Equity Opportunities<sup>1</sup>

Agents & Brokers are Less Likely to Pursue Other Opportunities if They are Shareholders

## Equity Awards Through Incentive Program

**\$200** of EXPI stock for first transaction closing

**\$400** of EXPI stock when agents cap

**\$400** of stock for directly attracting another agent after the agent closes their first transaction

## Agent Equity Commission Program

Voluntarily enroll to receive 5% of commission in stock at a discount

~50% of agents and brokers participate in the program<sup>2</sup>

## ICON Agent Award

Top agents can receive up to **\$16,000** in stock awards upon the achievement of certain production and cultural goals

**\$8,000** stock award is granted upon achieving ICON status within an agent's anniversary year.

Additional **\$4,000** stock award is granted when the cultural commitment requirements are satisfied within an agent's ICON benefit year.

Additional **\$2,000** stock award will be issued after verified attendance at each company event (**\$4,000** stock award total).

<sup>1</sup>U.S. model only; subject to applicable vesting requirements.

<sup>2</sup>As of 12/31/2023.

# Growth-Oriented & Agent-Led Culture Driving Industry-Leading Programs

## eXp UNIVERSITY

The most innovative university on the planet! 80+ weekly, live classes are taught by top-producing eXp agents who share strategies, systems and scripts to help you achieve success in today's real estate market. Recordings of classes are available at eXp University 24/7.

## MENTORSHIP

Whether you are brand new or starting something new, our mentorship program pairs you with experienced eXp agents who can share insights, learnings and feedback. In the spirit of collaboration and building community, this is truly about people helping people. When you succeed, we all succeed.

## MASTERMINDS & TASK FORCES

This is your opportunity to collaborate with top eXp agents and leadership across the business in regular masterminds and task forces. Your voice matters. Help to build the company that helps you grow your business.

## BROKER SUPPORT

Our State Broker Teams provide you with the guidance and supervision needed to ensure a smooth transaction, everytime. Our regular live local (online and in-person) meetings, trainings and social events help our agents operate as experts across the real estate industry.

# Enhancing The Lives Of Our Agents And Our Communities



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**We are committed to creating an equitable, diverse and inclusive culture for our employees, agents and brokers.**

ONE eXp engages our people to promote D&I initiatives across the organization.



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**We are dedicated to the betterment of our communities.**

The first week of October of each year is designated "I Heart eXp" week and staff, agents and brokers across the U.S. mobilize to take part in community charity initiatives.



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**We are committed to wellbeing.**

eXp's affiliated 501(c)(3) nonprofit, eXtend-a-Hand provides eXp agents, staff, and their families who are experiencing hardship as a result of a catastrophic event, such as natural disasters or life-threatening illnesses that prevent them from working and supporting their families.

# Cloud-First Operating System Creates Competitive Advantage

## eXp is one of the only companies operating within a metaverse at scale

- **Frame** is a highly customizable spatial computing platform, letting users explore 3D models, 360 photos, documents, webcams, and more. It runs right from a user's browser on desktop, mobile, or immersive hardware like Meta Quest 3 and Apple Vision Pro.
- **Virbela** enables eXp to host company meetings, learning and development programs, team offsites, industry events and more to thousands of concurrent users.

## Proprietary agent platforms drive efficiency

- **eXp Enterprise** enables efficient processing of transactions by centralized, remote staff
- **My eXp** is a mobile-first agent platform to manage revenue share, production rankings while providing easy access to tools
- **Marketing Center** delivers pre-built templates and assets to best market agents and listings for maximum performance and ROI

## Best-in-class technology partnerships designed to enhance agent productivity

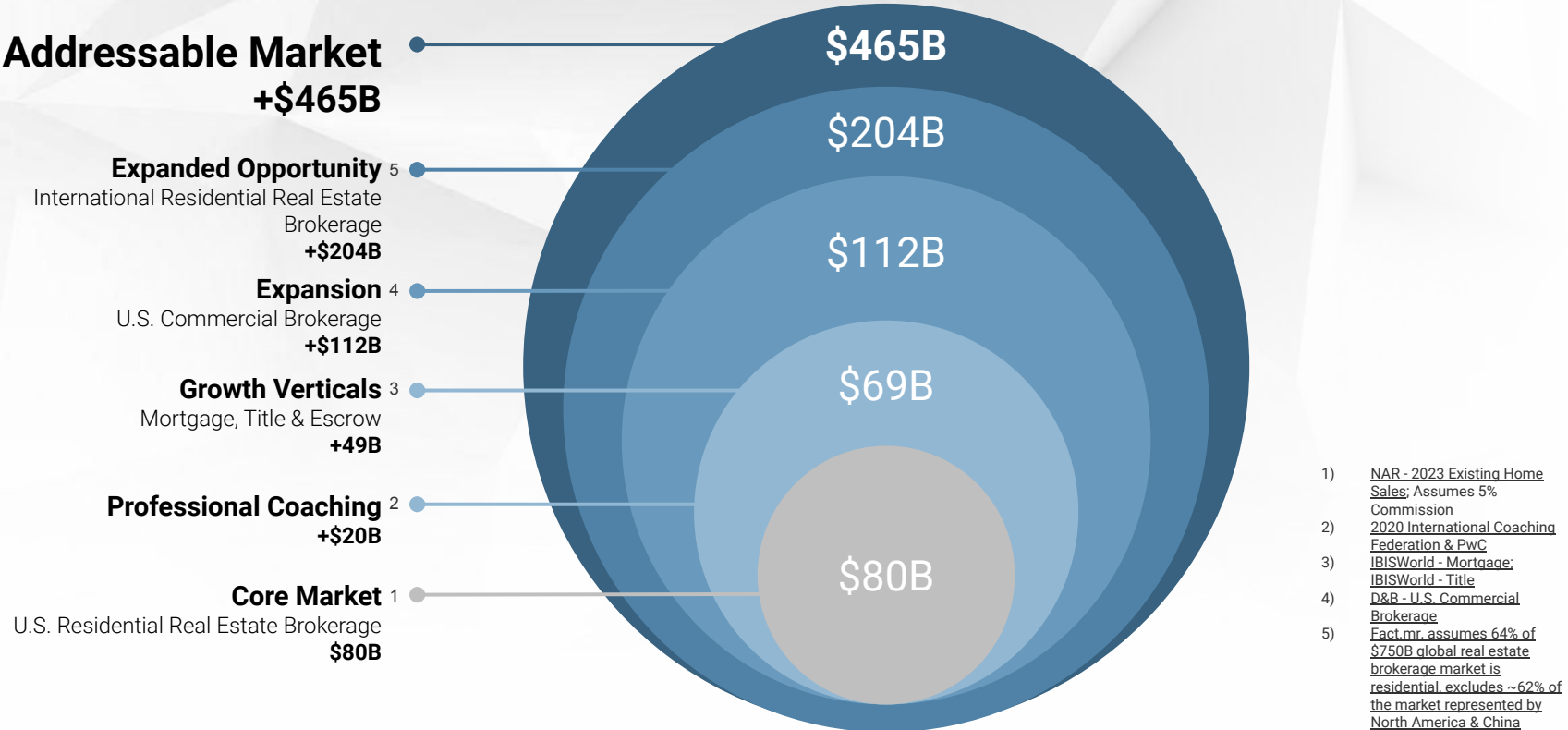
- **Industry-leading CRM options** for agents to best manage their business
- **eXp Solutions** provides vetted technology options with negotiated pricing to give eXp Realty agents a competitive edge

## Portfolio of products to drive high-quality transactions

- Vetted, high-quality opportunities
- Rapidly growing property search portal footprints
- Asset acquisition and disposition (REO, relocation, institutional owners)

# Multiple Expansion Opportunities

# A Large & Underpenetrated Addressable Market



# Segments Reflect eXp's Strategic Priorities

North American Realty, International Realty,  
Virbela And Other Affiliated Services

## North American Realty

- Profitable core business funds agent-centric innovation
- Driving agent-centric innovation with Revenos™, eXp Luxury™, eXp Referral™ division, eXp Solutions™
- Market opportunity remains massive with single-digit market share

## International Realty

- Scale 22 existing international markets (excluding Canada) to drive profitability
- Focused on building scale and improving margin in existing markets

## Virbela and Web-based Metaverse Platforms

- Continue to develop the core Virbela virtual world technology and the newer WebXR FrameVR platform
- Mobile-accessible Frame platform is gaining traction
- Focused on increasing agent adoption while optimizing costs

## Other

- SUCCESS® Magazine, SUCCESS® Health and SUCCESS® Coaching
- New leadership focused on leveraging eXp scale to build out high-margin ancillary service lines

# Strengthening Our Agent Value Proposition

Enhance Agent & Consumer Offering  
While Generating Attractive, High-Margin  
Revenue Streams

## Enhancing Our Service Offerings

### REVENOS

Driving high-quality buyer and seller referrals directly to eXp agents.

### exp<sup>®</sup> | SOLUTIONS

Offering eXp agents and their clients a marketplace for all their home buying, selling and commercial real estate needs.

### exp<sup>®</sup> | REALTY LUXURY

Elevating eXp agents' customer service offerings and luxury capabilities.

### exp<sup>®</sup> | REFERRAL DIVISION

Supporting our agents who are ready to focus solely on building their referral businesses.

## Expanding Success for Personal Development

### SUCCESS<sup>®</sup> COACHING™

Delivering industry-leading coaching and certification services to consumers and eXp agents to enhance their personal and professional growth.

### SUCCESS<sup>®</sup> HEALTH™

Providing eXp agents and consumers the health and wellness tools and resources that help them excel in their personal and professional lives.



# One Brokerage Expanding Globally

eXp Is Capturing Global Market Share With 67%  
Year-Over-Year<sup>1</sup> International Revenue Growth

## Effective Operations In New Markets Driven By:

### ► In-Country Leadership & Regional Shared Service Hubs

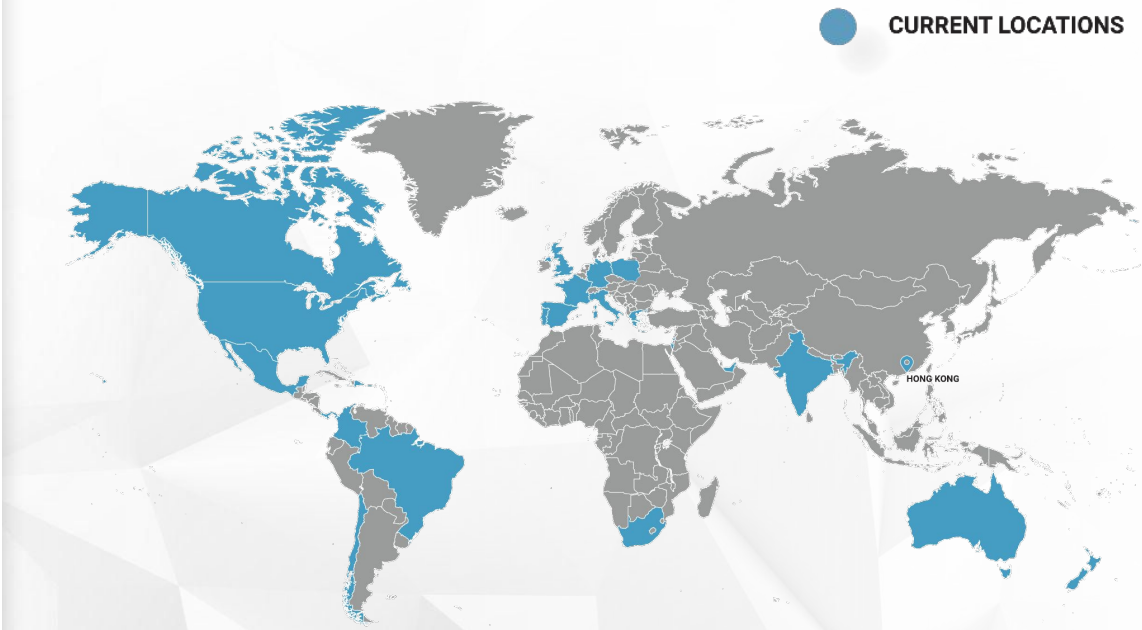
Experienced local teams in each geography are responsible for agent operations & services across all time zones

### ► Cloud-Based Platform

Enables low barriers & low cost to entry

### ► Competitive Model

Compensation structure is highly attractive relative to traditional models internationally



(1) eXp International Realty segment year-over-year revenue growth in Q4 2023.

# Expanding the Metaverse Opportunity

## Frame: Next Generation Spatial Computing

### High Level

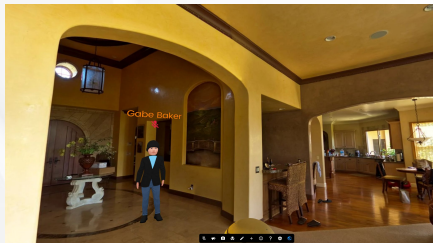
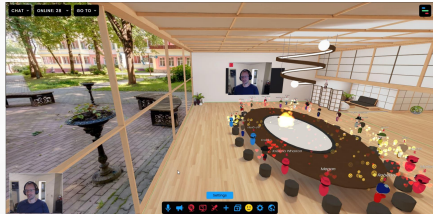
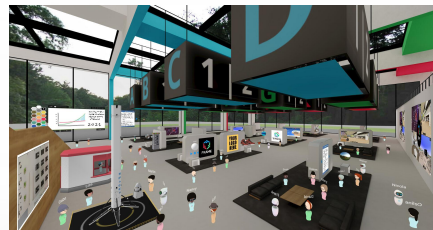
- Works on desktop, mobile, and immersive hardware like Meta Quest 3 and Apple Vision Pro
- Squarespace but for the spatial web. For other businesses, freemium SaaS plans launched in beta last year.
- Presented by the CTO of Microsoft at Microsoft Build 2023
- Frame powers exp.world, our new browser-based, immersive collaboration platform.
- It's faster and easier for our staff and agents to collaborate online.

### Agent-Facing Features

- eXp agents can now create their own spaces and meet with clients to give remote home tours.
- Look at 360 photos of properties, walk around matterport scans, and navigate google street view with others.

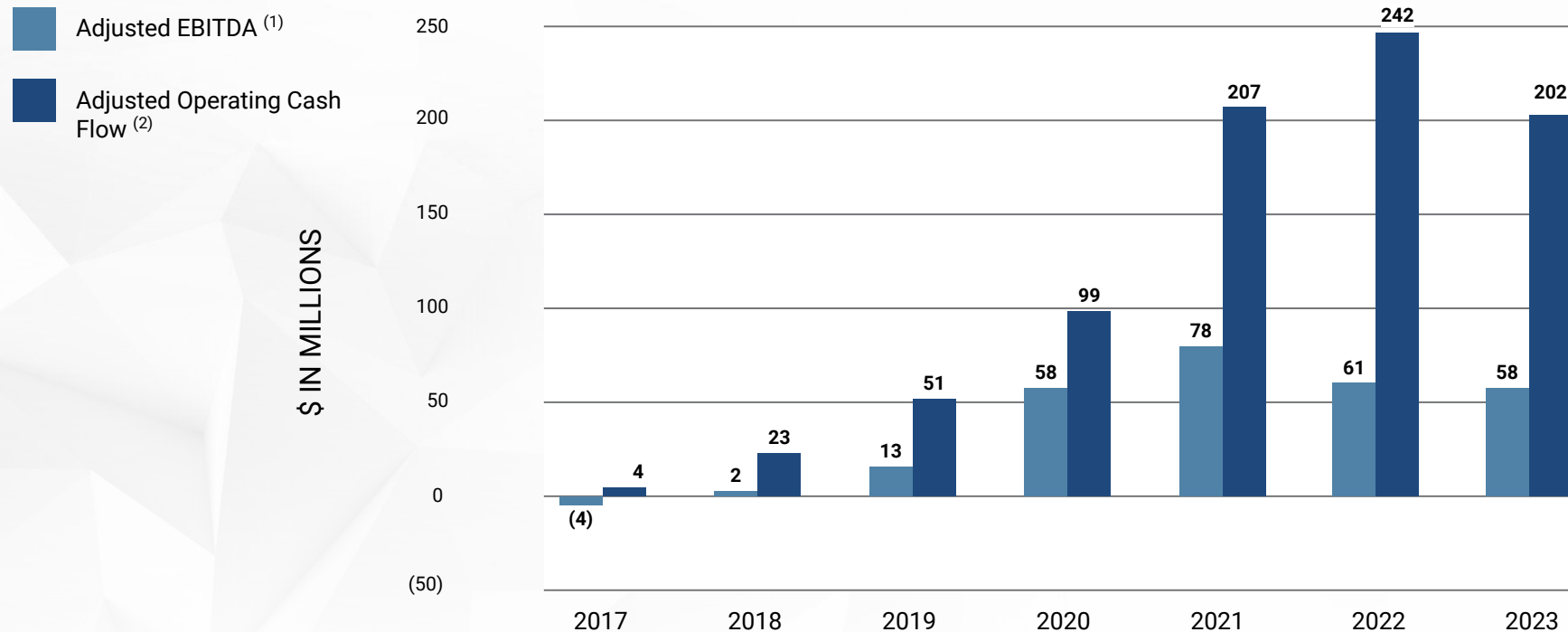
### AI Integrations

- Frame leverages AI for real-time translations and closed-captions, but also generative AI to help people create their own customized spaces
- AI-powered support agents that are trained on your listings and business documentation



# Financials

# Track Record of Cash Flow Generation



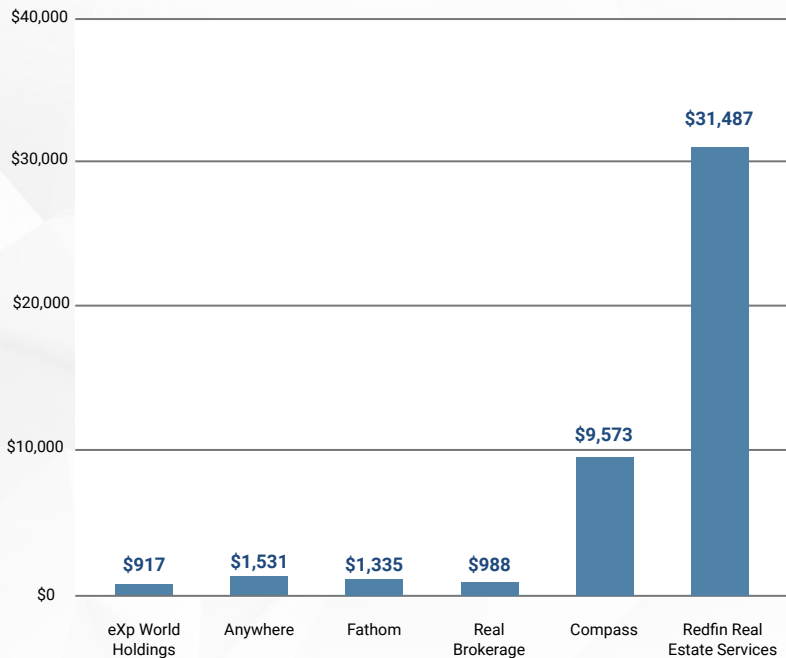
(1) Adjusted EBITDA is a non-GAAP term, "Use of Non-GAAP Financial Measures" as disclosed in our 2023 Form 10-K.

(2) Adjusted Operating Cash Flow presented is net cash provided by operating activities excluding change in customer deposits.

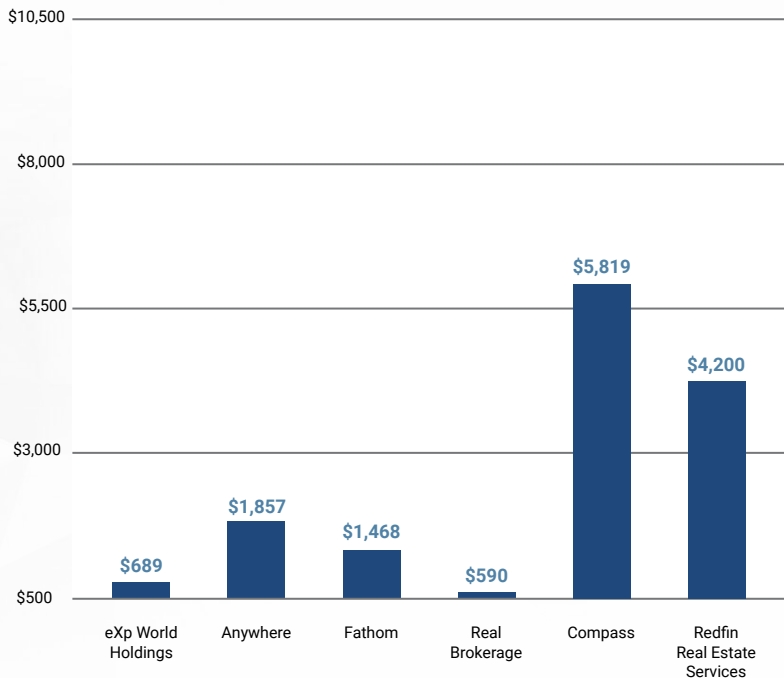
# Operating Efficiently

## Lowest GAAP Operating Expenses Per Agent

### Operating Expenses / Agent | Q3 2023



### Operating Expenses / Transaction | Q3 2023

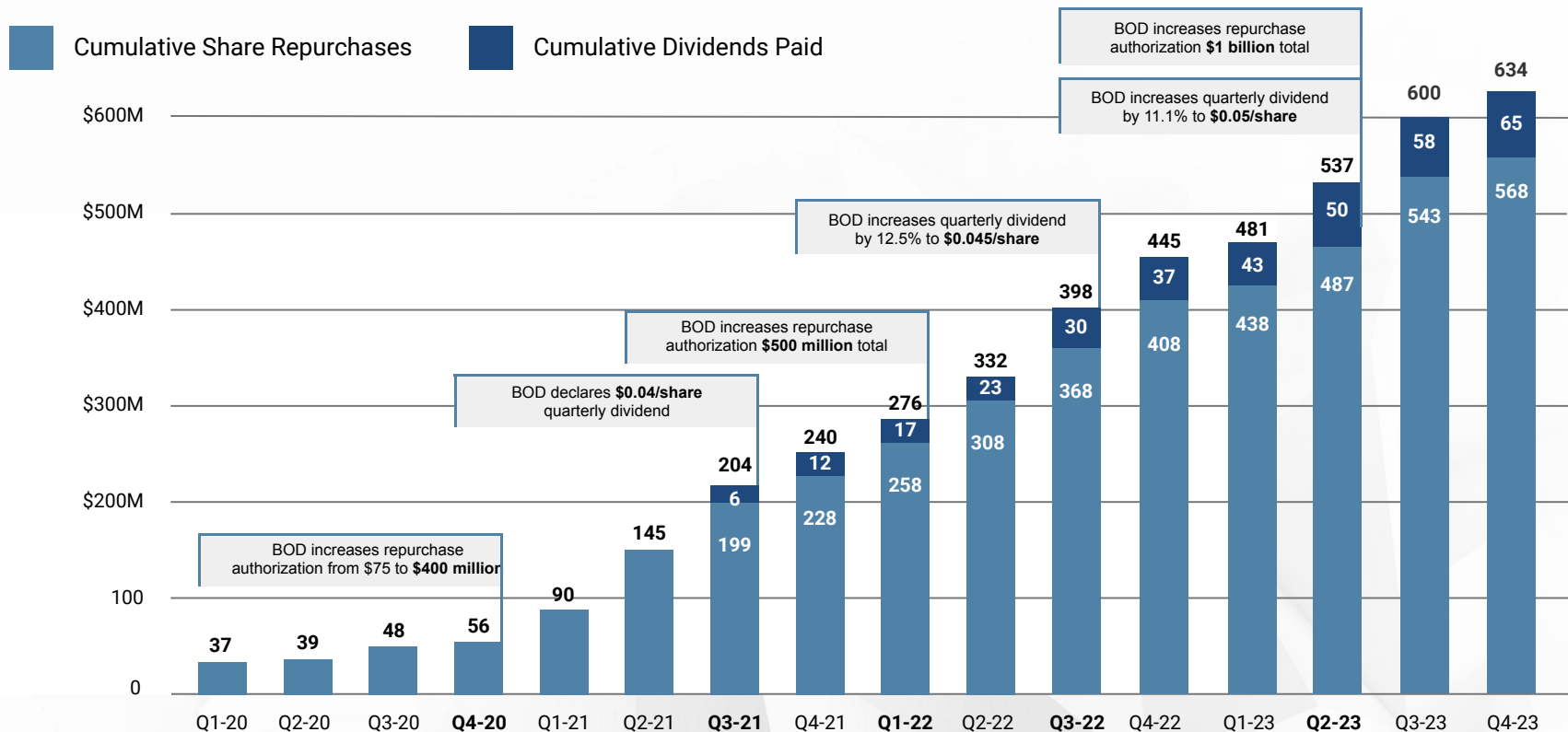


Source: Respective company SEC filings for the fiscal quarter ended September 30, 2023.

eXp transactions represent real estate sales transactions. Real Brokerage operating expenses exclude revenue share payments for comparability.

# Returning Capital to Shareholders

## Significant Share Repurchases and Dividends



# Q4 2023 Segment Financial Highlights

## U.S. Residential Real Estate Market Dynamics

- In Q4, home sales declined 8% compared to the same period last year<sup>(1)</sup>
- 30-year, conventional, fixed rate mortgage was 6.6% in December 2023 vs 6.4% in December 2023<sup>(2)</sup>
- Inventory remains constrained relative to pre-COVID levels, though active listings in December were up 5% year over year<sup>(3)</sup>

Q4 2023	N American Realty	International Realty	Virbela	Other Affiliated Services	Corporate & Eliminations	eXp World Holdings
<b>Revenue</b>	\$965.4M	\$16.3M	\$1.6M	\$1.1M	\$(1.3)M	\$983.0M
<i>Variance % y/y</i>	5%	67%	-31%	-40%	-15%	5%
<b>Adj. EBITDA<sup>(4)</sup></b>	\$8.6M	\$(3.6)M	\$(1.9)M	\$(1.0)M	\$(1.5)M	\$0.5M
<i>Variance % y/y</i>	-29%	14%	-102%	-123%	49%	-85%

Sources: (1) Based on NAR existing home sales (assuming 2 sides per sale) and U.S. Census Bureau new home sales (assuming 1 side per sale); (2) Freddie Mac Weekly Mortgage Survey, rates as of 12/28/23 and 12/29/22, respectively, represents 30-year fixed mortgage rates (3) Realtor.com Housing Inventory: Active Listing Count, United States, retrieved from <https://www.realtor.com/research/december-2023-data/>..

(4) Adjusted EBITDA is a non-GAAP term, "Use of Non-GAAP Financial Measures" as disclosed in our Form 10-K for the fiscal year ended December 31, 2023.

# FY 2023 Segment Financial Highlights

- Despite a significant market decline, eXp World Holdings 2023 Adjusted EBITDA<sup>(1)</sup> was down modestly vs. 2022

FY 2023	N American Realty	International Realty	Virbela	Other Affiliated Services	Corporate & Eliminations	eXp World Holdings
Revenue	\$4,220.1M	\$53.9M	\$7.3M	\$4.8M	\$(5.0)M	\$4,281.1M
Variance % y/y	-7%	50%	-14%	-6%	-17%	-7%
Adj. EBITDA <sup>(1)</sup>	\$91.1M	\$(13.7)M	\$(5.7)M	\$(3.8)M	\$(10.4)M	\$57.5M
Variance % y/y	-12%	0%	41%	-46%	38%	-5%

(1) Adjusted EBITDA is a non-GAAP term, "Use of Non-GAAP Financial Measures" as disclosed in our Form 10-K for the fiscal year ended December 31, 2023.



# 2024 Roadmap

Double down on  
multi-decade International  
opportunity

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Continued  
momentum with **67%**  
**y/y growth** in Q4

Expand **eXp Luxury** to  
new international  
markets in 2024

Deliver new offerings to  
drive agent success and  
eXp revenue growth

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**New divisions** create  
opportunities in Farm &  
Ranch, Sports &  
Entertainment & Green

Recruit & retain agents  
through enhanced **training,**  
**coaching & media** offerings

Prudently manage  
expenses to drive Adjusted  
EBITDA growth

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Leverage technology to  
drive **cost efficiencies** to  
fund growth investments

Focus on **reducing**  
**SG&A/Unit** to improve  
Adjusted EBITDA

# eXp World Holdings Leadership

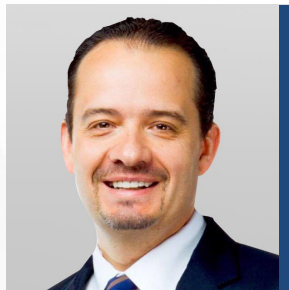
Founder-Led and  
Seasoned Team



**Glenn Sanford**  
Founder & Chairman  
CEO, eXp World Holdings  
CEO, eXp Realty



**Kent Cheng**  
Principal Financial Officer  
& Chief Accounting Officer



**James Bramble**  
Chief Counsel  
& Corporate  
Secretary



**Jason Gesing**  
Chief Industry  
Relations  
Officer



**Shoeb Ansari**  
Chief  
Information  
Officer

# eXp Realty Leadership

Founder-Led and  
Seasoned Team



**Michael  
Valdes**  
Chief Growth  
Officer



**Patrick  
O'Neill**  
Chief Operating  
Officer



**Carolyn  
Merchant**  
Chief  
Marketing  
Officer



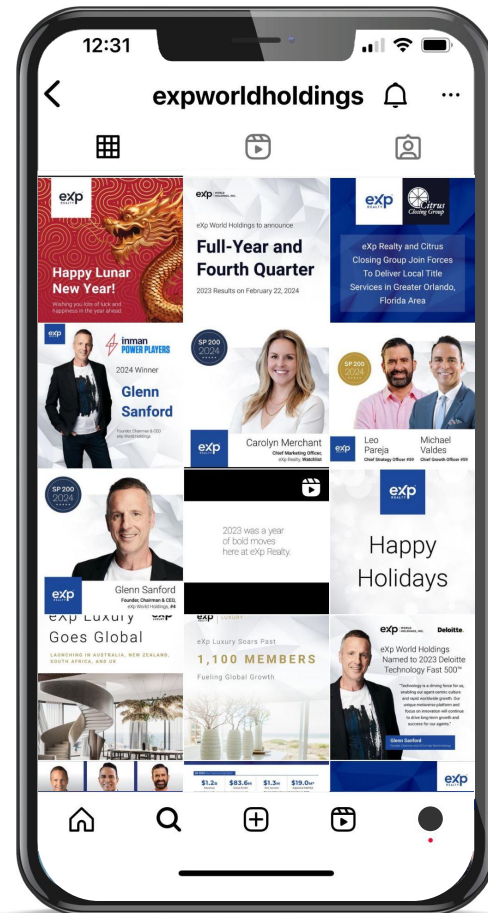
**Mike  
Vein**  
Executive  
Vice President,  
People



**Leo  
Pareja**  
Chief Strategy  
Officer

# Investor Relations

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2219 Rimland Dr, Suite 301, Bellingham, WA 98226  
[expworldholdings.com](http://expworldholdings.com)



# Appendix



**2009**

eXp Realty is founded



**2010**

eXp celebrates 1-year anniversary, operating in 11 states



**2011**

eXp recognized as Innovator by Inman



**2012**

eXp Realty launches in Canada



**2013**

eXp World Holdings goes public on OTCQB exchange



**2014**

Founder and CEO Glenn Sanford on 200 Most Powerful People in Real Estate by Swanepoel



**2015**

eXp launches Agent Equity and ICON Agent programs



**2016**

eXp triples agent count in a single year



**2017**

eXp exceeds 6,000 agents; named on Glassdoor's Best Places to Work list



**2018**

eXp World Holdings joins Nasdaq; eXp Realty open in all 50 states



**2019**

eXp turns 10, now exceeds 25,000 agents; Sanford named top CEO by Glassdoor



**2020**

eXp Global expands to 9 countries; SUCCESS Enterprises acquired; eXp Commercial launches



**2021**

2-for-1 stock split, exceeds 75,000 agents, eXp Global expands to 9 international locations



**2022**

eXp exceeds 86,000 agents and has operations in 24 global markets; Acquired Zoocasa and launched SUCCESS Coaching and SUCCESS Health



**2023**

Instituted strategic initiatives with a sustained emphasis on agent productivity



# 2022-2023 HONORS

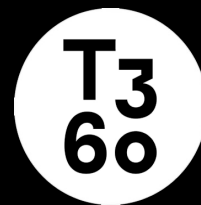
2023



2022









# Unique Model Incentivizes Agents and Brokers

## Highly Attractive Commission Structure

### COMMISSION\*

- Agents receive an 80%/20% split on first \$80,000 GCI (gross commission income)
  - The 20% (i.e., \$16,000) in Company Dollar is paid out to eXp
- Thereafter, agents keep 100% of GCI for the remainder of their commission year

### PER TRANSACTION FEE\*

- \$25 Transaction Review Fee
- \$60 Risk Management Fee

### FOR CAPPED AGENTS – 100% COMMISSION\*

- \$250 Capped Status Transaction Fee (\$5,000 cap/year)
- \$25 Transaction Review Fee
- \$60 Risk Management Fee (\$750 cap/year)

## Very Low Startup Costs And Commitment

### ONE-TIME COSTS\*

- \$149 one-time Sign-Up Fee (includes business cards and folders)

### ONGOING COSTS\*

- \$85 monthly Cloud Brokerage Fee

\*U.S. residential realty model (exceptions may apply)

# Reconciliation of Non-U.S. GAAP Financial Measures

## EBITDA Reconciliation

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Net (loss) income	\$ (8,973)	\$ 15,424	\$ 81,159	\$ 30,990	\$ (9,557)	\$ (22,430)	\$ (22,131)
Total other (income) expense, net	(3,026)	820	480	184	282	(32)	2
Income tax (benefit) expense	(4,462)	(10,836)	(47,487)	413	497	78	97
Depreciation and amortization	10,892	9,838	6,248	4,214	2,384	894	353
Impairment expense	9,203	-	-	-	-	-	-
Stock compensation expense <sup>(1)</sup>	43,178	30,861	24,493	30,990	13,959	19,053	10,962
Stock option expense	10,736	14,442	13,102	184	5,085	4,847	6,856
Adjusted EBITDA	<u>\$ 57,548</u>	<u>\$ 60,549</u>	<u>\$ 77,995</u>	<u>\$ 413</u>	<u>\$ 12,650</u>	<u>\$ 2,410</u>	<u>\$ (3,861)</u>

<sup>(1)</sup> This includes agent growth incentive stock compensation expense and stock compensation expense related to business acquisitions.

## Operating Cash Flow Reconciliation

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 209,131	\$ 210,535	\$ 246,892	\$ 119,659	\$ 55,186	\$ 24,311	\$ 4,568
Customer deposits	6,761	(30,998)	39,892	20,794	4,421	1,597	441
	<u>\$ 202,370</u>	<u>\$ 241,533</u>	<u>\$ 207,000</u>	<u>\$ 98,865</u>	<u>\$ 50,765</u>	<u>\$ 22,714</u>	<u>\$ 4,127</u>