



eXp World Holdings, Inc.

2219 Rimland Drive, Suite 301
Bellingham, WA 98226, U.S.A.

**PROGRAMME D'ACTIONNARIAT DE 2015 RESERVE AUX AGENTS (LE « PROGRAMME »),
UN PROGRAMME D'ACHAT D' ACTIONS DANS LE CADRE DU PLAN D'ACTIONNARIAT DE 2015
D'EXP WORLD HOLDINGS, INC. (LE « PLAN »)**

PROSPECTUS

**Publié dans le cadre de l'offre au public d'un maximum de 13.904.438 actions ordinaires
d'eXp World Holdings, Inc., d'une valeur nominale de 0,00001 dollar américain, à des agents
indépendants dans le cadre du Programme**



Le prospectus a été approuvé par l'Autorité des marchés financiers (l' « AMF ») en sa qualité d'autorité compétente en vertu du Règlement (UE) 2017/1129. L'AMF approuve le prospectus après avoir vérifié que les informations contenues dans le prospectus sont complètes, cohérentes et compréhensibles au sens du Règlement (UE) 2017/1129.

Cette approbation ne doit pas être considéré comme un avis favorable sur l'émetteur et sur la qualité des valeurs mobilières faisant l'objet du prospectus. Les investisseurs sont invités à procéder à leur propre évaluation concernant l'opportunité d'investir dans les valeurs mobilières concernées.

Le prospectus a été approuvé le 23 juin 2023 et est valable douze mois à compter de la date d'approbation et devra, pendant cette période et dans les conditions de l'article 23 du Règlement (UE) 2017/1129, être complété par une note complémentaire au prospectus en cas de faits nouveaux significatifs ou d'erreurs ou d'inexactitudes substantiels. Le prospectus portera le numéro de visa suivant : 23-243.

Le présent prospectus ainsi que les traductions de son résumé, le cas échéant, seront mis en ligne sur le site internet d'eXp World Holdings, Inc. (<https://expworldholdings.com>) et des exemplaires gratuits seront fournis sur simple demande en contactant le département des Relations Investisseurs d'eXp World Holdings Inc. à investors@expworldholdings.com. Le prospectus et la traduction en français de son résumé seront également disponibles sur le site internet de l'AMF, www.amf-france.org.

PARTIE I — RÉSUMÉ DU PROSPECTUS

PROSPECTUS APPROUVÉ LE 23 JUIN 2023 SOUS LE NUMÉRO 23-243 PAR L'AMF

SECTION A — INTRODUCTION ET AVERTISSEMENTS

Nom et code ISIN des valeurs mobilières	Les actions ordinaires d'eXp World Holdings, Inc., d'une valeur nominale de 0.00001 dollar américain (les « Actions ») sont cotées sur NASDAQ Global Market (« Nasdaq ») opéré par NASDAQ, Inc., sous le mnémorème « EXPI ». Le code international d'identification des valeurs mobilières (« ISIN ») des Actions est US30212W1009 et le code américain d'identification des valeurs mobilières (le code CUSIP) des Actions est 30212W100. Les Actions étaient initialement négociées sur le marché libre pour les actions américaines (OTCQB) et sont négociées sur Nasdaq depuis le 21 mai 2018 à la suite de l'approbation par Nasdaq de l'inscription des Actions le 17 mai 2018. Il n'y a pas eu de levée de fonds. Le prix de cotation initial des Actions sur Nasdaq était de 9,65 dollars américains.
Identité et coordonnées de l'émetteur, y compris son LEI	eXp World Holdings, Inc. (« eXp » ou la « Société »). L'identifiant d'entité juridique (« LEI ») de la Société est 549300TWVZC283VEC32. Le siège social de la Société est situé au 2219 Rimland Drive, Suite 301, Bellingham, WA 98226, États-Unis d'Amérique. Numéro de téléphone: +1 (360) 685-4206; Site internet: https://expworldholdings.com .
Identité et coordonnées de l'offreur	Sans objet.
Identité et coordonnées de l'autorité compétente approuvant le prospectus	Autorité des marchés financiers 17, place de la Bourse, 75082 Paris Cedex 02, France https://www.amf-france.org/
Date d'approbation du prospectus	23 juin 2023
Avvertissement au lecteur	Ce résumé doit être lu comme une introduction au prospectus. Toute décision d'investir dans les valeurs mobilières concernées doit être fondée sur un examen de l'intégralité du prospectus par l'investisseur. Le cas échéant, l'investisseur pourrait perdre tout ou partie du capital investi. Si une action concernant l'information contenue dans le prospectus est intentée devant un tribunal, l'investisseur plaignant peut, conformément au droit national, avoir à supporter les frais de traduction du prospectus avant le début de la procédure judiciaire. Une responsabilité civile n'incombe qu'aux personnes qui ont présenté le résumé, y compris sa traduction, pour autant que le contenu du résumé soit trompeur, inexact ou incohérent, lu en combinaison avec les autres parties du prospectus, ou qu'il ne fournisse pas, lu en combinaison avec les autres parties du prospectus, les informations clés permettant d'aider les investisseurs lorsqu'ils envisagent d'investir dans ces valeurs mobilières.

SECTION B — INFORMATIONS CLÉS SUR L'ÉMETTEUR

QUI EST L'ÉMETTEUR DES VALEURS MOBILIÈRES?

Siège social, forme juridique, droit régissant son activité et son pays d'origine	Le siège social de la Société est situé au 2219 Rimland Drive, Suite 301, Bellingham, WA 98226, États-Unis d'Amérique. La Société est une société relevant du droit de l'État de Delaware, États-Unis d'Amérique. La Société a été créée le 30 juillet 2008. Le LEI de la Société est 549300TWVZC283VEC32.
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Principales activités

La Société détient et exploite un portefeuille diversifié d'entreprises de services dont les activités bénéficient largement de l'utilisation de sa plate-forme technologique. La Société donne la priorité stratégique à ses efforts pour développer son activité de courtage immobilier en renforçant la proposition de valeur de ses agents, en développant une technologie immersive et basée sur le *cloud* permettant son modèle et en fournissant des services affiliés et médiatiques soutenant ces efforts.

Plus précisément, la Société exploite une société de courtage immobilier basée sur le *cloud* (en Amérique du Nord et dans d'autres pays), l'activité Virbela et des services affiliés connexes qui soutiennent le développement et la réussite des agents, des entrepreneurs et des entreprises en s'appuyant sur des technologies innovantes et des services intégrés. Le courtage immobilier nord-américain et international de la Société est aujourd'hui l'une des sociétés de courtage immobilier les plus importantes et à la croissance la plus rapide, opérant à travers les États-Unis, la plupart des provinces canadiennes, le Royaume-Uni, l'Australie, l'Afrique du Sud, l'Inde, le Mexique, le Portugal, la France, Porto Rico, le Brésil, l'Italie, Hong Kong, la Colombie, l'Espagne, Israël, le Panama, l'Allemagne, la République dominicaine, la Grèce, la Nouvelle-Zélande, le Chili et la Pologne. En outre, fin 2022, la Société a annoncé des activités à Dubaï, qui devraient être pleinement opérationnelles en 2023.

En décembre 2022, la Société a modifié la présentation des informations sectorielles afin de refléter les changements dans la manière dont la Société gère et évalue ses activités. Ainsi, la Société présente désormais ses résultats d'exploitation à travers quatre secteurs à déclarer :

- Immobilier nord-américain : comprend les activités de courtage immobilier aux États-Unis et au Canada, ainsi que la génération de prospects et d'autres services de soutien immobilier fournis en Amérique du Nord.
- Immobilier international : comprend les activités de courtage immobilier dans tous les autres pays.
- Virbela : comprend la technologie du métaverse d'entreprise Virbela et les services d'assistance offerts par eXp World Technologies.
- Autres services affiliés qui comprennent le Magazine SUCCESS® de la Société et d'autres activités auxiliaires de développement personnel et professionnel.

Au 31 décembre 2022, la Société comptait environ 2.016 salariés en équivalent temps plein et 86.203 agents immobiliers.

La Société a procédé aux changements d'activité décrits ci-dessous au cours du dernier exercice fiscal :

Expansion du courtage immobilier - Outre le maintien des opérations dans tous les sites, en 2022, la Société a poursuivi sa croissance internationale avec une expansion en République Dominicaine, en Grèce, en Nouvelle-Zélande, au Chili et en Pologne. En outre, à la fin de 2022, la Société a annoncé des opérations à Dubaï, qui devraient être pleinement opérationnelles en 2023. À l'exception de certains employés qui détiennent des licences immobilières actives, la quasi-totalité des professionnels de l'immobilier de la Société sont des entrepreneurs indépendants.

Acquisition récente - Le 1er juillet 2022, la Société a acquis Zoocasa Realty Inc, une société de l'Ontario, Canada ("Zoocasa"). Le produit clé de Zoocasa est un portail de recherche immobilière pour les consommateurs qui offre des outils exclusifs de recherche de maisons, des informations sur le marché et une connexion à des experts immobiliers locaux. Zoocasa a été inclus dans le segment immobilier nord-américain puisque son actif clé, Zoocasa.com, fournit des références immobilières de qualité pour les marchés immobiliers nord-américains.

La Société a acquis Zoocasa dans le cadre d'une transaction d'achat d'actions. La contrepartie totale payée était de 17.155 dollars américains, y compris la trésorerie nette de 9.910 dollars américains (déduction faite de la trésorerie acquise de 2.772 dollars américains), les actions émises sur le capital autorisé de 4.554 dollars américains et l'ajustement du fonds de roulement. L'acquisition de Zoocasa a été comptabilisée selon la méthode de l'acquisition. Selon cette méthode, la Société a réparti le prix d'achat total entre les actifs corporels et incorporels identifiables acquis et les passifs pris en charge sur la base de leur juste valeur estimée à la date d'acquisition, telle qu'elle a été déterminée par la direction. L'excédent du prix d'achat sur la juste valeur totale des actifs identifiables a été comptabilisé comme un écart d'acquisition de 14.156 dollars américains, qui n'est pas déductible à des fins fiscales. Le goodwill généré par l'acquisition comprend une main-d'œuvre opérationnelle. Zoocasa a été inclus dans le secteur de l'immobilier nord-américain. Les montants sont exprimés en milliers.

Nouveaux programmes et services - Au cours de l'année 2022, la Société a lancé divers nouveaux programmes et services auxiliaires pour soutenir le développement et la réussite de ses agents, courtiers et clients, notamment eXp Luxury™, Revenos™, SUCCESS® Health et SUCCESS® Coaching.

Principaux actionnaires

Le tableau ci-dessous indique, en date du 31 janvier 2023, les actionnaires connus de la Société qui détiennent la propriété effective (*beneficial ownership*) de plus de 5 % des Actions en circulation. À la connaissance de la Société, il n'y a pas eu de changement significatif dans la propriété effective des actionnaires repris dans le tableau ci-dessous depuis le 31 janvier 2023. La propriété effective représente le pouvoir exclusif et partagé de vote et d'investissement. Sauf indication contraire ci-dessous, l'adresse de chacune des personnes mentionnées dans le tableau est c/o eXp World Holdings, Inc. au 2219 Rimland Drive, Suite 301, Bellingham, WA 98226, États-Unis d'Amérique.

Nom et Adresse	Montant et Nature de la Propriété Effective ⁽¹⁾	Pourcentage de la Catégorie
Group of stockholders ⁽²⁾	78.693.407	51,51 %
• Glenn Sanford	• 43.941.026	• 28,76 %
• Penny Sanford	• 27.284.043	• 17,86 %
• Gene Frederick	• 4.960.430	• 3,25 %
• Jason Gesing	• 2.507.908	• 1,64 %
The Vanguard Group	10.487.220 ⁽³⁾	6,86 %

(1) Les informations sont basées sur 152.794.389 Actions émises et en circulation au 31 janvier 2023. Au 31 mars 2023, il y avait 153.442.421 Actions en circulation. La détention effective des actionnaires repris dans le tableau ci-dessus n'a pas significativement changé au 31 mars 2023 et le pourcentage de détention ne varie pas de plus d'un pour cent.

(2) En mars 2021, M. Sanford, Mme Sanford, M. Gesing et M. Frederick ont déposé un Formulaire 13D/A (*Form 13D/A*) auprès de la *U.S. Securities and Exchange Commission* (la « **SEC** ») indiquant qu'ils avaient conclu un accord pour exercer les droits de vote relatif à leurs actions en tant que groupe en ce qui concerne l'élection des membres du conseil d'administration (le « **Conseil d'administration** ») et toute autre question sur laquelle les Actions ont un droit de vote. Par conséquent, M. Sanford, Mme Sanford, M. Gesing et M. Frederick possèdent collectivement un nombre d'Actions suffisant pour élire tous les membres du Conseil sans l'approbation d'autres actionnaires.

(3) Le siège social du groupe Vanguard est situé à 100 Vanguard Blvd., Malvern, PA 19355, États-Unis d'Amérique.

La Société est une « société contrôlée » au sens des règles du Nasdaq. Tel qu'indiqué ci-dessus, Glenn Sanford, ainsi que Penny Sanford, Jason Gesing et Gene Frederick possèdent environ 51,51 % des Actions en circulation (au 31 janvier 2023), et ils ont accepté de voter leurs Actions en tant que groupe en ce qui concerne l'élection des administrateurs et toute autre question sur laquelle les Actions ont un droit de vote.

Principaux dirigeants	Les principaux dirigeants (<i>executive officers</i>) de l'émetteur sont Glenn Sanford, Jason Gesing, Jeff Whiteside, James Bramble, Michael Valdes, Courtney Keating, Kent Cheng, Shoeb Ansari et Leo Pareja.
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Contrôleurs légaux des comptes	Deloitte & Touche LLP, San Francisco, Californie
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QUELLES SONT LES INFORMATIONS FINANCIÈRES CLÉS CONCERNANT L'ÉMETTEUR ?

Informations financières relatives à la Société pour les exercices fiscaux clos les 31 décembre 2021, 2020 et 2019, et pour les périodes trimestrielles closes le 31 mars 2022 et 2021

Les comptes de résultat consolidés (perte) et les données des bilans consolidés de la Société pour les exercices clos le 31 décembre 2022, 2021 et 2020 figurant dans le présent prospectus sont extraits des états financiers consolidés audités de la Société, établis conformément aux principes comptables en vigueur aux États-Unis d'Amérique. (« **U.S. GAAP** »). Les comptes de résultat condensés consolidés (perte) pour les périodes trimestrielles closes le 31 mars 2023 et 2022 et les données des bilans condensés consolidés de la Société au 31 mars 2023 et au 31 décembre 2022 figurant dans ce prospectus ont été extraits des états financiers condensés consolidés non audités de la Société établis conformément aux U.S. GAAP.

DONNÉES FINANCIÈRES SÉLECTIONNÉES DES TROIS DERNIERS EXERCICES CLOS (En milliers, sauf les montants par action et les données par action) (audités)

	Exercices clos le 31 décembre		
	2022	2021	2020
Comptes de résultat consolidés (perte) :			
Produits des activités ordinaires (1)	\$ 4.598.161	\$ 3.771.170	\$ 1.798.285
Total des dépenses opérationnelles	4.592.753	3.737.018	1.766.698
Résultat opérationnel	5.408	34.152	31.587
Total des autres dépenses (produits), nettes	820	480	184
Impôts sur le revenu (produit) (2)	(10.836)	(47.487)	413

Résultat net (3)	15.424	81.159	30.990
Perte nette attribuable aux intérêts minoritaires	18	61	141
Résultat net attribuable à eXp World Holdings, Inc.	15.442	81.220	31.131
Résultat par action (4)			
Avant dilution	0,10	0,56	0,22
Après dilution	0,10	0,51	0,21
Nombre moyen pondéré d'actions en circulation (4)			
Avant dilution	151.036.110	146.170.871	138.572.358
Après dilution	156.220.165	157.729.374	151.550.075

	Au 31 décembre		
	2022	2021	2020
Données des bilans consolidés : (5)			
Trésorerie et équivalents de trésorerie (A)	121.594	108.237	100.143
Autres actifs à long-terme	1.703	2.827	—
Total actifs	381.682	413.826	242.187
Tranche à court terme de la dette à long-terme (B)	—	—	1.416
Tranche à court terme des obligations locatives - contrat de location-exploitation (C)	175	311	746
Dette à long-terme, net de la tranche à court terme (D)	4.697	2.714	2.876
Obligations locatives - contrat de location-exploitation, nettes de la tranche à court terme (E)	694	765	74
Total du passif	132.690	190.293	99.600
Capitaux propres	248.992	223.533	142.587

	Exercices clos le 31 décembre		
	2022	2021	2020
Tableau de flux de trésorerie consolidés :			
Flux de trésorerie nets générés par les activités opérationnelles	210.535	246.892	119.659
Flux de trésorerie nets utilisés par les activités d'investissement	(22.461)	(18.923)	(16.963)
Dividendes déclarés et payés	(25.229)	(11.548)	—
Flux de trésorerie nets générés (utilisés) par les activités de financement	(204.514)	(179.924)	(21.893)
Trésorerie, équivalents de trésorerie et trésorerie soumise à restrictions, fin de l'exercice	\$ 159.383	\$ 175.910	\$ 127.924

- Les produits des activités ordinaires totaux de la Société ont atteint 4,6 milliards de dollars américains en 2022, contre 3,8 milliards de dollars américains en 2020, soit une augmentation de 827 millions de dollars américains, ou 22 %. Les produits des activités ordinaires totaux ont augmenté principalement en raison de l'augmentation du volume des commissions de courtage immobilier, qui est attribuable à la croissance de la base d'agents de la Société, à l'augmentation des transactions immobilières et à l'augmentation des prix de vente des maisons, par rapport à 2021.
- La provision pour impôts sur le revenu de la société s'est élevée à une économie de (10,8) millions de dollars américains, soit une diminution de 36,7 millions de dollars américains pour l'exercice clos le 31 décembre 2022. La diminution de l'avantage fiscal est principalement attribuable à la libération de la provision pour moins-value au cours de l'exercice précédent et à la diminution des charges déductibles au titre des rémunérations fondées sur des actions.
- Pour l'exercice clos le 31 décembre 2022, la Société a généré un bénéfice net inférieur, imputable à l'augmentation des frais généraux et administratifs résultant de l'augmentation du nombre d'employés de la Société afin de continuer à soutenir la stratégie de croissance des agents de la Société et à l'augmentation des coûts liés à l'entrée sur les marchés internationaux et aux investissements dans Virbela.
- Le 16 janvier 2021, le Conseil a approuvé une division d'actions à raison de deux pour une sous la forme d'un dividende en actions aux actionnaires inscrits au 29 janvier 2021 (la « **Division d'Actions** »). La Division d'Actions a pris effet le 12 février 2021. Tous les montants de la période concernée ont été ajustés pour prendre en compte la Division d'Actions.
- Au 31 décembre 2022, la dette financière totale de la Société s'élevait à \$(116.028.000) (soit (B + C + D + E) - A).

DONNÉES FINANCIÈRES TRIMESTRIELLES SÉLECTIONNÉES (En milliers, sauf les montants par action) (non-audités)

	Trimestres clos les 31 mars	
	2023	2022
Comptes de résultat condensés consolidés (perte) :		
Produits des activités ordinaires	\$ 850.616	\$ 1.010.731
Total des dépenses opérationnelles	852.289	1.006.289
Résultat opérationnel (1)	(1.673)	4.442
Bénéfices sur impôt	(2.588)	(5.149)
Résultat net (2)	1.453	8.864
Résultat par action		
Avant dilution	\$ 0,01	\$ 0,06
Après dilution	\$ 0,01	\$ 0,06
Nombre moyen pondéré d'actions en circulation		
Avant dilution	152.546.766	149.226.166
Après dilution	155.668.712	156.842.721

- Le total des produits des activités ordinaires de la Société s'élevaient à 850,6 millions de dollars américains pour le trimestre clos le 31 mars 2023, contre 1.010,7 millions de dollars américains pour la même période en 2022, soit une baisse de (160,1) millions de dollars américains, ou (16) %. Le total des produits des activités ordinaires a diminué au premier trimestre 2023 en raison d'une baisse des transactions immobilières et des prix des logements par rapport à la même période en 2022, en raison du déclin du marché immobilier résidentiel aux États-Unis et au Canada. Bien que le total du résultat opérationnel ait diminué par rapport au trimestre clos le 31 mars 2022, cela n'a pas suffi à équilibrer la baisse des produits des activités ordinaires décrite ci-dessus. Il convient de noter que le résultat opérationnel pour le trimestre clos le 31 mars 2023 ne sont pas nécessairement représentatifs des résultats attendus pour l'exercice clos le 31 décembre 2023.

- (2) Pour le trimestre clos le 31 mars 2023, la Société a généré un résultat positif, principalement en raison du bénéfice sur impôt et du modèle d'exploitation efficace de la Société avec des coûts fixes inférieurs grâce à son modèle basé sur l'informatique dématérialisée, sans emplacement physique, malgré le ralentissement du marché mondial de l'immobilier résidentiel.

	En date du	
	31 mars 2023	31 décembre 2022 (audité)
Données des bilans condensés consolidés : (1)		
Trésorerie et équivalents de trésorerie (A)	\$ 122.769	\$ 121.594
Autres actifs à long-terme	1.711	1.703
Total actifs	415.333	381.682
Tranche à court terme de la dette à long-terme (B)	—	—
Tranche à court terme des obligations locatives - contrat de location-exploitation (C)	159	175
Dette à long-terme, net de la tranche à court terme (D)	5	4.697
Obligations locatives - contrat de location-exploitation, nettes de la tranche à court terme (E)	694	694
Total du passif	162.246	132.690
Capitaux propres	253.087	248.992

- (1) Au 31 mars 2023, la dette financière totale de la Société s'élevait à \$(121.911.000) (soit (B + C+ D+ E) - A).

	Trimestres clos les 31 mars	
	2023	2022
Tableau de flux de trésorerie condensés consolidés :		
Flux de trésorerie nets générés par les activités opérationnelles	\$ 56.144	\$ 111.507
Flux de trésorerie nets (utilisés) par les activités d'investissement	(1.782)	(4.684)
Flux de trésorerie nets (utilisés) par les activités de financement	(36.205)	(35.743)
Trésorerie, équivalents de trésorerie et trésorerie soumise à restrictions, fin du trimestre	178.134	247.031

Informations financières pro forma Sans objet. Ce prospectus ne contient pas d'informations financières pro forma.

Réserves dans le rapport d'audit sur les informations financières annuelles historiques

Les rapports des contrôleurs légaux des comptes sur les états financiers de la Société au 31 décembre 2022, 2021 et 2020 et pour les exercices clos à cette date ne contenaient pas de réserve.

QUELS SONT LES RISQUES SPÉCIFIQUES A L'ÉMETTEUR ?

Vous trouverez ci-dessous les résumés des principaux risques, incertitudes et autres facteurs susceptibles d'affecter les résultats futurs d'eXp. Les risques et incertitudes décrits ci-dessous ne sont pas les seuls auxquels eXp est confronté. Dans chacune des catégories de risques ci-dessous, les principaux risques sont présentés par ordre de priorité en fonction du risque que la Société considère, à la date du présent prospectus, comme le plus important.

Risques liés aux secteurs de la Société

- La profitabilité de la Société est liée à la solidité du marché de l'immobilier résidentiel, qui est soumis à un certain nombre de facteurs commerciaux et macroéconomiques généraux indépendants de sa volonté.

Risques liés à l'activité générale et aux opérations de la Société

- Le départ de ses dirigeants actuels ou d'autres cadres clés pourrait nuire considérablement aux activités de la Société.
- Les opérations internationales de la Société sont soumises à des risques que ne connaissent généralement pas ses activités aux États-Unis d'Amérique.
- Des cyber incidents pourraient perturber les opérations commerciales de la Société, entraîner la perte d'informations essentielles et confidentielles, avoir un impact négatif sur sa réputation et nuire à ses activités.
- La Société développe activement et a l'intention de continuer à développer de nouveaux produits et services complémentaires à ses activités de courtage et son incapacité à prévoir avec précision leur demande ou leur croissance pourrait avoir un effet négatif sur ses activités.

Risques liés à l'activité immobilière de la Société

- L'inflation et la hausse des taux d'intérêt ont contribué et pourraient continuer à contribuer à la baisse des volumes de transactions immobilières, ce qui a eu et pourrait continuer à avoir un impact important sur les résultats d'exploitation, les bénéfices et les flux de trésorerie.
- La Société pourrait ne pas être en mesure de maintenir le taux de croissance de ses agents, ce qui aurait un impact négatif sur la croissance de ses revenus et ses résultats d'exploitation.
- La proposition de valeur de la Société pour les agents et les courtiers consiste à leur permettre d'être intéressés aux revenus de la Société, ce qui n'est pas habituel dans le secteur de l'immobilier. Si les agents et les courtiers ne comprennent pas la proposition de valeur de la Société, cette dernière pourrait ne pas être en mesure d'attirer, de retenir et de motiver les agents.

Risques liés aux activités Virbela de la Société

- Si la Société n'occupe plus sa position de leader innovant dans le secteur de l'immobilier, elle pourrait ne pas être en mesure de développer son activité et de profiter de sa structure de coûts pour atteindre la rentabilité.

Risques liés aux aspects juridiques et réglementaires

- La Société s'expose à des risques significatifs en termes de réputation et de revenus si elle ne parvient pas à se conformer à la loi et aux réglementations édictées par les autorités gouvernementales fédérales, étatiques, locales et étrangères, ou les associations professionnelles et leurs collèges respectifs.
- La Société offre à ses agents indépendants la possibilité de percevoir des commissions supplémentaires par le biais de son plan de partage des revenus, qui consiste à rémunérer selon une structure de rémunération à plusieurs niveaux similaire à certains égards au marketing de réseau. Le marketing de réseau fait l'objet d'une attention particulière de la part des autorités gouvernementales et la réglementation ou des réformes législatives, ou bien des changements d'interprétation ou d'application de la loi, sont susceptibles d'avoir un impact négatif sur son activité.

SECTION C — INFORMATIONS CLÉS SUR LES VALEURS MOBILIÈRES

QUELLES SONT LES PRINCIPALES CARACTÉRISTIQUES DES VALEURS MOBILIÈRES ?

Nature et catégorie des valeurs mobilières, y compris le code ISIN	Les actions ordinaires d'eXp World Holdings, Inc., d'une valeur nominale de 0,00001 dollar américain, sont cotées sur Nasdaq sous le mnémonique « EXPI ». Le code ISIN des Actions est US30212W1009 et le code américain d'identification des valeurs mobilières (le code CUSIP) des Actions est 30212W100.
Monnaie de l'émission, nombre de valeurs mobilières émises et leur échéance	La monnaie d'émission est le dollar américain. Au 2 mai 2023, la Société était autorisée à émettre 900.000.000 Actions. Au 31 mars 2023, il y avait 153.442.421 Actions en circulation. Il n'y a pas eu de changements importants dans le nombre d'Actions émises et en circulation depuis cette date. Les Actions sont émises sans limitation de durée.
Droits attachés aux valeurs mobilières	Les agents indépendants éligibles qui s'inscrivent et participent au Programme d'Actionnariat de 2015 réservé aux Agents (le « Programme ») sont appelés « Participants ». Le Participant n'aura aucun droit de vote, droit au dividende ou tout autre droit d'actionnaire en ce qui concerne toute offre dans le cadre du Programme jusqu'à ce que les Actions aient été achetées et livrées au Participant. Après cet achat et cette livraison, le Participant pourra bénéficier des droits attachés aux Actions, comme décrit plus en détail ci-dessous : Droits aux Dividendes. Les titulaires d'Actions ont le droit de recevoir des dividendes et d'autres distributions (payables en numéraire, en nature ou en actions de la Société) si et seulement si le Conseil d'administration en prend la décision, par prélèvement sur les actifs ou les fonds de la Société légalement disponibles à cet effet. Ils bénéficieront de manière égale de ces dividendes et distributions proportionnellement au nombre d'Actions qu'ils détiennent. Droits de Vote. Chaque Action donne droit à un droit de vote simple lors du vote des résolutions soumises au vote des actionnaires, y compris l'élection des administrateurs. Les Actions ne sont pas assorties d'un droit de vote plural. Absence de Droit Préférentiel de Souscription, de Remboursement ou de Conversion. Les Actions ne sont pas assorties d'un droit préférentiel de souscription, d'un droit au remboursement ou d'un droit de conversion.
Le rang relatif des valeurs mobilières dans la structure du capital de l'émetteur en cas d'insolvabilité	En cas de liquidation ou de dissolution volontaire ou involontaire de la Société, après paiement ou provisionnement pour paiement des dettes et autres engagements de la Société, les titulaires d'Actions auront le droit de recevoir tous les actifs restants de la Société disponibles pour distribution à ses actionnaires, proportionnellement au nombre d'Actions qu'ils détiennent.
Restrictions au libre transfert des valeurs mobilières	Les Actions offertes dans le cadre du Programme sont enregistrées sur le Formulaire S-8 (<i>Form S-8</i>) déposé auprès de la SEC et sont généralement librement négociables (sous réserve toutefois de toute restriction au libre transfert résultant des lois applicables en matière de manquement d'initié et de la politique de la Société en la matière).
Politique de dividende	Le 4 août 2021, le Conseil d'administration a constaté puis versé son premier dividende en espèces. La Société a ensuite déclaré et payé des dividendes ultérieurs au cours de chaque trimestre de l'exercice clos le 31 décembre 2022. La Société n'a pas versé de dividendes en numéraire au titre de ses Actions au cours des derniers exercices, y compris au cours de l'exercice clos le 31 décembre 2020. Le paiement d'un dividende en numéraire est décidé de manière discrétionnaire par le Conseil d'administration, conformément à la loi applicable, en prenant en considération divers facteurs, tels que la situation financière de la Société, ses résultats d'exploitation, ses besoins de trésorerie actuels et prévisionnels et ses projets de développement. En vertu du droit de l'État du Delaware, la Société ne peut verser des dividendes que sur les réserves ou sur les bénéfices de l'année en cours ou de l'année précédente. Par conséquent, il ne peut en aucun cas être garanti que la Société versera des dividendes aux titulaires de ses actions ordinaires à l'avenir; aucune garantie sur le montant d'un éventuel dividende ne peut également être donnée.

OÙ LES VALEURS MOBILIÈRES SERONT-ELLES NÉGOCIÉES ?

Admission à la négociation sur un marché réglementé	Les Actions sont cotées sur Nasdaq sous le mnémonique « EXPI ». Les Actions ne sont pas cotées, et n'ont pas fait l'objet d'une demande de cotation, sur un marché réglementé ou un système multilatéral de négociation de l'Espace Économique Européen (« EEE »).
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LES VALEURS MOBILIÈRES FONT-ELLES L'OBJET D'UNE GARANTIE ?

Description succincte de la nature et de la portée de la garantie	Sans objet.
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QUELS SONT LES PRINCIPAUX RISQUES SPÉCIFIQUES AUX VALEURS MOBILIÈRES ?

- Glenn Sanford, le Président et Directeur Général de la Société, collectivement avec Penny Sanford, une actionnaire détenant une participation significative, Jason Gesing, un administrateur et le Directeur des Relations avec l'Industrie, ainsi que Gene Frederick, un administrateur et agent, détiennent une part significative des Actions de la Société et ont accepté d'agir de concert (*act as a group*) sur tout sujet qui pourrait être soumis au vote des actionnaires de la Société. Le cours des Actions pourrait être dégradé du fait de cette action de concert et les concertistes pourraient prendre des mesures qui pourraient être contraires aux intérêts des autres actionnaires de la Société.
- La Société est une « société contrôlée » au sens des règles du Nasdaq et, par conséquent, elle remplit les conditions requises pour bénéficier d'exemptions de certaines exigences en matière de gouvernance d'entreprise et entend s'en prévaloir. Par conséquent, la Société ne disposera pas d'une majorité de membres du Conseil indépendants, ses comités de rémunération, de nomination et de gouvernance d'entreprise ne seront pas entièrement composés de membres du Conseil indépendants, et ces comités pourraient ne pas être soumis à des évaluations de performance annuelles. Tel qu'indiqué plus en détails à la section B ci-dessus, intitulée « Principaux actionnaires », Glenn Sanford, ainsi que Penny Sanford, Jason Gesing et Gene Frederick détiennent environ 51,51 % des Actions en circulation (au 31 janvier 2023).
- Les actionnaires pourraient subir une dilution en résultat de l'émission de nouvelles Actions ou de l'émission d'Actions dans le cadre des plans d'intéressement.

SECTION D — INFORMATIONS CLÉS SUR L'OFFRE AU PUBLIC DE VALEURS MOBILIÈRES ET/OU L'ADMISSION À LA NÉGOCIATION SUR UN MARCHÉ RÉGLEMENTÉ

À QUELLES CONDITIONS ET SELON QUEL CALENDRIER PUIS-JE INVESTIR DANS CETTE VALEUR MOBILIÈRE ?

Description des termes et conditions de l'offre

La Société offre à ses agents indépendants éligibles le droit d'acheter des Actions à un prix réduit dans le cadre du Programme. Le Programme est un programme d'achat d'actions dans le cadre du Plan d'Actionnariat de 2015 (le « **Plan** »). Les attributions aux agents indépendants éligibles seront administrées dans le cadre du Plan et régies par celui-ci.

L'offre du Programme peut être considérée comme une offre au public de valeurs mobilières conformément au Règlement Prospectus dans les pays de l'EEE suivants : France, Portugal et Espagne. Le Programme n'est pas proposé dans les autres pays de l'EEE.

Le prospectus ainsi que les traductions de son résumé, le cas échéant, seront mis en ligne sur le site internet d'Exp World Holdings, Inc. (<https://expworldholdings.com>) et des exemplaires gratuits seront fournis sur simple demande en contactant le département des Relations Investisseurs d'Exp World Holdings Inc. à investors@expworldholdings.com. Le prospectus et la traduction en français de son résumé seront également disponibles sur le site internet de l'AMF, www.amf-france.org.

Administration : Le Programme est offert sur une base entièrement discrétionnaire. Le Programme est administré par le Conseil d'administration ou un comité du Conseil d'administration, des dirigeants de la Société ou d'autres personnes pouvant être désignées par le Conseil d'administration (l'« **Administrateur** »). L'Administrateur a le pouvoir de désigner les bénéficiaires, de déterminer le nombre d'Actions devant faire l'objet d'attributions, d'établir les termes et conditions des attributions, de prescrire la forme de chaque contrat d'attribution, d'interpréter les dispositions du Plan (y compris le Programme) et de tout contrat d'attribution, de déterminer la signification de leurs dispositions et de prescrire, modifier et annuler les règles et procédures relatives au Plan (y compris le Programme) et à son administration.

Éligibilité : Sous réserve des lois applicables, tous les agents et courtiers ayant conclu un contrat d'agent indépendant avec la Société ou l'une de ses filiales et qui sont à jour de leurs obligations vis-à-vis de la Société ou de la filiale concernée sont éligibles au Programme.

Durée de l'Offre et Inscription : La Société continuera à offrir le Programme à partir de la date à laquelle le présent prospectus sera approuvé par l'AMF, soit le 23 juin 2023. Le présent prospectus expirera après douze mois à compter de la date d'approbation de l'AMF et la Société demandera une approbation ultérieure pour poursuivre l'offre du Programme.

Le Programme est proposé sur une base mensuelle (« **Offre Mensuelle** ») commençant le premier jour ouvré de chaque mois.

Afin de participer au Programme, un agent indépendant éligible doit s'inscrire au Programme en acceptant les termes et conditions du Formulaire de Choix de Participation au Programme d'Actionnariat de 2015 réservé aux Agents Non Américains (le « **Formulaire de Choix** ») dans le compte créé au nom du Participant auprès de *Shareworks by Morgan Stanley* (le « **Courtier** ») avant la prochaine Date d'Achat (telle que définie ci-dessous).

Le Participant sera automatiquement réinscrit à chaque Offre Mensuelle suivante, à condition qu'il reste éligible au Programme.

Si un Participant se retire du Programme dans les délais impartis ou s'il mis fin à ses relations avec la Société, il ne sera pas automatiquement réinscrit à l'Offre Mensuelle suivante.

Montant des Contributions : En s'inscrivant au Programme, le Participant accepte que cinq pour cent (5 %) de sa commission nette (après fractionnement, frais et toute autre retenue applicable) (les « **Contributions** ») sur les transactions immobilières conclues au nom du Participant, en commençant par les transactions réalisées à compter de la date d'adhésion du Participant, soit utilisé pour acheter des Actions au Prix d'Achat, tel que défini ci-dessous. La Société ne plafonne pas actuellement le montant en dollars de ces Contributions. Les Contributions sont calculées sur une base mensuelle et déduites du paiement de la commission nette du Participant que la filiale locale pour laquelle le Participant fournit des services paierait autrement pour les transactions immobilières qui ont été conclues ce mois-là. Le Participant ne peut pas modifier le pourcentage de ses Contributions, sauf à se retirer du Programme.

La Société ne verse pas d'intérêts sur les Contributions, sauf si le droit local l'exige.

Détails du Prix : Le « **Prix d'Achat** » des Actions émises dans le cadre du Programme sera égal à quatre-vingt-dix pour cent (90 %) de la juste valeur de marché des Actions le dernier jour de bourse du mois. La juste valeur de marché d'une Action sera le cours de clôture des Actions (ou le meilleur cours d'achat de clôture, si aucune vente n'est enregistrée) enregistré sur le marché Nasdaq à la date applicable.

Nature de l'Offre : La participation au Programme est entièrement sur une base volontaire.

Le dernier jour de bourse de chaque mois (chacun, une « **Date d'Achat** »), les Contributions accumulées des Participants seront utilisées pour acheter un nombre d'Actions. Le nombre d'Actions achetées sera déterminé en divisant les Contributions accumulées par le Participant par le Prix d'Achat. Aucune fraction d'Action ne sera émise à l'achat ; toutefois, le compte du Participant sera crédité d'une fraction d'intérêt économique.

Les Actions du Programme seront émises le dernier jour de bourse du mois au cours duquel le cumul des Contributions autorisées en lien avec la finalisation de ventes de biens immobiliers n'est pas inférieur au Prix d'Achat d'une Action entière.

Toute somme restante pour acheter moins d'une Action entière sera automatiquement reportée sur l'Offre Mensuelle suivante.

Dès que possible sur le plan administratif après chaque Date d'Achat, les informations relatives au Prix d'Achat et à la Date d'Achat sont mis à la disposition du Participant par le Courtier (tel que défini ci-dessous) sur le compte établi au nom du Participant auprès du Courtier. La Société ne fournit pas de communications additionnelles ou supplémentaires au Participant, ces communications étant gérées par le Courtier.

Livraison des Actions : Après la fin de chaque achat mensuel, le nombre d'Actions achetées par chaque Participant sera déposé sur un compte établi au nom du Participant auprès du Courtier (tel que défini ci-dessous). Dès que possible sur le plan administratif après chaque Date d'Achat, le compte individuel du Participant auprès du Courtier sera crédité des Actions achetées au nom du Participant. Les Actions resteront sur le compte individuel du Participant jusqu'à ce que le Participant donne des instructions supplémentaires au Courtier pour transférer ou vendre les Actions, et resteront sur le compte de ce Participant après la fin de sa participation au Programme ou la fin de sa collaboration avec la Société. Chaque trimestre, un relevé récapitulatif est disponible auprès du Courtier. Il détaille l'activité du compte du Participant, y compris les achats et les ventes, le nombre total d'Actions détenues à la fin du trimestre et la valeur totale du compte du Participant. Le relevé du quatrième trimestre comprendra un résumé de toutes les transactions effectuées au cours de l'année.

Nombre et Nature des Valeurs Mobilières Offertes : Pour les exercices clos les 31 décembre 2022, 2021 et 2020, la Société a émis 11.462.940, 3.645.386 et 5.762.470 Actions, respectivement, à des agents et courtiers pour 164.104 dollars américains, 144.437 dollars américains et 60.968 dollars américains, respectivement, déduction faite de l'escompte. Au cours des trimestres clos les 31 mars, 2023 et 2022, la Société a émis 2.106.369 et 1.550.455 Actions, respectivement, à des agents et courtiers pour une valeur de 26.775 dollars américains et 38.500 dollars américains, respectivement, y compris l'escompte. Au 31 mars 2023, 13.904.438 Actions étaient disponibles pour une émission future dans le cadre du Programme (sur les 84.011.043 Actions disponibles pour la durée du Plan). Les Actions offertes dans le cadre du Programme peuvent uniquement être des Actions autorisées mais non émises dans le cadre du programme qui ont été enregistrées avec les autorités compétentes en matière de valeurs mobilières.

Commission : Les Participants pourront ouvrir sans frais un compte auprès du Courtier (tel que défini ci-dessous) et aucun frais ne leur sera appliqué pour la gestion de leur compte ou l'achat d'Actions. Les Participants devront prendre en charge toutes les commissions et tous les frais liés à la vente ou au transfert

des Actions du compte auprès du courtier. En outre, la SEC applique une commission à la plupart des opérations de valeurs mobilières à un taux déterminé par la SEC. Ces commissions et frais sont susceptibles d'être modifiés à tout moment.

Cessation de la Participation au Plan : Un Participant peut se retirer du Programme à tout moment en remplissant un nouveau Formulaire de Choix indiquant son intention de se retirer du Programme. Un Participant qui achève le processus de retrait se verra rembourser ses Contributions en cours dans les 30 jours suivant la soumission du Formulaire de Choix de retrait du Participant à stock@exprealty.net.

Cessation du Service : Il sera immédiatement mis fin à la participation d'un Participant au Programme si le Participant n'est plus à jour de ses obligations vis-à-vis de la Société ou l'une de ses filiales, tel que déterminé par l'Administrateur à sa seule discrétion. Dans ce cas, tout montant dû au Participant lui sera remboursé dès que possible et ne sera pas utilisé pour acheter des Actions supplémentaires.

Non-Négociabilité des Droits d'Achat : Les droits d'achat accordés aux Participants ne peuvent être volontairement ou involontairement cédés, transférés, mis en gage ou transférés de quelque manière que ce soit, et ne peuvent être exercés que par le Participant, de son vivant.

Cessation, Suspension ou Modification du Plan et du Programme : Le Conseil d'administration peut modifier, amender, suspendre ou résilier le Plan (y compris le Programme) en ce qui concerne les attributions qui n'ont pas été faites. Aucune modification, suspension ou cessation du Plan ne privera le Participant, sans son consentement, de toute attribution qui lui a été accordée ou de tout droit en vertu de celle-ci. L'approbation des modifications par les Actionnaires ne sera requise que pour se conformer aux lois applicables ou aux exigences réglementaires.

Détails de l'admission à la négociation sur un marché réglementé	Sans objet.		
Plan de distribution	Toutes les Actions émises dans le cadre du Programme seront initialement enregistrées et détenues sur un compte créé au nom du Participant auprès du Courtier.		
Dilution maximale	Dans l'hypothèse où les agents indépendants éligibles participant à l'offre achètent le nombre maximum d'Actions restant à émettre en vertu du Programme (soit 13.904.438), la participation d'un actionnaire de la Société détenant actuellement 1 % du capital social total en circulation de la Société au 31 mars 2023, soit 1.534.424 Actions, et qui n'est pas un agent indépendant éligible participant à l'offre, serait diluée comme indiqué dans le tableau suivant :		
		Pourcentage du total des Actions en circulation	Nombre total d'Actions en circulation
	Avant l'émission d'Actions dans le cadre du Programme (au 31 mars 2023)	1 %	153.442.421
Après l'émission de 13.904.438 Actions dans le cadre du Programme	0,92 %	167.346.859	
Estimation des dépenses facturées à l'investisseur	Sans objet. Aucune dépense ne sera imputée aux Participants par la Société.		
POURQUOI CE PROSPECTUS EST-IL ÉTABLI ?			
Raisons de l'offre	L'objectif du Programme est d'attirer, de retenir et de motiver les agents indépendants dont les contributions actuelles et potentielles sont importantes pour le succès de la Société et de ses affiliés.		
Utilisation et montant net estimé du produit	<p>Dans l'hypothèse où la totalité des 13.904.438 Actions restant à émettre dans le cadre du Programme tel que visé dans le présent prospectus seraient achetées par les agents indépendants participant au Programme, sur la base d'un prix par Action de 17,69 dollars américains (correspondant à 90 % du prix théorique par Action de 19,65 dollars américains, cours de clôture des Actions au 16 juin 2023), le produit brut de l'offre dans le cadre du Programme conformément au présent prospectus pour la Société serait de 245.969.508 dollars américains. Après déduction d'environ 155.000 dollars américains de frais juridiques et comptables liés à l'offre, le produit net serait de 245.814.508 dollars américains.</p> <p>Toutefois, en réalité, la Société ne prévoit pas d'émettre toutes les Actions qu'elle est autorisée à émettre dans le cadre du Programme. Le produit net de l'émission d'Actions pendant la durée du Programme dépendra du niveau de participation des agents indépendants.</p> <p>Le produit net sera utilisé pour les besoins généraux de la Société.</p>		
Convention de prise ferme avec engagement ferme	Sans objet.		
Description de l'intérêt matériel pour l'offre, y compris les conflits d'intérêts.	Sans objet.		



eXp World Holdings, Inc.

2219 Rimland Drive, Suite 301
Bellingham, WA 98226, U.S.A.

2015 AGENT EQUITY PROGRAM (THE "PROGRAM"), A SHARE PURCHASE PROGRAM UNDER THE EXP WORLD HOLDINGS, INC. 2015 EQUITY INCENTIVE PLAN (THE "PLAN")

PROSPECTUS

Published in Connection with the Public Offering of a Maximum of 13,904,438 Shares of Common Stock, Par Value \$0.00001, of eXp World Holdings, Inc. to Independent Agents under the Program



The prospectus has been approved by the *Autorité des marchés financiers* (the "AMF") in its capacity as competent authority under Regulation (EU) 2017/1129. The AMF approves the prospectus after having verified that the information in the prospectus is complete, consistent and comprehensible within the meaning of Regulation (EU) 2017/1129.

This approval should not be considered as a favorable opinion on the issuer and on the quality of the financial securities that are the subject of the prospectus. Investors are invited to make their own evaluation concerning the opportunity of investing in the financial securities concerned.

The prospectus was approved on June 23, 2023 and is valid for twelve months from the date of approval and shall, during that period and under the conditions of Article 23 of Regulation (EU) 2017/1129, be completed by a supplement to the prospectus in the event of significant new facts or material errors or inaccuracies. The prospectus shall bear the following visa number 23-243.

This prospectus along with summary translations (as applicable) will be posted on eXp World Holdings, Inc.'s website (www.expworldholdings.com), and free copies will be made available upon request by contacting the Investor Relations department of eXp World Holdings, Inc. at investors@expworldholdings.com. This prospectus and the French translation of its summary will also be available on the website of the AMF, www.amf-france.org.

NOTE TO THE PROSPECTUS

This prospectus, which contains material information concerning eXp World Holdings, Inc., was established pursuant to Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the “**Prospectus Regulation**”). This prospectus is composed of the following parts in the following order:

- (1) a table of contents,
- (2) the summary provided for in Article 7 of the Prospectus Regulation (Part I constitutes the prospectus summary),
- (3) the risk factors provided for in Article 16 of the Prospectus Regulation, and
- (4) Annexes 1 and 11 of the Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing the Prospectus Regulation (the “**Delegated Regulation 2019/980**”).

This prospectus also contains supplemental information concerning the Program and eXp World Holdings, Inc. (Part II - Section B) as well as the following document (Exhibits):

- 2015 Equity Incentive Plan;
- 2015 Non-U.S. Agent Equity Program Participation Election Form;
- Annual report on Form 10-K for the fiscal year ended December 31, 2022, filed by eXp World Holdings, Inc. with the U.S. Securities and Exchange Commission on February 28, 2023;
- Definitive Proxy Statement filed by eXp World Holdings, Inc. with the U.S. Securities and Exchange Commission on April 6, 2023;
- Quarterly report on Form 10-Q for the quarterly period ended March 31, 2023, filed by eXp World Holdings, Inc. with the U.S. Securities and Exchange Commission on May 2, 2023;
- Restated Certificate of Incorporation of eXp World Holdings, Inc.;
- Restated Bylaws of eXp World Holdings, Inc.; and
- Current report on Form 8-K filed by eXp World Holdings, Inc. with the U.S. Securities and Exchange Commission on May 3, 2023.

When used in this prospectus, the terms “we,” “us” or “our” mean eXp World Holdings, Inc. and its subsidiaries.

In this prospectus, “\$” refers to U.S. dollars.

Percentages in tables have been rounded and accordingly may not add up to 100%. Certain financial data have been rounded. As a result of this rounding, the totals of data presented in this document may vary slightly from the actual arithmetic totals of such data.

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EXHIBIT VIII	CURRENT REPORT ON FORM 8-K FILED BY EXP WORLD HOLDINGS, INC. WITH THE SEC ON MAY 3, 2023	VIII

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ANNEX 1 OF DELEGATED REGULATION 2019/980
REGISTRATION DOCUMENT FOR EQUITY SECURITIES

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		Exhibit III	Exhibits 31.1 and 32.1
1.2.	A declaration by those responsible for the prospectus.	Prospectus	1 (Company Representative for Prospectus)
1.3.	Detail of experts.	Not applicable	Not applicable
1.4.	Information sourced from a third party.	Not applicable	Not applicable
1.5.	Statement of approval of document by competent authority.	Prospectus	Cover Page
2.	STATUTORY AUDITORS		
2.1.	Names and addresses of the issuer's auditors.	Part II - Section B	47 (6.2 Independent Registered Public Accounting Firm)
2.2.	If auditors have resigned, been removed or not been re-appointed during the period covered by the historical financial information, indicate details if material.	Not applicable	Not applicable
3.	RISK FACTORS		
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4.2.	The place of registration of the Issuer and its registration number and legal entity identifier.	Part II - Section B	39 – 42 (5.1 Business Overview)
4.3.	The date of incorporation and the length of life of the issuer, except where indefinite.	Part II - Section B	39 – 42 (5.1 Business Overview)
4.4.	The domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, as well as the address, telephone number and website.	Part II - Section B	39 – 42 (5.1 Business Overview)
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		Exhibit III	2 - 8 (Item 1. Business)
5.1.2.	An indication of any significant new products and/or services that have been introduced.	Part II - Section B	39 – 42 (5.1 Business Overview)
5.2.	Principal markets.	Part II - Section B	39 – 42 (5.1 Business Overview)
5.3.	Important events in the development of the issuer's business.	Exhibit III	27 - 28 (Recent Business Developments) 51 (Note 3. Acquisitions)
5.4.	Strategy and Objectives.	Exhibit III	24 (Strategy) 33 (Outlook)
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		Exhibit III	44 (Consolidated Statements of Cash Flows) 45 - 46 (Joint ventures) 51 (Note 3. Acquisitions) 62 (Note 16. Subsequent Events)
5.7.2.	A description of the issuer's material investments that are in progress or for which a firm commitment has been made.	Part II - Section B	45 – 47 (6.1 Selected Financial Data)
		Exhibit III	33 (Outlook) 44 (Consolidated Statements of Cash Flows)
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5.7.3.	Information relating to the joint ventures and undertakings in which the issuer holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses.	Part II - Section B	70 (XII. Material Contracts)
5.7.4.	Environmental issues that may affect the issuer's utilization of tangible fixed assets	Not applicable	Not applicable
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6.1.	Description of the group	Part II - Section B	42 – 45 (5.2 Organizational Structure) 68 – 70 (11.2 Major Stockholders, Directors' and Executive Officers' Holdings of Shares and Options)
		Exhibit III	45 (Variable interest entities and noncontrolling interests) 45 - 46 (Joint ventures) 51 (Note 3. Acquisitions)
6.2.	A list of the issuer's significant subsidiaries	Part II - Section B	42 – 45 (5.2 Organizational Structure)
7.	OPERATING AND FINANCIAL REVIEW		
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7.1.1.	Financial condition	Part II - Section B	45 – 47 (6.1 Selected Financial Data) 47 – 49 (VII. Statement of Capitalization and Indebtedness as of March 31, 2023)
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			Capital Resources)
7.1.2.	Details of (a) the issuer's likely future development and (b) activities in field of research and development	Exhibit III	24 (Strategy) 25 (Market Conditions and Industry Trends) 27 - 28 (Recent Business Developments)
		Exhibit V	15 - 16 (Strategy) 16 (Market Conditions and Industry Trends)
7.2.	Operating Results		
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7.2.2.	Material changes in net sales or revenues	Part II - Section B	45 – 47 (6.1 Selected Financial Data)

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		Exhibit III	32 - 33 (Liquidity and Capital Resources)
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		Exhibit III	32 - 33 (Liquidity and Capital Resources)
8.3.	Information on the borrowing requirements and funding structure of the issuer.	Part II - Section B	45 – 47 (6.1 Selected Financial Data) 47 – 49 (VII. Statement of Capitalization and Indebtedness as of March 31, 2023)
		Exhibit III	32 - 33 (Liquidity and Capital Resources)
8.4.	Information regarding any restrictions on the use of capital resources.	Not applicable	Not applicable
8.5.	Information regarding the anticipated sources of funds needed to fulfil commitments referred to in items 5.7.2.	Exhibit III	32 - 33 (Liquidity and Capital Resources)
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9.	REGULATORY ENVIRONMENT		
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10.2.	Trends, uncertainties or events that are likely to affect the issuer for at least the current financial year.	Part II - Section A	9 – 30 (Risk Factors)
		Exhibit III	25 (Market Conditions and Industry Trends) 27 - 28 (Recent Business Developments)
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11.	PROFIT FORECASTS OR ESTIMATES	Not applicable	Not applicable
12.	ADMINISTRATIVE, MANAGEMENT, SUPERVISORY BODIES AND SENIOR MANAGEMENT		
12.1.	Names, business addresses and functions in the issuer of the following persons and an indication of the principal activities performed by them outside the issuer where these are significant with respect to that issuer:	Part II - Section B	51 – 56 (10.1 Directors and Executive Officers)
	a) members of the administrative, management or supervisory bodies;		
	b) partners with unlimited liability, in the case of a limited partnership with a share capital;		
	c) founders, if the issuer has been established for fewer than five years; and	Not applicable	Not applicable

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	d) any senior manager who is relevant to establishing that the issuer has the appropriate expertise and experience for the management of the issuer's business.	Part II - Section B	51 – 56 (10.1 Directors and Executive Officers)
	The nature of any family relationship between any of those persons.	Part II - Section B	51 – 56 (10.1 Directors and Executive Officers)
	<p>In the case of each member of the administrative, management or supervisory bodies of the issuer and each person mentioned in points (b) and (d) of the first subparagraph, details of that person's relevant management expertise and experience and the following information:</p> <p>(a) the nature of all companies and partnerships of which such person has been a member of the administrative, management and supervisory bodies or partner at any time in the previous five years, indicating whether or not the individual is still a member of the administrative, management or supervisory bodies or partner. It is not necessary to list all the subsidiaries of an issuer of which the person is also a member of the administrative, management or supervisory bodies or partner. It is not necessary to list all the subsidiaries of an issuer of which the person is also a member of the administrative, management or supervisory bodies.</p>	Part II - Section B	51 – 56 (10.1 Directors and Executive Officers)
	<p>(b) any convictions in relation to fraudulent offences for at least the previous five years;</p> <p>(c) details of any bankruptcies, receiverships or liquidations with which a person described in (a) and (d) of the first subparagraph who was acting in the capacity of any of the positions set out in (a) and (d) of the first subparagraph was associated for at least the previous five years;</p> <p>(d) details of any official public incrimination and/or sanctions of such person by statutory or regulatory authorities (including designated professional bodies) and whether such person has ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years.</p> <p>If there is no such information to be disclosed, a statement to that effect is to be made.</p>	Part II - Section B	56 – 57 (10.2 Fraudulent Offences and Bankruptcy, Etc.)
12.2.	Administrative, management and supervisory bodies and senior management conflicts of interests	Part II - Section B	65 (10.5 Conflicts of Interest -

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	<p>Potential conflicts of interests between any duties to the issuer, of the persons referred to in item 12.1, and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, a statement to that effect must be made.</p> <p>Any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any person referred to in item 12.1 was selected as a member of the administrative, management or supervisory bodies or member of senior management.</p> <p>Details of any restrictions agreed by the persons referred to in item 12.1 on the disposal within a certain period of time of their holdings in the issuer's securities.</p>		<p>sentence starting "To the Company's knowledge...")</p> <p>65 – 66 (10.5 Conflicts of Interest - Controlled Company)</p> <p>66 – 67 (10.5 Conflicts of Interest – Certain Relationships and Related Transactions)</p>
13.	REMUNERATION AND BENEFITS		
13.1.	The amount of remuneration paid to the members of the administrative, management, supervisory and senior management bodies or to the general managers of the issuer.	Part II - Section B	<p>57 – 61 (10.3 Executive Compensation)</p> <p>61 – 65 (10.4 Non-Employee Director Compensation)</p>
		Exhibit IV	<p>20 – 23 (Non-Employee Director Compensation)</p> <p>36 – 43 (Elements of Individual Executive Compensation)</p> <p>47 – 54 (2022 Named Executive Officer Compensation)</p>
13.2.	The total amounts set aside or accrued by the issuer or its subsidiaries to provide pension, retirement or similar benefits to the above persons.	Part II - Section B	<p>57 – 61 (10.3 Executive Compensation)</p> <p>61 – 65 (10.4 Non-Employee Director Compensation)</p>
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14.	BOARD PRACTICES		
14.1.	Date of expiration of the current term of office, if applicable, and the period during which the person has served in that office.	Part II - Section B	51 – 56 (10.1 Directors and Executive Officers)
14.2.	Information about members of the administrative, management or supervisory bodies' service contracts with the issuer of any of its subsidiaries providing for benefits upon termination of employment.	Part II - Section B	58 – 59 (10.3 Executive Compensation - Executive Employment Terms) 59 – 60 (10.3 Executive Compensation - Resignation; Retirement, Other Termination, or Change in Control Arrangements)
14.3.	Information about the issuer's audit committee and remuneration committee, including the names of committee members and a summary of the terms of reference under which the committee operates.	Exhibit IV	17 (Board Meetings and Committee) 18 (The Audit Committee) 18 (The Compensation Committee)
14.4.	A statement as to whether or not the issuer complies with the corporate governance regime(s) applicable to the issuer. In the event that the issuer does not comply with such a regime, a statement to that effect must be	Part II - Section B	33 (4.2 Legislation Under Which the Securities Have Been Created)

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	included together with an explanation regarding why the issuer does not comply with such regime.		65 – 66 (10.5 Conflicts of Interest - Controlled Company)
		Exhibit IV	16 – 24 (Corporate Governance)
14.5.	Potential material impacts on the corporate governance.	Not applicable	Not applicable
15.	EMPLOYEES		
15.1.	Number of employees.	Part II - Section B	67 – 68 (11.1 Overview)
		Exhibit III	7 (Human Capital)
15.2.	Shareholdings and stock options with respect to each person referred to in points (a) and (d) of the first subparagraph of item 12.1.	Part II - Section B	68 – 70 (11.2 Major Stockholders, Directors' and Executive Officers' Holdings of Shares and Options)
15.3.	Description of any arrangements for involving the employees in the capital of the issuer.	Part II - Section B	70 (11.3 Stock Plans)
		Exhibit III	55 - 57 (Note 10. Stockholders' Equity)
16.	MAJOR STOCKHOLDERS		
16.1.	Name of any stockholders who are not members of administrative and/or management bodies.	Part II - Section B	68 – 70 (11.2 Major Stockholders, Directors' and Executive Officers' Holdings of Shares and Options)
16.2.	Whether the issuer's major stockholders have different voting rights.	Part II - Section B	36 (4.5 Rights Attached to the Securities - Voting Rights -

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			No Cumulative Voting)
16.3.	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control and describe the measures in place to ensure that such control is not abused.	Part II - Section A	27 – 28 (Risk Factor starting “We are a “controlled company” within the meaning of Nasdaq rules...”)
		Part II - Section B	65 – 66 (10.5 Conflicts of Interest - Controlled Company) 68 – 70 (11.2 Major Stockholders, Directors’ and Executive Officers’ Holdings of Shares and Options)
16.4.	Arrangements known to the issuer that may result in a change in control of the issuer.	Not applicable	Not applicable
17.	RELATED PARTY TRANSACTIONS		
17.1.	Details of related party transactions that the issuer has entered into.	Part II - Section B	66 – 67 (10.5 Conflicts of Interest – Certain Relationships and Related Transactions)
18.	FINANCIAL INFORMATION CONCERNING THE ISSUER’S ASSETS AND LIABILITIES, FINANCIAL POSITION AND PROFITS AND LOSSES		
18.1.	Historical Financial Information.		
18.1.1	Audited historical financial information covering the latest three financial years (or such shorter period as the issuer has been in operation) and the audit report in respect of each year	Part II - Section B	45 – 47 (6.1 Selected Financial Data)
		Exhibit III	41 - 62 (Item 8. Financial Statements and Supplementary Data)

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18.1.2	<p>Change of accounting reference date</p> <p>If the issuer has changed its accounting reference date during the period for which historical financial information is required, the audited historical information shall cover at least 36 months, or the entire period for which the issuer has been in operation, whichever is shorter.</p>	Not applicable	Not applicable
18.1.3	<p>Accounting standards</p> <p>The financial information must be prepared according to International Financial Reporting Standards as endorsed in the Union based on Regulation (EC) No 1606/2002.</p> <p>If Regulation (EC) No 1606/2002 is not applicable, the financial information must be prepared in accordance with:</p> <p>(a) a Member State's national accounting standards for issuers from the EEA, as required by Directive 2013/34/EU;</p> <p>(b) a third country's national accounting standards equivalent to Regulation (EC) No 1606/2002 for third country issuers. If such third country's national accounting standards are not equivalent to Regulation (EC) No 1606/2002 the financial statements shall be restated in compliance with that Regulation.</p>	Part II - Section B	45 – 47 (6.1 Selected Financial Data)
18.1.4	<p>Change of accounting framework</p> <p>The last audited historical financial information, containing comparative information for the previous year, must be presented and prepared in a form consistent with the accounting standards framework that will be adopted in the issuer's next published annual financial statements having regard to accounting standards and policies and legislation applicable to such annual financial statements.</p> <p>Changes within the accounting framework applicable to an issuer do not require the audited financial statements to be restated solely for the purposes of the prospectus. However, if the issuer intends to adopt a new accounting standards framework in its next published financial statements, at least one complete set of financial statements (as defined by IAS 1 Presentation of Financial Statements as set out in Regulation (EC) No 1606/2002), including comparatives, must be presented in a form consistent with that which will be adopted in the issuer's next published annual financial statements, having regard to accounting standards and policies and legislation applicable to such annual financial statements.</p>	Not applicable	Not applicable

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18.1.5	<p>Where the audited financial information is prepared according to national accounting standards, it must include at least the following:</p> <p>(a) the balance sheet;</p> <p>(b) the income statement;</p> <p>(c) a statement showing either all changes in equity or changes in equity other than those arising from capital transactions with owners and distributions to owners;</p> <p>(d) the cash flow statement;</p> <p>(e) the accounting policies and explanatory notes</p>	Exhibit III	41 - 62 (Item 8. Financial Statements and Supplementary Data)
18.1.6	<p>Consolidated financial statements</p> <p>If the issuer prepares both stand-alone and consolidated financial statements, include at least the consolidated financial statements in the registration document.</p>	Not applicable	Not applicable
18.1.7	<p>Age of financial information</p> <p>The balance sheet date of the last year of audited financial information may not be older than one of the following:</p> <p>(a) 18 months from the date of the registration document if the issuer includes audited interim financial statements in the registration document;</p> <p>(b) 16 months from the date of the registration document if the issuer includes unaudited interim financial statements in the registration document.</p>	Exhibit III	41 - 62 (Item 8. Financial Statements and Supplementary Data)
18.2.	Interim and other financial information.		
18.2.1	<p>If the issuer has published quarterly or half-yearly financial information since the date of its last audited financial statements, these must be included in the registration document. If the quarterly or half-yearly financial information has been audited or reviewed, the audit or review report must also be included. If the quarterly or half-yearly financial information is not audited or has not been reviewed, state that fact.</p> <p>If the registration document is dated more than nine months after the date of the last audited financial statements, it must contain interim financial information, which may be unaudited (in which case that fact must be stated) covering at least the first six months of the financial year.</p> <p>Interim financial information prepared in accordance with the requirements of Regulation (EC) No 1606/2002.</p>	Part II - Section B	45 – 47 (6.1 Selected Financial Data)
		Exhibit V	4 – 15 (Item 1. Financial Statements (Unaudited))

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	For issuers not subject to Regulation (EC) No 1606/2002, the interim financial information must include comparative statements for the same period in the prior financial year, except that the requirement for comparative balance sheet information may be satisfied by presenting the year's end balance sheet in accordance with the applicable financial reporting framework.		
18.3.	AUDITING OF HISTORICAL ANNUAL FINANCIAL INFORMATION		
18.3.1.	Statement that the historical financial information has been audited.	Exhibit III	39 - 40 (Report of Independent Registered Public Accounting Firm)
	Report of Independent Registered Public.	Exhibit III	39 - 40 (Report of Independent Registered Public Accounting Firm)
18.3.2.	Indication of other information in the prospectus which has been audited by the auditors.	Not applicable	Not applicable
18.3.3.	Unaudited financial data in prospectus.	Part II - Section B	45 – 47 (6.1 Selected Financial Data)
		Exhibit V	4 – 15 (Item 1. Financial Statements (Unaudited))
18.4.	Pro forma financial information.	Not applicable	Not applicable
18.5.	Dividend policy		
18.5.1.	Description of dividend policy.	Part II - Section B	34 – 35 (4.5 Rights Attached to the Securities - Dividend Rights)
		Exhibit III	22 (Dividends)
18.5.2.	The amount of the dividend per share for each financial year for the period covered by the historical financial information.	Part II - Section B	34 – 35 (4.5 Rights Attached to the Securities - Dividend Rights)
		Exhibit III	22 (Dividends)
18.6.	Legal and arbitration proceedings		

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18.6.1.	Information on any governmental, legal or arbitration proceedings.	Part II - Section B	49 (7.3 Indirect and Contingent Indebtedness - Commitments and Contingencies)
		Exhibit III	60 (Note 13. Commitments and Contingencies)
18.7.	Significant change in issuer's financial position		
18.7.1.	Significant change in the issuer's financial position since the end of the last financial period, or provide an appropriate negative statement.	Part II - Section B	47 - 48 (7.1 Capitalization and Indebtedness)
19	ADDITIONAL INFORMATION		
19.1	Share Capital		
19.1.1.	Total authorized share capital.	Part II - Section B	33 (4.1 Type and the Class of the Securities Being Offered, Including the Security Identification Code)
		Exhibit III	41 (Consolidated Balance Sheets)
	The amount of issued capital.	Part II - Section B	33 (4.1 Type and the Class of the Securities Being Offered, Including the Security Identification Code)
		Exhibit III	41 (Consolidated Balance Sheets)
	Par value per share.	Part II - Section B	33 (4.1 Type and the Class of the Securities Being Offered, Including the Security Identification Code)

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	Reconciliation of number of shares outstanding at beginning and end of year.	Not applicable	Not applicable
19.1.2.	Shares not representing capital.	Not applicable	Not applicable
19.1.3.	Shares in the issuer held by the issuer or subsidiaries.	Exhibit III	22 - 23 (Purchases of Equity Securities by the Issuer and Affiliated Purchasers) 57 (Stock Repurchase Program)
19.1.4.	The amount of any convertible securities, exchangeable securities or securities with warrants, with an indication of the conditions governing and the procedures for conversion, exchange or subscription.	Not applicable	Not applicable
19.1.5.	Information about and terms of any acquisition rights and or obligations over authorized but unissued capital or an undertaking to increase the capital.	Not applicable	Not applicable
19.1.6.	Information about any capital of any member of the group which is under option or agreed conditionally or unconditionally to be put under option.	Not applicable	Not applicable
19.1.7.	A history of share capital for the period covered by the historical financial information.	Exhibit III	43 (Consolidated Statements of Equity)
19.2.	Memorandum and Articles of Association		
19.2.1.	Issuer's objects and purposes.	Exhibit VI	(Article II. Purpose)
19.2.2.	A description of the rights, preferences and restrictions attaching to each class of the existing shares.	Part II - Section B	34 – 37 (4.5 Rights Attached to the Securities)
19.2.3.	Provisions of the issuer's articles of association, statutes, charter or by-laws that would have an effect of delaying deferring or preventing a change in control of the issuer.	Part II - Section A	29 (Last Risk Factor starting "Delaware law and our organizational documents may impede or discourage a takeover (...)")

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20.	MATERIAL CONTRACTS		
20.1.	Summary of material contract.	Part II - Section B	70 (XII. Material Contracts)
		Exhibit III	45 (Variable interest entities and noncontrolling interests) 45 - 46 (Joint ventures)
21.	DOCUMENTS ON DISPLAY		
21.1.	Statement confirming where documents can be inspected.	Part II - Section B	70 – 71 (XIII. Documents on Display)

ANNEX 11 OF DELEGATED REGULATION 2019/980

SECURITIES NOTE FOR EQUITY SECURITIES OR UNITS ISSUED BY COLLECTIVE INVESTMENT UNDERTAKINGS OF THE CLOSED-END TYPE

(Page numbering refers to the page contained in the relevant document)

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1.1.	All persons responsible for the information given in the prospectus.	Prospectus	1 (Company Representative for Prospectus)
		Exhibit III	Exhibits 31.1 and 32.1
1.2.	A declaration by those responsible for the prospectus.	Prospectus	1 (Company Representative for Prospectus)
1.3.	Attribution to experts.	Not applicable	Not applicable
1.4.	Third party sources.	Not applicable	Not applicable
1.5.	Statement of approval of document by competent authority.	Prospectus	Cover Page
2.	RISK FACTORS		
2.1.	Description of the material risks that are specific to the securities being admitted to trading.	Part II - Section A	27 – 29 (VI. Risks Related to the Company's Stock)
3.	ESSENTIAL INFORMATION		
3.1.	Working capital Statement.	Part II - Section B	49 (VIII. Working Capital Statement)
3.2.	Capitalization and indebtedness.	Part II - Section B	47 – 49 (VII. Statement of Capitalization and Indebtedness as of March 31, 2023)
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3.4.	Reasons for the offer and use of proceeds.	Part II - Section B	30 (1.1 Purpose of the Program) 50 (9.2 Net Proceeds)
4.	INFORMATION CONCERNING THE SECURITIES TO BE OFFERED/ ADMITTED TO TRADING		
4.1.	A description of the type and the class of the securities being offered and/or admitted to trading, including the international security identification number.	Part II - Section B	33 (4.1 Type and the Class of the Securities being Offered, Including the Security Identification Code)
4.2.	Legislation under which the securities have been created.	Part II - Section B	33 (4.2 Legislation Under Which the Securities Have Been Created)
4.3.	Form of securities, name and address of the entity in charge of keeping the records.	Part II - Section B	33 – 34 (4.3 Form of Securities, Name and address of the Entity in Charge of Keeping the Records)
4.4.	Currency of the securities issue.	Part II - Section B	34 (4.4 Currency of the Securities Issue)
4.5.	Rights attached to the securities.	Part II - Section B	34 – 37 (4.5 Rights Attached to the Securities)

CROSS-REFERENCE LISTS

Item #	Item contents	Chapter/Exhibit	Page
4.6.	In the case of new issues, statement of the resolutions, authorizations and approvals by virtue of which the securities have been or will be created and/or issued.	Part II - Section B	37 – 38 (4.6 Transferability)
		Exhibit I	(2.1 Number of Shares Available)
4.7.	In the case of new issues, the expected issue date of the securities.	Part II - Section B	31 (1.3 Purchase Period)
4.8.	Description of any restrictions on the free transferability of the securities.	Part II - Section B	33 (III. Delivery and Sale of the Shares) 37 – 38 (4.6 Transferability)
4.9.	Mandatory takeover bids and/or squeeze-out and sell-out rules in relation to the securities.	Part II - Section A	27 – 28 (Risk Factor starting “We are a “controlled company” within the meaning of Nasdaq rules...”) 29 (Risk Factor starting (“Delaware law and our organizational documents may impede or discourage a takeover (...))”)
		Part II - Section B	38 – 39 (4.7 General Provisions Applying to Business Combinations)
4.10.	An indication of public takeover bids by third parties in respect of the issuer’s equity, which have occurred during the last financial year and the current financial year. The price or exchange terms attaching to such offers and the outcome thereof must be stated.	Not applicable	Not applicable
4.11.	Information on taxes on the income from the securities withheld at source.	Part II - Section B	71 – 73 (XIV. Tax Consequences)

Item #	Item contents	Chapter/Exhibit	Page
4.12.	Where applicable, the potential impact on the investment in the event of resolution under Directive 2014/59/EU of the European Parliament and of the Council.	Not applicable	Not applicable
4.13.	If different from the issuer, the identity and contact details of the offeror of the securities and/or the person asking for admission to trading, including the LEI where the offeror has legal personality.	Not applicable	Not applicable
5.	TERMS AND CONDITIONS OF THE OFFER		
5.1.	Conditions, offer statistics, expected timetable and action required to apply for the offer.		
5.1.1.	Conditions to which the offer is subject.	Part II - Section B	30 – 33 (I. The Outline, II. Eligibility and III. Delivery and Sale of the Shares)
		Exhibit I	All sections
		Exhibit II	All sections
5.1.2.	Total amount of the issue/offer.	Part II - Section B	50 (9.2 Net Proceeds)
5.1.3.	Time period during which the offer will be open and description of the application process.	Part II - Section B	30 – 33 (I. The Outline, II. Eligibility and III. Delivery and Sale of the Shares)
5.1.4.	Circumstances under which the offer may be revoked or suspended and whether revocation can occur after dealing has begun.	Part II - Section B	31 (1.6 Term of the Program) 31 (1.7 Amendment or Discontinuance of the Plan and the Program) 32 (2.4 Discontinuance of Participation of Participants)
5.1.5.	Possibility to reduce subscriptions and the manner for refunding excess amount paid by applicants.	Part II - Section B	32 (2.3 Contributions)

CROSS-REFERENCE LISTS

Item #	Item contents	Chapter/Exhibit	Page
5.1.6.	Minimum and/or maximum amount of application.	Part II - Section B	32 (2.3 Contributions)
5.1.7.	Period during which an application may be withdrawn.	Part II - Section B	32 (2.4 Discontinuance of Participation of Participants)
5.1.8.	Method and time limits for paying up the securities and for delivery of the securities.	Part II - Section B	32 (2.3 Contributions) 33 (III. Delivery and Sale of the Shares)
5.1.9.	A full description of the manner and date in which results of the offer are to be made public.	Part II - Section B	33 (III. Delivery and Sale of the Shares) 70 (11.3 Stock Plans - Agent Equity Program)
		Exhibit III	55 (10. Stockholders' Equity - Agent Equity Program)
		Exhibit V	11 (6. Stockholders' Equity - Agent Equity Program)
5.1.10.	The procedure for the exercise of any right of pre-emption, the negotiability of subscription rights and the treatment of subscription rights not exercised.	Not applicable	Not applicable
5.2.	PLAN OF DISTRIBUTION AND ALLOTMENT		
5.2.1.	The various categories of potential investors to which the securities are offered.	Part II - Section B	32 (2.1 Eligible Independent Agents)
5.2.2.	To the extent known to the issuer, an indication of whether major shareholders or members of the issuer's management, supervisory or administrative bodies intend to subscribe in the offer, or whether any person intends to subscribe for more than five per cent of the offer.	Not applicable	Not applicable
5.2.3.	Pre-allotment Disclosure	Not applicable	Not applicable

CROSS-REFERENCE LISTS

Item #	Item contents	Chapter/Exhibit	Page
5.2.4.	Process for notifying applicants of the amount allotted and an indication whether dealing may begin before notification is made.	Part II - Section B	32 (2.3 Contributions)
5.3.	PRICING		
5.3.1.	An indication of the price at which the securities will be offered.	Part II - Section B	31 (1.4 Purchase Price)
5.3.2.	Process for the disclosure of the offer price.	Part II - Section B	31 (1.4 Purchase Price) 33 – 34 (4.3 Form of Securities, Name and Address of the Entity in Charge of Keeping the Records)
5.3.3.	If the issuer's equity holders have pre-emptive purchase rights and this right is restricted or withdrawn.	Part II - Section B	37 (4.5 Rights Attached to the Securities - No Preemptive, Redemptive or Conversion Provisions)
5.3.4.	Where there is or could be a material disparity between the public offer price and the effective cash cost to members of the administrative, management or supervisory bodies or senior management, or affiliated persons, of securities acquired by them in transactions during the past year.	Not applicable	Not applicable
5.4.	PLACING AND UNDERWRITING		
5.4.1.	Name and address of the co-coordinator(s) of the global offer.	Not applicable	Not applicable
5.4.2.	Name and address of any paying agents and depository agents in each country.	Part II - Section B	33 – 34 (4.3 Form of Securities, Name and Address of the Entity in Charge of Keeping the Records)
5.4.3.	Name and address of the entities agreeing to underwrite the issue on a firm commitment basis.	Not applicable	Not applicable

Item #	Item contents	Chapter/Exhibit	Page
5.4.4.	When the underwriting agreement has been or will be reached.	Not applicable	Not applicable
6.	ADMISSION TO TRADING AND DEALING ARRANGEMENTS		
6.1.	Whether the securities offered are or will be the object of an application for admission to trading.	Part II - Section B	30 – 31 (1.2 Shares Offered Under the Program) 33 (4.1 Type and Class of the Securities Being Offered, Including the Security Identification Code)
6.2.	Regulated markets or equivalent markets on which securities of the same class of the securities to be offered or admitted to trading are already admitted to trading.	Part II - Section B	33 (4.1 Type and Class of the Securities being Offered, Including the Security Identification Code)
6.3.	Simultaneous private placement.	Not applicable	Not applicable
6.4.	Details of the entities which have a firm commitment to act as intermediaries in secondary trading, providing liquidity.	Not applicable	Not applicable
6.5.	Stabilization.	Not applicable	Not applicable
6.5.1.	The fact that stabilization may be undertaken, that there is no assurance that it will be undertaken and that it may be stopped at any time.	Not applicable	Not applicable
6.5.1.1.	The fact that stabilization transactions aim at supporting the market price of the securities during the stabilization period.	Not applicable	Not applicable
6.5.2.	The beginning and the end of the period during which stabilization may occur.	Not applicable	Not applicable
6.5.3.	Identity of the stabilization manager.	Not applicable	Not applicable

Item #	Item contents	Chapter/Exhibit	Page
6.5.4.	The fact that stabilization transactions may result in a market price that is higher than would otherwise prevail.	Not applicable	Not applicable
6.5.5.	The place where the stabilisation may be undertaken including, where relevant, the name of the trading venue(s).	Not applicable	Not applicable
6.6.	Over-allotment and 'green shoe'.	Not applicable	Not applicable
7.	SELLING SECURITIES HOLDERS		
7.1.	Name and business address of the person or entity offering to sell the securities.	Not applicable	Not applicable
7.2.	The number and class of securities being offered by each of the selling security holders.	Not applicable	Not applicable
7.3.	Where a major shareholder is selling the securities, the size of its shareholding both before and immediately after the issuance.	Not applicable	Not applicable
7.4.	Lock-up agreements.	Not applicable	Not applicable
8.	EXPENSE OF THE ISSUE/OFFER		
8.1.	The total net proceeds and an estimate of the total expenses of the issue/offer.	Part II - Section B	50 (9.2 Net Proceeds)
9.	DILUTION		
9.1.	A comparison of: (a) participation in share capital and voting rights for existing shareholders before and after the capital increase resulting from the public offer, with the assumption that existing shareholders do not subscribe for the new shares; (b) the net asset value per share as of the date of the latest balance sheet before the public offer (selling offer and/or capital increase) and the offering price per share within that public offer.	Part II - Section B	50 (9.1 Maximum Dilution)
9.2.	Where existing shareholders will be diluted regardless of whether they subscribe for their entitlement, because a part of the relevant share issue is reserved only for certain investors (e.g. an institutional placing coupled with an offer to shareholders), an indication of the dilution existing shareholders will experience shall also be presented on the basis that they do take up their entitlement (in addition to the situation in item 9.1 where they do not).	Not applicable	Not applicable

CROSS-REFERENCE LISTS

Item #	Item contents	Chapter/Exhibit	Page
10.	ADDITIONAL INFORMATION		
10.1.	If advisors connected with an issue are mentioned in the Securities Note, a statement of the capacity in which the advisors have acted.	Not applicable	Not applicable
10.2.	An indication of other information in the Securities Note which has been audited or reviewed by statutory auditors.	Not applicable	Not applicable

COMPANY REPRESENTATIVE FOR PROSPECTUS

- 1.1 Jeff Whiteside, Chief Financial Officer, acting for and on behalf of eXp World Holdings, Inc.
- 1.2 I hereby declare that the information contained in this prospectus is, to the best of my knowledge, in accordance with the facts and that it makes no omission likely to affect its import.

/s/ Jeff Whiteside

Jeff Whiteside
Chief Financial Officer
of eXp World Holdings, Inc.

Albany, NY, U.S.A., June 22, 2023

PART I — PROSPECTUS SUMMARY

VISA NUMBER 23-243 DATED JUNE 23, 2023 OF THE AMF

SECTION A — INTRODUCTION AND WARNINGS

Name and ISIN of the securities	eXp World Holdings, Inc.'s shares of common stock, par value \$0.00001 (the " Shares ") are quoted on the NASDAQ Global Market (" Nasdaq ") operated by NASDAQ, Inc. under the trading symbol "EXPI." The international securities identification number (" ISIN ") of the Shares is US30212W1009 and the U.S. security identification number (the CUSIP number) for the Shares is 30212W100. The Shares were initially traded on the over-the-counter market for U.S. stocks (OTCQB) and have been traded on Nasdaq since May 21, 2018 as a result of Nasdaq's approval to uplist the Shares on May 17, 2018. There was no capital raising. The initial quote price of the Shares on Nasdaq was \$9.65.
Identity and contact details of the issuer, including its LEI	eXp World Holdings, Inc. (" eXp " or the " Company "). The Company's legal entity identifier (" LEI ") is 549300TWWVZC283VEC32. The Company's principal offices are located at 2219 Rimland Drive, Suite 301, Bellingham, WA 98226, United States of America (" U.S.A. ") Telephone number: +1 (360) 685-4206; website: https://expworldholdings.com .
Identity and contact details of the offeror	Not applicable.
Identity and contact details of the competent authority approving the prospectus	Autorité des marchés financiers 17, place de la Bourse, 75082 Paris Cedex 02, France https://www.amf-france.org/
Date of approval of the prospectus	June 23, 2023
Warning to the reader	This summary should be read as an introduction to the prospectus. Any decision to invest in the securities should be based on consideration of the prospectus as a whole by the investor. Where applicable, the investor could lose all or part of the invested capital. Where a claim relating to the information contained in a prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the prospectus before the legal proceedings are initiated. Civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent, when read together with the other parts of the prospectus, or where it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in such securities.

SECTION B — KEY INFORMATION ON THE ISSUER

WHO IS THE ISSUER OF THE SECURITIES?

Domicile and legal form, LEI, the legislation under which it operates and its country of incorporation	The Company's principal offices are located at 2219 Rimland Drive, Suite 301, Bellingham, WA 98226, U.S.A. The Company is a corporation incorporated under the laws of the State of Delaware, U.S.A. The Company was incorporated on July 30, 2008. The Company's LEI is 549300TWWVZC283VEC32.
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Principal activities

The Company owns and operates a diversified portfolio of service-based businesses whose operations benefit substantially from utilizing its enabling technology platform. The Company strategically prioritize its efforts to grow its real estate brokerage by strengthening its agent value proposition, developing immersive and cloud-based technology to enable its model and providing affiliate and media services supporting those efforts.

Specifically, the Company operates a cloud-based real estate brokerage (in North America and other international locations), a Virbela business and related affiliated services that support the development and success of agents, entrepreneurs and businesses by leveraging innovative technologies and integrated services. The Company's North American and international real estate brokerage is now one of the largest and fastest-growing real estate brokerage companies, operating throughout the United States, most of the Canadian provinces, the United Kingdom (U.K.), Australia, South Africa, India, Mexico, Portugal, France, Puerto Rico, Brazil, Italy, Hong Kong, Colombia, Spain, Israel, Panama, Germany, the Dominican Republic, Greece, New Zealand, Chile and Poland. In addition, in late 2022, the Company announced operations in Dubai, which is expected to be fully operational in 2023.

Effective in December 2022, the Company revised the presentation of segment information to reflect changes in the way the Company manages and evaluates the business. As such, the Company now reports operating results through four reportable segments:

- North American Realty: includes real estate brokerage operations in the United States and Canada, as well as lead-generation and other real estate support services provided in North America.
- International Realty: includes real estate brokerage operations in all other international locations.
- Virbela: includes Virbela enterprise metaverse technology and the support services offered by eXp World Technologies.
- Other Affiliated Services which includes the Company's SUCCESS[®] Magazine and other ancillary and personal and professional development ventures.

As of December 31, 2022, the Company had approximately 2,016 full-time equivalent employees and 86,203 real estate agents.

The following are changes in the Company's business in the most recent fiscal year:

Real Estate Brokerage Expansion – In addition to maintaining operations in all locations, in 2022 the Company continued its international growth with expansion into the Dominican Republic, Greece, New Zealand, Chile and Poland. In addition, in late 2022, the Company announced operations in Dubai, which is expected to be fully operational in 2023. Except for certain employees who hold active real estate licenses, virtually all the Company's real estate professionals are independent contractors.

Recent Acquisition – On July 1, 2022, the Company acquired Zoocasa Realty Inc., an Ontario, Canada company ("Zoocasa"). Zoocasa's key product is a consumer real estate research portal that offers proprietary home search tools, market insights and a connection to local real estate experts. Zoocasa has been included in the North American Realty segment since its key asset, Zoocasa.com, provides quality real estate referrals for the North American real estate markets.

The Company acquired Zoocasa in a stock purchase transaction. The total consideration paid was \$17,155 including net cash of \$9,910 (net of cash acquired of \$2,772), stock issued from treasury of \$4,554 and the working capital adjustment. The Zoocasa acquisition has been accounted for using the acquisition method of accounting. Under the acquisition method of accounting, the Company allocated the total purchase price to the tangible and identifiable intangible assets acquired and assumed liabilities based on their estimated fair values as of the acquisition date, as determined by management. The excess of the purchase price over the aggregate fair values of the identifiable assets was recorded as goodwill of \$14,156, which is not deductible for tax purposes. Goodwill generated from the acquisition includes an assembled workforce. Zoocasa has been included in the North American Realty segment. The amounts are expressed in thousands.

New Programs and Services – During 2022, the Company launched various new ancillary programs and services to support the development and success of its agents, brokers and customers, including eXp Luxury™, Revenos™, SUCCESS® Health and SUCCESS® Coaching.

Major stockholders

The following table shows, as of January 31, 2023, stockholders known to the Company who beneficially own more than 5% of the outstanding Shares. To the best knowledge of the Company, there has been no material change to the beneficial ownership of the stockholders listed in the table below since January 31, 2023. Beneficial ownership represents sole and shared voting power and investment power. Unless otherwise noted below, the address of each person listed on the table is c/o eXp World Holdings, Inc. at 2219 Rimland Drive, Suite 301, Bellingham, WA 98226, U.S.A.

Name and Address	Amount and Nature of Beneficial Ownership ⁽¹⁾	Percentage of Class
Group of stockholders ⁽²⁾	78,693,407	51.51%
• Glenn Sanford	• 43,941,026	• 28.76%
• Penny Sanford	• 27,284,043	• 17.86%
• Gene Frederick	• 4,960,430	• 3.25%
• Jason Gesing	• 2,507,908	• 1.64%
The Vanguard Group	10,487,220 ⁽³⁾	6.86%

(1) The information is based on 152,794,389 Shares issued and outstanding as of January 31, 2023. As of March 31, 2023, there were 153,442,421 Shares outstanding. The beneficial ownership of the shareholders listed in the table above has not changed significantly as of March 31, 2023 and the percentage ownership does not change by more than one percent.

(2) In March 2021, Mr. Sanford, Ms. Sanford, Mr. Gesing and Mr. Frederick filed a Schedule 13D/A with the U.S. Securities and Exchange Commission (the "SEC") indicating that they had entered into an agreement to vote their shares as a group with respect to the election of directors and any other matter on which the Shares are entitled to vote. Accordingly, Mr. Sanford, Ms. Sanford, Mr. Gesing and Mr. Frederick collectively own a number of Shares sufficient to elect all of the members of the Board of Directors of the Company (the "Board") without the approval of any other stockholders.

(3) The Vanguard Group's business address is 100 Vanguard Blvd., Malvern, PA 19355, U.S.A.

The Company is a "controlled company" within the meaning of Nasdaq rules. Per the above, Glenn Sanford, together with Penny Sanford, Jason Gesing and Gene Frederick own approximately 51.51% of the outstanding Shares (as of January 31, 2023), and they agreed to vote their Shares as a group with respect to the election of directors and any other matter on which the Shares are entitled to vote.

Key managing directors	The key managing directors of the issuer are its executive officers. These are: Glenn Sanford, Jason Gesing, Jeff Whiteside, James Bramble, Michael Valdes, Courtney Keating, Kent Cheng, Shoeb Ansari, and Leo Pareja.
Statutory auditors	Deloitte & Touche LLP, San Francisco, California

WHAT IS THE KEY FINANCIAL INFORMATION REGARDING THE ISSUER?

Financial information concerning the Company for the fiscal years ended December 31, 2022, 2021 and 2020, and for the quarterly periods ended March 31, 2023 and 2022

The consolidated statements of comprehensive income (loss) and the consolidated balance sheets data of the Company for the fiscal years ended December 31, 2022, 2021 and 2020, set out in this prospectus have been derived from the Company's audited consolidated financial statements prepared in accordance with the accounting principles generally accepted in the United States ("U.S. GAAP"). The condensed consolidated statements of comprehensive income (loss) for the quarterly periods ended March 31, 2023 and 2022 and the condensed consolidated balance sheets data of the Company as of March 31, 2023 and December 31, 2022, set out in this prospectus have been derived from the Company's unaudited condensed consolidated financial statements prepared in accordance with U.S. GAAP.

SELECTED THREE-YEAR FINANCIAL DATA (In thousands, except share amounts and per share data) (audited)

	Year Ended December 31,		
	2022	2021	2020
Consolidated Statements of Comprehensive Income:			
Revenues (1)	\$ 4,598,161	\$ 3,771,170	\$ 1,798,285
Total operating expenses	4,592,753	3,737,018	1,766,698

PART I — PROSPECTUS SUMMARY

Operating income	5,408	34,152	31,587
Total other expense, net	820	480	184
Income tax (benefit) expense (2)	(10,836)	(47,487)	413
Net income (3)	15,424	81,159	30,990
Net loss attributable to noncontrolling interest	18	61	141
Net income attributable to eXp World Holdings, Inc.	15,442	81,220	31,131
Earnings per share (4)			
Basic	0.10	0.56	0.22
Diluted	0.10	0.51	0.21
Weighted average shares outstanding (4)			
Basic	151,036,110	146,170,871	138,572,358
Diluted	156,220,165	157,729,374	151,550,075

	As of December 31,		
	2022	2021	2020
Consolidated Balance Sheets Data: (5)			
Cash and cash equivalents (A)	121,594	108,237	100,143
Other noncurrent assets	1,703	2,827	—
Total assets	381,682	413,826	242,187
Current portion of long-term payable (B)	—	—	1,416
Current portion of lease obligation - operating lease (C)	175	311	746
Long-term payable, net of current portion (D)	4,697	2,714	2,876
Long-term lease obligation - operating lease, net of current portion (E)	694	765	74
Total liabilities	132,690	190,293	99,600
Equity	248,992	223,533	142,587

	Year Ended December 31,		
	2022	2021	2020
Consolidated Statements of Cash Flows:			
Net cash provided by operating activities	210,535	246,892	119,659
Net cash (used in) investing activities	(22,461)	(18,923)	(16,963)
Dividends declared and paid	(25,229)	(11,548)	—
Net cash provided by (used in) financing activities	(204,514)	(179,924)	(21,893)
Cash, cash equivalents and restricted cash, end of year	\$ 159,383	\$ 175,910	\$ 127,924

- The Company's total revenues were \$4.6 billion in 2022 compared to \$3.8 billion in 2021, an increase of \$827.0 million, or 22%. Total revenues increased primarily as a result of higher volume of real estate brokerage commissions, which is attributable to growth in the Company's agent base, an increase of real estate transactions and increased home sales prices compared to 2021.
- The Company's provision for income taxes amounted to a benefit of (\$10.8) million, a benefit decrease of \$36.7 million for the year ended December 31, 2022. The decrease in income tax benefit was primarily attributable to the release of the valuation allowance in the prior year and lower deductible share-based compensation expenses.
- For the year ended December 31, 2022, the Company generated a lower net income attributable to an increase in general and administrative costs resulting from the Company's increase in employee count to continue to support the Company's agent growth strategy and increased costs related to entering international markets and investments in Virbela.
- On January 16, 2021, the Board approved a two for one stock split in the form of a stock dividend to stockholders of record as of January 29, 2021 (the "Stock Split"). The Stock Split was effected on February 12, 2021. All applicable period amounts have been adjusted to reflect the Stock Split.
- As of December 31, 2022, the Company's total financial indebtedness is \$(116,028,000) (i.e., (B + C + D + E) - A).

SELECTED QUARTERLY FINANCIAL DATA
(In thousands, except share amounts) (unaudited)

	Three months ended March 31,	
	2023	2022
Condensed Consolidated Statements of Comprehensive Income (loss):		
Revenues	\$ 850,616	\$ 1,010,731
Total operating expenses	852,289	1,006,289
Operating income (loss) (1)	(1,673)	4,442
Income tax benefit	(2,588)	(5,149)
Net income (2)	1,453	8,864
Earnings per share		
Basic	\$ 0.01	\$ 0.06
Diluted	\$ 0.01	\$ 0.06
Weighted average shares outstanding		
Basic	152,546,766	149,226,166
Diluted	155,668,712	156,842,721

- The Company's total revenues were \$850.6 million for the three months ended March 31, 2023 compared to \$1,010.7 million for the same period in 2022, a decrease of (\$160.1) million, or (16)%. Total revenues decreased in the first quarter of 2023 as a result of a decrease in real estate transactions and home prices compared to the same period in 2022 due to the decline of the US and Canada residential real estate market. Although the total operating expenses decreased compare to the three months ended March 31, 2022, this was not sufficient to balance the decrease in revenues described above. Note that

PART I — PROSPECTUS SUMMARY

operating results for the three months ended March 31, 2023 are not necessarily indicative of the results that may be expected for the year ending December 31, 2023.

- (2) For the three months ended March 31, 2023, the Company generated positive income, primarily due to the income tax benefit and the Company's efficient operating model with lower fixed costs driven by its cloud-based model, with no brick-and-mortar locations, despite the global residential real estate market downturn.

	As of	
	March 31, 2023	December 31, 2022 (audited)
Condensed Consolidated Balance Sheets Data: (1)		
Cash and cash equivalents (A)	\$ 122,769	\$ 121,594
Other noncurrent assets	1,711	1,703
Total assets	415,333	381,682
Current portion of long-term payable (B)	—	—
Current portion of lease obligation – operating lease (C)	159	175
Long-term payable, net of current portion (D)	5	4,697
Long-term lease obligation – operating lease, net of current portion (E)	694	694
Total liabilities	162,246	132,690
Equity	253,087	248,992

- (1) As of March 31, 2023, the Company's total financial indebtedness is \$(121,911,000) (i.e., (B + C + D + E) - A).

	Three months ended March 31,	
	2023	2022
Condensed Consolidated Statements of Cash Flows:		
Net cash provided by operating activities	\$ 56,144	\$ 111,507
Net cash used in investing activities	(1,782)	(4,684)
Net cash used in financing activities	(36,205)	(35,743)
Cash, cash equivalents and restricted cash, ending balance	178,134	247,031

Pro forma financial information Not applicable. This prospectus does not contain pro forma financial information.

Qualifications in the audit report on the historical financial information

The independent registered public accounting firm's reports expressed an unqualified opinion on the financial statements of the Company as of and for the years ended December 31, 2022, 2021 and 2020.

WHAT ARE THE KEY RISKS THAT ARE SPECIFIC TO THE ISSUER?

Set forth below are summaries of the key risks, uncertainties and other factors that may affect eXp's future results. The risks and uncertainties described below are not the only ones facing eXp. Within each of the risk categories below, the key risks are set out in order of priority according to the risk that the Company considers, at the date of this prospectus, to be the most significant.

Risks Related to the Company's Industries

- The Company's profitability is tied to the strength of the residential real estate market, which is subject to a number of general business and macroeconomic conditions beyond its control.

Risks Related to the Company's General Business and Operations

- Loss of its current executive officers or other key management could significantly harm the Company's business.
- The Company's international operations are subject to risks not generally experienced by its U.S. operations.
- Cybersecurity incidents could disrupt the Company's business operations, result in the loss of critical and confidential information, adversely impact its reputation and harm its business.
- The Company is actively and intends to continue, developing new products and services complementary to its brokerage business and its failure to accurately predict their demand or growth could have an adverse effect on its business.

Risks Related to the Company's Real Estate Business

- Inflation and rising interest rates have and may continue to contribute to declining real estate transaction volumes, which have and may continue to materially impact operating results, profits and cash flows.
- The Company may be unable to maintain its agent growth rate, which would adversely affect its revenue growth and results of operations.
- The Company's value proposition for agents and brokers includes allowing them to participate in the revenues of the Company and is not typical in the real estate industry. If agents and brokers do not understand its value proposition, the Company may not be able to attract, retain and incentivize agents.

Risks Related to the Company's Virbela Business

- If the Company does not remain an innovative leader in the real estate industry, the Company may not be able to grow its business and leverage its costs to achieve profitability.

Risks Related to Legal and Regulatory Matters

- The Company faces significant risk to its brand and revenue if the Company fails to maintain compliance with the law and regulations of federal, state, county and foreign governmental authorities, or private associations and governing boards.

- The Company offers its independent agents the opportunity to earn additional commissions through its revenue sharing plan, which pays under a multi-tiered compensation structure similar in some respects to network marketing. Network marketing is subject to intense government scrutiny and regulation and changes in the law, or the interpretation and enforcement of the law, might adversely affect its business.

SECTION C — KEY INFORMATION ON THE SECURITIES

WHAT ARE THE MAIN FEATURES OF THE SECURITIES?

Type and class of the securities being offered, including the ISIN	eXp World Holdings, Inc.'s shares of common stock, par value \$0.00001, are quoted on Nasdaq under the trading symbol "EXPI." The ISIN of the Shares is US30212W1009 and the U.S. security identification number (the CUSIP number) for the Shares is 30212W100.
Currency of the securities issue and number of securities issued and the term of the securities	The United States Dollar is the currency of the securities issue. As of May 2, 2023, the Company was authorized to issue 900,000,000 Shares. As of March 31, 2023, there were 153,442,421 Shares outstanding. There have been no material changes in the number of Shares issued and outstanding since that date. The term of the Shares is unlimited.
Rights attached to the securities	Eligible independent agents who enroll and participate in the Program are referred to as " Participants ." No Participant will have any voting, dividend, or other stockholder rights with respect to any offering under the Program until the Shares have been purchased and delivered to Participant. Following such purchase and delivery, Participant will be entitled to the rights attached to the Shares, as further described below: Dividend Rights. Holders of Shares are entitled to receive such dividends and other distributions (payable in cash, property, or capital stock of the Company) when, as and if declared thereon by the Board from time to time out of any assets or funds of the Company legally available therefor, and share equally on a per Share basis in such dividends and distributions. Voting Rights. Holders of Shares are entitled to one vote per Share on each matter submitted to a vote of stockholders, including the election of directors. The Shares do not have cumulative voting rights. No Preemptive, Redemptive or Conversion Provisions. The Shares are not entitled to preemptive rights and are not subject to conversion or redemption.
Relative seniority of the securities in the issuer's capital structure in the event of insolvency	In the event of any voluntary or involuntary liquidation, dissolution, or winding-up of the Company, after payment or provision for payment of the debts and other liabilities of the Company, holders of Shares will be entitled to receive all the remaining assets of the Company available for distribution to its stockholders, ratably in proportion to the number of Shares held by them.
Transferability restrictions	The Shares offered under the Program are registered on Form S-8 with the SEC and are generally freely transferable (subject however to any transferability restrictions resulting from applicable insider trading laws and the Company's insider trading policy).
Dividend policy	On August 4, 2021, the Board declared and subsequently paid its first cash dividend. The Company then declared and paid subsequent dividends during each quarter of the fiscal year ended December 31, 2022. The Company has not paid cash dividends on its Shares in previous periods, including during the year ended December 31, 2020. Payment of cash dividends is at the discretion of the Board in accordance with applicable law after taking into account various factors, including the Company's financial condition, operating results, current and anticipated cash needs and plans for growth. Under Delaware law, the Company can only pay dividends either out of surplus or out of the current or the immediately preceding year's earnings. Therefore, no assurance is given that the Company will pay any future dividends to its common stockholders, or as to the amount of any such dividends.

WHERE WILL THE SECURITIES BE TRADED?

Admission to trading on a regulated market	The Shares are listed on Nasdaq under the trading symbol "EXPI." The Shares are not traded, and have not been subject to a request for listing, on a regulated market or a multilateral trading facility located in the European Economic Area ("EEA").
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IS THERE A GUARANTEE ATTACHED TO THE SECURITIES?

Brief description of the nature and scope of the guarantee	Not applicable.
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WHAT ARE THE KEY RISKS THAT ARE SPECIFIC TO THE SECURITIES?

- Glenn Sanford, the Company's Chairman and Chief Executive Officer, together with Penny Sanford, a significant shareholder, Jason Gesing, a director and the Chief Industry Relations Officer, and Gene Frederick, a director and agent, own a significant percentage of the Company's stock and have agreed to act as a group on any matter submitted to a vote of the Company's stockholders. As a result, the trading price for the Shares may be depressed and they can take actions that may be adverse to the interests of the Company's other stockholders.
- The Company is a "controlled company" within the meaning of Nasdaq rules, and, as a result, the Company qualifies for, and intends to rely on, exemptions from certain corporate governance requirements. As a result, the Company will not have a majority of independent directors, its compensation and its nominating and corporate governance committees will not consist entirely of independent directors, and such committees may not be subject to annual performance evaluations. As further detailed above in Section B under "Major stockholders", Glenn Sanford, together with Penny Sanford, Jason Gesing and Gene Frederick, own approximately 51.51% of the outstanding Shares (as of January 31, 2023).
- Because the Company can issue additional Shares and because the Company issues stock under Equity Incentive Plans, its stockholders may experience dilution in the future.

SECTION D — KEY INFORMATION ON THE OFFER OF SECURITIES TO THE PUBLIC AND/OR THE ADMISSION TO TRADING ON A REGULATED MARKET

UNDER WHICH CONDITIONS AND TIMETABLE CAN I INVEST IN THIS SECURITY?

Description of the terms and conditions of the offer

The Company is offering eligible independent agents of the Company the right to purchase Shares at a discount under the Program, which is a share purchase program under the Plan. The grants to eligible independent agents will be administered under and subject to the Plan.

The offering of the Program may be considered a public offering of securities pursuant to the Prospectus Regulation in the following EEA countries: France, Portugal and Spain. The Program is not offered in other EEA countries.

This prospectus along with summary translations (as applicable) will be posted on eXp World Holdings, Inc.'s website (www.expworldholdings.com), and free copies will be made available upon request by contacting the Investor Relations department of eXp World Holdings, Inc. at investors@expworldholdings.com. This prospectus and the French translation of its summary will also be available on the website of the AMF, www.amf-france.org.

Administration: The Program is offered on a wholly discretionary basis. The Program is administered by the Board or a committee of the Board, officers of the Company or other persons, as may be designated by the Board (the “**Administrator**”). The Administrator has the authority to designate grantees, determine the number of Shares to be subject to awards, establish the terms and conditions of awards, prescribe the form of each award agreement, construe and interpret the terms of the Plan (including the Program) and any award agreement, to determine the meaning of their terms and to prescribe, amend and rescind rules and procedures related to the Plan (including the Program) and its administration.

Eligibility: Subject to applicable law, all agents and brokers that have entered into an independent contractor agreement with the Company or one of its subsidiaries and who are in good standing with the Company or its applicable subsidiaries are eligible to participate in the Program.

Time Frame of the Offer and Enrollment: The Company will continue offering the Program on or after the date this prospectus will be approved by the AMF, i.e., June 23, 2023. This prospectus will expire after twelve months from the date of the AMF approval and the Company will seek a subsequent approval to continue the offering of the Program.

The Program is offered on a monthly basis (“**Monthly Offering**”) starting on the first business day of each month.

In order to participate in the Program, an eligible independent agent must enroll in the Program by accepting the terms and conditions of the 2015 Non-U.S. Agent Equity Program Participation Election Form (the “**Election Form**”) in an account created in the Participant’s name with Shareworks by Morgan Stanley (the “**Broker**”) prior to the next Purchase Date (as defined below).

The Participant will be automatically re-enrolled in each succeeding Monthly Offering, provided that the Participant remains eligible to participate to the Program.

If a Participant timely withdraws from the Program, or has terminated his or her services with the Company, the Participant will not be automatically re-enrolled in the succeeding Monthly Offering.

Amount of Contributions: By enrolling in the Program, Participant agrees that five percent (5%) of his or her net commission payment (after splits, fees, and any other required withholdings) (the “**Contributions**”) on real estate transactions that close in Participant’s name, commencing with transactions closing on or after Participant’s join date, will be used to purchase Shares at the Purchase Price, as defined below. The Company does not presently cap the dollar amount of such Contributions. The Contributions are calculated on a monthly basis and deducted from Participant’s net commission payment that the local subsidiary for which Participant is providing services would otherwise pay for real estate transactions that have closed that month. Participant cannot change the percentage of his or her Contributions other than to withdraw from the Program. The Company does not pay interest on the Contributions, unless required by local law.

Details of the Price: The “**Purchase Price**” for Shares issued under the Program will be equal to ninety percent (90%) of the fair market value of the Shares on the last trading day of the month. The fair market value of a Share will be the closing price of the Shares (or the closing bid, if no sales were reported) as quoted on Nasdaq on the applicable date.

Nature of the Offer: Participation in the Program is completely voluntary.

On the last trading day of each month (each a “**Purchase Date**”), Participants’ accumulated Contributions will be used to purchase Shares. The number of Shares purchased will be determined by dividing Participant’s accumulated Contributions by the Purchase Price. No fractional Shares will be issued upon purchase; however, the Participant’s account will be credited with a fractional share economic interest.

Shares under the Program will be issued on the last trading day of the month during which the closing on the sales of any properties from which a Contribution has been authorized results in an accumulated Contribution of not less the purchase price of one whole Share.

Any cash remaining to buy less than a whole Share will be automatically rolled over into the next Monthly Offering.

As soon as administratively practicable after each Purchase Date, the Purchase Price and Purchase Date information is available to Participant from the Broker (defined below) in the account established in Participant’s name at the Broker. The Company does not provide additional or ancillary communications to Participant as such communications are managed by the Broker.

Delivery of the Shares: Following the end of each monthly purchase, the number of Shares purchased by each Participant will be deposited into an account established in Participant’s name at the Broker (defined below). As soon as administratively practicable after each Purchase Date, Participant’s individual account at the Broker will be credited with the Shares that were purchased on Participant’s behalf. The Shares will remain in Participant’s individual account until Participant gives further instructions to the Broker to transfer or sell the Shares, and will remain in such Participant’s account following termination from participation in the Program or from the Company. Each quarter a summary statement is available from the Broker that details the activity in Participant’s account, including any purchases and sales, the total number of Shares held at the end of the quarter and the total value of Participant’s account. The fourth quarter statement will include a summary of any transactions that occurred during the year.

Number and Nature of the Securities Offered: For the years ended December 31, 2022, 2021 and 2020, the Company issued 11,462,940, 3,645,386, and 5,762,470 Shares, respectively, to agents and brokers for \$164,104, \$144,437 and \$60,968, respectively, net of discount. During the three months ended March 31, 2023 and 2022, the Company issued 2,106,369 and 1,550,455 Shares, respectively, to agents and brokers with a value of \$26,775 and \$38,500, respectively, inclusive of discount. As of March 31, 2023, 13,904,438 Shares were available for future issuance under the Program (out of the 84,011,043 Shares available for the duration of the Plan). Shares offered under the Program can only be authorized but unissued Shares under the Program that are registered with applicable securities authorities.

PART I — PROSPECTUS SUMMARY

Commission: Participants will not have to pay a fee for opening an account with the Broker (defined below) nor for the management of their account or the purchase of Shares. Participants are responsible for all the commissions and fees related to any sale or transfer of the Shares from the account at the Broker. In addition, the SEC applies a fee to most securities transactions at a rate determined by the SEC. Such commission and fees are subject to change at any time.

Termination of Participation in the Plan: A Participant may withdraw from the Program at any time by completing a new Election Form indicating his or her intention to withdraw from the Program. A Participant completing the withdrawal process will have his/her outstanding Contributions returned to him/her within 30 days from submitting the Participant's withdrawal Election Form to stock@exprealty.net.

Termination of Service: A Participant's participation in the Program will be terminated immediately if a Participant is no longer in good standing with the Company or any of its subsidiaries, as determined by the Administrator in its sole discretion. In such case, any amounts owed to Participant will be refunded to Participant as soon as practicable and will not be used to purchase additional Shares.

Non-transferability of Purchase Rights: Purchase rights granted to Participants may not be voluntarily or involuntarily assigned, transferred, pledged, or otherwise disposed of in any way, and are exercisable during the Participant's lifetime only by the Participant.

Termination, Suspension, or Amendment of the Plan and the Program: The Board may alter, amend, suspend or terminate the Plan (including the Program) as to any awards that have not been made. No amendment, suspension, or termination of the Plan will, without Participant's consent, deprive participant of any award granted to Participant or any rights thereunder. Stockholder approval of amendments will be required only to comply with applicable laws or regulatory requirements.

Details of admission to trading on a regulated market	Not applicable.		
Plan for distribution	All Shares issued under the Program will initially be placed and held in an account created in the Participant's name with the Broker.		
Maximum dilution	Hypothetically, assuming that the eligible independent agents participating in the offer would purchase the maximum number of Shares remaining available for issuance pursuant to the Program (i.e., 13,904,438), the holdings of a stockholder of the Company currently holding 1% of the total outstanding share capital of the Company as of March 31, 2023, i.e., 1,534,424 Shares, and who is not an eligible independent agent participating in the offer, would be diluted as indicated in the following table:		
		Percentage of the total outstanding Shares	Total number of outstanding Shares
	Before the issuance of Shares under the Program (as of March 31, 2023)	1.00%	153,442,421
	After issuance of 13,904,438 Shares under the Program	0.92%	167,346,859
Estimated expenses charged to the investor	Not applicable. No expenses will be charged to any Participants by the Company.		
WHY IS THIS PROSPECTUS BEING PRODUCED?			
Reasons for the offer	The purpose of the Program is to attract, retain and motivate independent agents whose present and potential contributions are important to the success of the Company and its affiliates.		
Use and estimated net amount of the proceeds	<p>Hypothetically, assuming that all 13,904,438 Shares remaining available for issuance under the Program pursuant to this prospectus would be purchased by the independent agents participating in the Program, and taking into account a Share price of \$17.69 (90% of a hypothetical Share price of \$19.65 which was the closing price of the Shares on June 16, 2023), then the gross proceeds of the Company in connection with the offer under the Program pursuant to this prospectus would be \$245,969,508. After deducting approximately \$155,000 in legal and accounting expenses in connection with the offer, the net proceeds would be \$245,814,508.</p> <p>However, in reality, the Company does not expect to issue all the Shares it is authorized to issue under the Program. The net proceeds from the issuance of Shares over the life of the Program will depend on the level of independent agent participation.</p> <p>The net proceeds will be used for general corporate purposes.</p>		
Underwriting agreement on a firm commitment basis	Not applicable.		
Description of material interest to the offer including conflict of interests	Not applicable.		

THE FOLLOWING INFORMATION IS NOT PART OF THE PROSPECTUS SUMMARY**PART II — PROSPECTUS****SECTION A — RISK FACTORS**

In addition to the other information set forth in this prospectus, you should carefully consider the following factors, which could materially affect our business, financial condition or results of operations in future periods. The risks described below are not the only risks facing the Company. Additional risks not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or results of operations in future periods.

In accordance with the provisions of Article 16 of the Prospectus Regulation, the present section describes the main risks which could, as of the date hereof, have an impact on the Company's activity, financial situation, reputation, results or perspectives, as notably identified when mapping the Company's major risks, which assesses their criticality, i.e. their severity and probability of occurrence, after taking into account the action plans implemented. Within each of the risk categories below, the risk factors are set out in order of priority according to the risk that the Company considers, at the date of this prospectus, to be the most significant (marked with an asterisk).

The table below summarizes the main risk factors identified by the Company, organized into five categories: (i) risks related to the Company's industry; (ii) risks related to the Company's business and operations; (iii) risks related to the Company's technology; (iv) risks related to legal and regulatory matters; and (v) risks related to the Company's stock. The right column indicates specific risk factors that are deemed by the Company to be more significant based on the potential adverse impacts on the Company and the probability of occurrence.

Categories of Risk Factors	Considered particularly material
1. Risks Related to the Company's Industries	
Our profitability is tied to the strength of the residential real estate market, which is subject to a number of general business and macroeconomic conditions beyond our control.	*
Monetary policies of the U.S. federal government and its agencies may have a material adverse impact on our operations.	
General changes in consumer attitudes and behaviors could negatively impact homesale transaction volume.	
Home inventory levels may result in excessive or insufficient supply, which could negatively impact home sale transaction growth.	
Material decreases in the average brokerage commission rate, due to conditions beyond our control, could materially adversely affect our financial results.	
Our operating results are subject to seasonality and vary significantly among quarters during each calendar year, making meaningful comparisons of successive quarters difficult.	

Homesale transaction volume can be impacted by natural disasters and other climate-related interruptions.	
2. Risks Related to the Company's General Business and Operations	
Loss of our current executive officers or other key management could significantly harm our business.	*
Our international operations are subject to risks not generally experienced by our U.S. operations.	*
Cybersecurity incidents could disrupt our business operations, result in the loss of critical and confidential information, adversely impact our reputation and harm our business.	*
We are actively and intend to continue, developing new products and services complementary to our brokerage business and our failure to accurately predict their demand or growth could have an adverse effect on our business.	*
We may be unable to effectively manage rapid growth in our business.	
We may be unable to attract and retain additional qualified personnel.	
We have experienced net losses in recent years and, because we have a limited operating history, our ability to fully and successfully develop our business is unknown.	
We may not be able to utilize a portion of our net operating loss or research tax credit carryforwards, which may adversely affect our profitability.	
We could be subject to changes in tax laws and regulations that may have a material adverse effect in our business.	
We intend to evaluate acquisitions, mergers, joint ventures or investments in third-party technologies and businesses, but we may not realize the anticipated benefits from and may have to pay substantial costs related to, any acquisitions, mergers, joint ventures, or investments that we undertake.	
Failure to protect intellectual property rights could adversely affect our business.	
Our business could be adversely affected if we are unable to expand, maintain and improve the systems and technologies which we rely on to operate.	
Our business, financial condition and reputation may be substantially harmed by security breaches, interruptions, delays and failures in our systems and operations.	
3. Risks Related to the Company's Real Estate Business	
Inflation and rising interest rates have and may continue to contribute to declining real estate transaction volumes, which have and may continue to materially impact operating results, profits and cash flows.	*
We may be unable to maintain our agent growth rate, which would adversely affect our revenue growth and results of operations.	*

Our value proposition for agents and brokers includes allowing them to participate in the revenues of our Company and is not typical in the real estate industry. If agents and brokers do not understand our value proposition, we may not be able to attract, retain and incentivize agents.	*
If we fail to grow in the various local markets that we serve or are unsuccessful in identifying and pursuing new business opportunities our long-term prospects and profitability will be harmed.	
4. Risks Related to the Company's Virbela Business	
If we do not remain an innovative leader in the real estate industry, we may not be able to grow our business and leverage our costs to achieve profitability.	*
The utilization of a 3D cloud-based immersive office as a suitable substitute for a physical brick-and-mortar location is a new and unproven strategy and we cannot guarantee that we will be able to operate and grow within its confines.	
5. Risks Related to Legal and Regulatory Matters	
We face significant risk to our brand and revenue if we fail to maintain compliance with the law and regulations of federal, state, county and foreign governmental authorities, or private associations and governing boards.	*
We offer our independent agents the opportunity to earn additional commissions through our revenue sharing plan, which pays under a multi-tiered compensation structure similar in some respects to network marketing. Network marketing is subject to intense government scrutiny and regulation and changes in the law, or the interpretation and enforcement of the law, might adversely affect our business.	*
We may suffer significant financial harm and loss of reputation if we do not comply, cannot comply, or are alleged to have not complied with applicable laws, rules and regulations concerning our classification and compensation practices for the agents in our owned-and-operated brokerage.	
We are subject to certain risks related to legal proceedings filed by or against us and adverse results may harm our business and financial condition.	
We are and may, in the future, be blocked from or limited in providing our agent compensation plans in certain jurisdictions and may be required to modify our business model in those jurisdictions as a result.	
If we fail to protect the privacy and personal information of our customers, agents or employees, we may be subject to legal claims, government action and damage to our reputation.	
SUCCESS Lending, LLC (" SUCCESS Lending ") and SUCCESS Franchising, LLC (" SUCCESS Franchising ") are new business initiatives with regulatory and compliance risks, many of which are beyond our control.	
6. Risks Related to the Company's Stock	
Glenn Sanford, our Chairman and Chief Executive Officer, together with Penny Sanford, a significant shareholder, Jason Gesing, a director and our Chief Industry Relations Officer and Gene Frederick, a director and agent, own a significant percentage of our stock and have agreed to act as a group on any matter	*

submitted to a vote of our stockholders. As a result, the trading price for our shares may be depressed and they can take actions that may be adverse to the interests of our other stockholders.	
We are a “controlled company” within the meaning of Nasdaq rules and, as a result, we qualify for and intend to rely on, exemptions from certain corporate governance requirements.	*
Because we can issue additional Shares and because we issue stock under Equity Incentive Plans, our stockholders may experience dilution in the future.	*
The stock price of the Shares has been and likely will continue to be volatile and may decline in value regardless of our performance.	
Because we may not pay any cash dividends on the Shares in the near future, our stockholders may not be able to receive a return on their shares unless they sell them.	
Delaware law and our organizational documents may impede or discourage a takeover, which could deprive our investors of the opportunity to receive a premium for their shares.	
7. Risks Related to the risk of the loss of fair value resulting from adverse changes in market rates and prices	
We are exposed to foreign exchange rate fluctuation due to our international operations.	

I. RISKS RELATED TO THE COMPANY’S INDUSTRIES

Our profitability is tied to the strength of the residential real estate market, which is subject to a number of general business and macroeconomic conditions beyond our control.*

Our profitability is closely related to the strength of the residential real estate market, which is cyclical in nature and typically is affected by changes in national, state and local economic conditions, which are beyond our control. Macroeconomic conditions that could adversely impact the growth of the real estate market and have a material adverse effect on our business include, but are not limited to, economic slowdown or recession, increased unemployment, increased energy costs, reductions in the availability of credit or higher interest rates, increased costs of obtaining mortgages, an increase in foreclosure activity, inflation, disruptions in capital markets, declines in the stock market, adverse tax policies or changes in other regulations, lower consumer confidence, lower wage and salary levels, war or terrorist attacks, natural disasters or adverse weather events, or the public perception that any of these events may occur. Unfavorable general economic conditions, such as a recession or economic slowdown, in the U.S., Canada, or other markets we enter and operate within, could negatively affect the affordability of and consumer demand for, our services, which could have a material adverse effect on our business and profitability. In addition, international, federal and state governments, agencies and government-sponsored entities such as Fannie Mae, Freddie Mac and Ginnie Mae could take actions that result in unforeseen consequences to the real estate market or that otherwise could negatively impact our business.

Monetary policies of the U.S. federal government and its agencies may have a material adverse impact on our operations.

The U.S. real estate market is substantially reliant on the monetary policies of the U.S. federal government and its agencies and is particularly affected by the policies of the Federal Reserve Board, which regulates

the supply of money and credit in the U.S., which, in turn impacts interest rates. Our business could be negatively impacted by any rising interest rate environment. As mortgage rates rise, the number of home sale transactions may decrease as potential home sellers choose to stay with their lower mortgage rate rather than sell their home and pay a higher mortgage rate with the purchase of another home. Similarly, in higher interest rate environments, potential home-buyers may choose to rent rather than pay higher mortgage rates. Changes in the interest rate environment and mortgage market are beyond our control and are difficult to predict and, as such, could have a material adverse effect on our business and profitability.

General changes in consumer attitudes and behaviors could negatively impact homesale transaction volume.

The real estate market is affected by changes in consumer attitudes and behaviors, including as a result of changing attitudes toward and behaviors related to home ownership. Certain real estate markets have or may experience a decline in homeownership based on changing social behaviors, including as a result of declining marriage and birth rates. Because of these changing attitudes and behaviors, consumers may be more or less likely to prefer renting a home versus purchasing a home. In the event consumer attitudes and behaviors in any of our markets cause a declining interest in home purchasing, it may adversely impact the volume of home sale transactions closed by our brokers and agents and, as such, could have a material adverse effect on our business and profitability.

Home inventory levels may result in excessive or insufficient supply, which could negatively impact home sale transaction growth.

Home inventory levels have been meaningfully declining or increasing in certain markets and price points in recent years. In both instances, homeowners are more likely to retain their homes for longer periods of time resulting in a negative impact on home sale volume growth. Insufficient home inventory levels can cause a reduction in housing affordability, which can result in potential home buyers deferring entry or reentry into the residential real estate market. Alternatively, excessive home inventory levels can contribute to a reduction in home values, which can result in some potential home sellers deferring entry into the residential real estate market. These inventory trends are caused by many pressures outside of our control, including slow or accelerated new housing construction, macroeconomic conditions, real estate industry models that purchase homes for long-term rental or corporate use and other market conditions and behavioral trends discussed herein. In January 2022, the U.S. reported a record low for home inventory levels, which remained low through the remainder of 2022. Continuing constraints on home inventory levels may adversely impact the volume of home sale transactions closed by our brokers and agents and, as such, could have a material adverse effect on our business and profitability.

Material decreases in the average brokerage commission rate, due to conditions beyond our control, could materially adversely affect our financial results.

There are many factors that contribute to average broker commission rates that are beyond our control. Factors that can contribute to a material decrease in brokerage commissions include regulation, a rise in discount brokers and agents, increased adoption of flat fees, commission models with more competitive rates, rebates or lower commission rates on transactions, as well as other competitive factors. The average broker commission rate for a real estate transaction is a key determinant of our profitability and a material decrease in brokerage commission rates could have a material adverse effect on our business and profitability.

Our operating results are subject to seasonality and vary significantly among quarters during each calendar year, making meaningful comparisons of successive quarters difficult.

Seasons and weather traditionally impact the real estate industry. Continuous poor weather or natural disasters negatively impact listings and sales. Spring and summer seasons historically reflect greater sales periods in comparison to fall and winter seasons. We have historically experienced lower revenues during the fall and winter seasons, as well as during periods of unseasonable weather, which reduces our operating income, net income, operating margins and cash flow.

Real estate listings precede sales and a period of poor listings activity will negatively impact revenue. Past performance in similar seasons or during similar weather events can provide no assurance of future or current performance and macroeconomic shifts in the markets we serve can conceal the impact of poor weather or seasonality.

Home sales in successive quarters can fluctuate widely due to a wide variety of factors, including holidays, national or international emergencies, the school year calendar's impact on timing of family relocations, interest rate changes, speculation of pending interest rate changes and the overall macroeconomic market. Our revenue and operating margins each quarter will remain subject to seasonal fluctuations, poor weather and natural disasters and macroeconomic market changes that may make it difficult to compare or analyze our financial performance effectively across successive quarters.

Homesale transaction volume can be impacted by natural disasters and other climate-related interruptions.

Natural disasters are occurring more frequently and/or with more intense effects and may impact general population trends. Areas afflicted by natural disasters may experience a decline in home sale transaction volume due to home destruction and/or general population movement out of the afflicted area. Such events can make it difficult or impossible for home owners and builders to sell their homes and result in slowdowns in home sale transaction volume. Because the real estate industry relies on home sale transactions, climate crises can exacerbate negative financial results for real estate companies operating in particularly affected areas.

II. RISKS RELATED TO THE COMPANY'S GENERAL BUSINESS AND OPERATIONS

Loss of our current executive officers or other key management could significantly harm our business.*

We depend on the industry experience and talent of our current executives. We believe that our future results will depend in part upon our ability to retain and attract highly skilled and qualified management. The loss of our executive officers could have a material adverse effect on our operations because other officers may not have the experience and expertise to readily replace these individuals. To the extent that one or more of our top executives or other key management personnel depart from the Company, our operations and business prospects may be adversely affected. In addition, changes in executives and key personnel could be disruptive to our business.

Our international operations are subject to risks not generally experienced by our U.S. operations.*

In addition to operating in Canada, we expanded our business into Australia and the United Kingdom in 2019 and into South Africa, India, Mexico, Portugal and France, during 2020 and into Puerto Rico, Brazil, Italy, Hong Kong, Colombia, Spain, Israel, Panama and Germany in 2021. During 2022 we commenced operations in the Dominican Republic, Greece, New Zealand, Chile and Poland and announced the opening of the Dubai market, which is expected to be fully operational in 2023. Our international operations are subject to risks not generally experienced by our U.S. operations. The risks involved in our international operations and relationships that could result in losses against which we are not insured and, therefore, affect our profitability include:

- fluctuations in foreign currency exchange rates;
- exposure to local economic conditions and local laws and regulations;
- employment laws that are significantly different than U.S. laws;

- diminished ability to legally enforce our contractual rights and use of our trademarks in foreign countries;
- difficulties in registering, protecting or preserving trade names and trademarks in foreign countries;
- restrictions on the ability to obtain or retain licenses required for operations;
- withholding and other taxes on third-party cross-border transactions as well as remittances and other payments by subsidiaries;
- onerous requirements, subject to broad interpretation, for indirect taxes and income taxes that can result in audits with potentially significant financial outcomes;
- changes in foreign taxation structures;
- compliance with the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act, or similar laws of other countries;
- uncertainties and effects of the implementation of the United Kingdom's withdrawal of its membership from the European Union (referred to as Brexit), including financial, legal and tax implications; and
- regional and country specific data protection and privacy laws including the European Union's General Data Protection Regulation ("**GDPR**").

In addition, activities of agents and brokers outside of the U.S. are more difficult and more expensive to monitor and improper activities or mismanagement may be more difficult to detect. Negligent or improper activities involving our agents and brokers may result in reputational damage to us and may lead to direct claims against us based on theories of vicarious liability, negligence, joint operations and joint employer liability which, if determined adversely, could increase costs and subject us to incremental liability for their actions.

Cybersecurity incidents could disrupt our business operations, result in the loss of critical and confidential information, adversely impact our reputation and harm our business.*

Cybersecurity threats and incidents directed at us could range from uncoordinated individual attempts to gain unauthorized access to information technology systems to sophisticated and targeted measures aimed at disrupting business or gathering personal data of customers. In the ordinary course of our business, we and our agents and brokers collect and store sensitive data, including proprietary business information and personal information about our clients and customers. Our business and particularly our cloud-based platform, is reliant on the uninterrupted functioning of our information technology systems. The secure processing, maintenance and transmission of information are critical to our operations, especially the processing and closing of real estate transactions. Although we employ measures designed to prevent, detect, address and mitigate these threats (including access controls, data encryption, vulnerability assessments and maintenance of backup and protective systems), cybersecurity incidents, depending on their nature and scope, could potentially result in the misappropriation, destruction, corruption, or unavailability of critical data and confidential or proprietary information (our own or that of third parties, including potentially sensitive personal information of our clients and customers) and the disruption of business operations. Any such compromises to our security could cause harm to our reputation, which could cause customers to lose trust and confidence in us or could cause agents and brokers to stop working for us. In addition, we may incur significant costs for remediation that may include liability for stolen assets or information, repair of system damage and compensation to clients, customers and business partners. We may also be subject to legal claims, government investigation and additional state and federal statutory requirements.

The potential consequences of a material cybersecurity incident include regulatory violations of applicable U.S. and foreign privacy and other laws, reputational damage, loss of market value, litigation with third parties (which could result in our exposure to material civil or criminal liability), diminution in the value of the services we provide to our customers and increased cybersecurity protection and remediation costs (that may include liability for stolen assets or information), which in turn could have a material adverse effect on our competitiveness and results of operations.

We are actively and intend to continue, developing new products and services complementary to our brokerage business and our failure to accurately predict their demand or growth could have an adverse effect on our business.*

We are actively and intend in the future to continue, investing resources in developing new technology, services, products and other offerings complementary to our brokerage business. New business initiatives are inherently risky and may involve unproven business strategies and markets with which we have limited or no prior development or operating experience. Risks from these new initiatives include those associated with potential defects in the design, ongoing development and maintenance of technologies, reliance on data or user inputs that may prove inadequate or unavailable, failure to design products and services in a way that is more effective or affordable than competing third-party products and services and failure to scale businesses as they grow, among others. As a result of these risks, we could experience increased legal claims, reputational damage, financial loss or other adverse effects, which could be material. We can provide no assurance that we will be able to efficiently or effectively develop, commercialize and achieve market acceptance of new products and services. Additionally, the human and financial capital committed to develop new products and services may either be insufficient or result in expenses that exceed the revenue actually originated from these new products and services. In addition, our efforts to develop new products and services could distract management from current operations and could divert capital and other resources from our existing business, including our brokerage business. Failure to achieve the expected benefits of our investments may occur and could harm our business.

We may be unable to effectively manage rapid growth in our business.

We may not be able to scale our business quickly enough to meet the growing needs of our affiliated real estate professionals and if we are not able to grow efficiently, our operating results could be harmed. As the Company adds new real estate professionals, it will need to devote additional financial and human resources to improving its internal systems, integrating with third-party systems and maintaining infrastructure performance. In addition, we will need to appropriately scale our internal business systems and our services organization, including support of our affiliated real estate professionals as our workforce and agent network expand over time. Any failure of or delay in these efforts could cause impaired system performance and reduced real estate professional satisfaction. These issues could reduce the attractiveness of our Company to existing real estate professionals who might leave the Company, as well as resulting in decreased attraction of new real estate professionals. Even if we are able to upgrade our systems and expand our employees, such expansion may be expensive, complex and place increasing demands on our management. We could also face inefficiencies or operational failures as a result of our efforts to scale our infrastructure and we may not be successful in maintaining adequate financial and operating systems and controls as we expand. Moreover, there are inherent risks associated with upgrading, improving and expanding our information technology systems. We cannot be sure that the expansion and improvements to our infrastructure and systems will be fully or effectively implemented on a timely basis, if at all. These efforts may reduce revenue and our margins and adversely impact our financial results.

We may be unable to attract and retain additional qualified personnel.

To execute our business strategy, we must attract and retain highly qualified personnel. In particular, we compete with many other real estate brokerages for qualified brokers who manage our operations in each state. We must also compete with technology companies for developers with high levels of experience in designing, developing and managing cloud-based software, as well as for skilled service and operations professionals and we may not be successful in attracting and retaining the professionals we need.

Additionally, in order to realize the potential benefits of acquisitions, we may need to retain employees from the acquired businesses or hire additional personnel to fully capitalize on the opportunities that such acquisitions may offer and we may not be successful in retaining or attracting such individuals following an acquisition. From time to time in the past we have experienced and we expect to continue to experience in the future, difficulty in hiring and retaining highly skilled employees with appropriate qualifications. Many of the companies with which we compete for experienced personnel have greater resources than we do. In addition, in making employment decisions, particularly in the software industry, job candidates often consider the value of the stock options or other equity incentives they are to receive in connection with their employment. If the price of our stock declines or continues to experience significant volatility, our ability to attract or retain key employees may be adversely affected. If we fail to attract new personnel or fail to retain and motivate our current personnel, our growth prospects could be severely harmed.

We have experienced net losses in recent years and, because we have a limited operating history, our ability to fully and successfully develop our business is unknown.

We had a history of operating at losses since our inception in October 2009 until the fourth quarter of 2020 and have had consecutive periods of income since that time. Our ability to realize consistent, meaningful revenues and profit over a sustained period has not been established over the long term and cannot be assured in future periods.

While we believe that we have made significant progress in revenue growth and managing our overhead by implementing our cloud-based technology strategy, our services must achieve broad market acceptance by consumers and we must continue to grow our geographical reach, attract more agents and brokers and increase the volume of our residential real-estate transactions. If we are unsuccessful in continuing to gain market acceptance, we will not be able to generate sufficient revenue to continue our business operations and could recognize future operating and net losses.

Despite our ongoing efforts to build revenue growth, both organically and through acquisitions and to control the anticipated expenses associated with the continued development, marketing and provision of our services, we may not be able to consistently generate significant net income and cash flows from operations in the future.

We may not be able to utilize a portion of our net operating loss or research tax credit carryforwards, which may adversely affect our profitability.

As of December 31, 2022, we had federal, state and foreign net operating losses carryforward due to prior years' losses. The pre-fiscal 2018 federal, certain state and foreign net operating losses will carry forward for a limited number of years. Federal, as well as, some state and foreign net operating losses generated in and after fiscal 2018, do not expire and can be carried forward indefinitely. We also have recorded federal research tax credits for the years 2019, 2020, 2021 and 2022 which will carry forward for 20 years and are expected to be fully utilized before expiration. A nominal portion of our net operating loss may expire, increasing future income tax liabilities which may adversely affect our profitability.

In addition, under Section 382 of the Internal Revenue Code of 1986, as amended, our ability to utilize net operating loss carryforwards or other tax attributes, in any taxable year, may be limited if we experience an "ownership change." A Section 382 "ownership change" generally occurs if one or more stockholders or groups of stockholders who own at least 5% of our stock increase their ownership by more than 50 percentage points over their lowest ownership percentage within a rolling three-year period. Similar rules may apply under state tax laws. It is possible that an ownership change, or any future ownership change, could have a material effect on the use of our net operating loss carryforwards or other tax attributes, which could adversely affect our profitability.

We could be subject to changes in tax laws and regulations that may have a material adverse effect in our business.

We operate and are subject to taxes in the United States and numerous other jurisdictions throughout the world. Changes to federal, state, local, or international tax laws on income, sales, use, indirect, or other tax laws, statutes, rules or regulations may adversely affect our effective tax rate, operating results or cash flows.

Our effective tax rate could increase due to several factors, including: changes in the relative amounts of income before taxes in the various jurisdictions in which we operate that have differing statutory tax rates; changes in tax laws, tax treaties and regulations or the interpretation of them, including the Tax Cuts and Jobs Act of 2017 (the “**Tax Act**”) which requires research and experimental expenditures attributable to research conducted in the United States to be capitalized as of January 1, 2022 and amortized over a five-year period or expenditures attributable to research conducted outside the United States to be amortized over a 15 year period; the Inflation Reduction Act of 2022 which imposes a 1% non-deductible excise tax on repurchase of stock that are made by U.S. publicly traded corporations after December 31, 2022; changes to our assessment about our ability to realize our deferred tax assets that are based on estimates of our future results, the prudence and feasibility of possible tax planning strategies and the economic and political environments in which we do business; the outcome of current and future tax audits, examinations or administrative appeals; and limitations or adverse findings regarding our ability to do business in some jurisdictions.

In particular, new income, sales and use or other tax laws or regulations could be enacted at any time, which could adversely affect our business operations and financial performance. Further, existing tax laws and regulations could be interpreted, modified or applied adversely to us. For example, the Tax Act enacted many significant changes to the U.S. tax laws. Future guidance from the Internal Revenue Service and other tax authorities with respect to the Tax Act may affect us and certain aspects of the Tax Act could be repealed or modified in future legislation. In addition, it is uncertain if and to what extent various states will conform to the Tax Act or any newly enacted federal tax legislation. Changes in corporate tax rates, the realization of net operating losses and other deferred tax assets relating to our operations, the taxation of foreign earnings and the deductibility of expenses under the Tax Act or future reform legislation could have a material impact on the value of our deferred tax assets and could increase our future U.S. tax expense.

We intend to evaluate acquisitions, mergers, joint ventures or investments in third-party technologies and businesses, but we may not realize the anticipated benefits from and may have to pay substantial costs related to, any acquisitions, mergers, joint ventures, or investments that we undertake.

As part of our business and growth strategy, we evaluate acquisitions of, or investments in, a wide array of potential strategic opportunities, including third-party technologies and businesses, as well as other real estate brokerages. If we are not able to effectively integrate acquired businesses and assets or successfully execute on joint venture strategies, our operating results and prospects could be harmed. Since 2019, we have acquired new technology and operations and entered into various joint venture arrangements. We will continue to look for opportunities to acquire technologies or operations that we believe will contribute to our growth and development, including our July 2022 acquisition of Zoocasa. The success of our future acquisition strategy will depend on our ability to identify, negotiate, complete and integrate acquisitions. The success of our future joint venture strategies will depend on our ability to identify, negotiate, complete and successfully manage and grow joint ventures with other parties. In addition, acquisitions and joint ventures could cause potentially dilutive issuances of equity securities or incurrence of debt.

Acquisitions and joint ventures are inherently risky and any we complete may not be successful. Any acquisitions and joint ventures we pursue would involve numerous risks, including the following:

- difficulties in integrating and managing the operations and technologies of the companies we acquire, including higher than expected integration costs and longer integration periods;

- diversion of our management's attention from normal daily operations of our business;
- our inability to maintain the customers, key employees, key business relationships and reputations of the businesses we acquire;
- our inability to generate sufficient revenue or business efficiencies from acquisitions or joint ventures to offset our increased expenses associated with acquisitions or joint ventures;
- our responsibility for the liabilities of the businesses we acquire or gain ownership in through joint ventures, including, without limitation, liabilities arising out of their failure to maintain effective data security, data integrity, disaster recovery and privacy controls prior to the acquisition, their infringement or alleged infringement of third-party intellectual property, contract or data access rights prior to the acquisition, or failure to comply with regulatory standards applicable to new business lines;
- difficulties in complying with new markets or regulatory standards to which we were not previously subject;
- delays in our ability to implement internal standards, controls, procedures and policies in the businesses we acquire or gain ownership in through joint ventures and increased risk that our internal controls will be ineffective;
- operations in a nascent state depend directly on utilization by eXp Realty agents and brokers and new and existing customers;
- adverse effects of acquisition and joint venture activity on the key performance indicators we use to monitor our performance as a business; and
- inability to fully realize intangible assets recognized through acquisitions or joint ventures and related non-cash impairment charges that may result if we are required to revalue such intangible assets.

Our failure to address these risks or any other challenges we encounter with our future acquisitions, joint ventures and investments could cause us to not realize all or any of the anticipated benefits of such acquisitions, mergers, joint ventures or investments, incur unanticipated liabilities and harm our business, which could negatively impact our operating results, financial condition and cash flows.

Failure to protect intellectual property rights could adversely affect our business.

Our intellectual property rights, including existing and future trademarks, trade secrets, patents and copyrights, are important assets of the business. We have taken measures to protect our intellectual property, but these measures may not be sufficient or effective. We may bring lawsuits to protect against the potential infringement of our intellectual property rights and other companies, including our competitors, could make claims against us alleging our infringement of their intellectual property rights. There can be no assurance that we would prevail in such lawsuits. Any significant impairment of our intellectual property rights could harm our business.

Our business could be adversely affected if we are unable to expand, maintain and improve the systems and technologies which we rely on to operate.

As the number of agents and brokers in our company grows, our success will depend on our ability to expand, maintain and improve the technology that supports our business operations, including, but not limited to, our cloud office platform. Loss of key personnel or the lack of adequate staffing with the requisite expertise and training could impede our efforts in this regard. If our systems and technologies lack capacity or quality sufficient to service agents and their clients, then the number of agents who wish to use our

products could decrease, the level of client service and transaction volume afforded by our systems could suffer and our costs could increase. In addition, if our systems, procedures or controls are not adequate to provide reliable, accurate and timely financial and other reporting, we may not be able to satisfy regulatory scrutiny or contractual obligations with third parties and may suffer a loss of reputation. Any of these events could negatively affect our financial position.

Our business, financial condition and reputation may be substantially harmed by security breaches, interruptions, delays and failures in our systems and operations.

The performance and reliability of our systems and operations are critical to our reputation and ability to attract agents, teams of agents and brokers into our company as well as our ability to service home-buyers and sellers. Our systems and operations are vulnerable to security breaches, interruption or malfunction due to events beyond our control, including natural disasters, such as earthquakes, fire and flood, power loss, telecommunication failures, break-ins, sabotage, computer viruses, intentional acts of vandalism and similar events. In addition, we rely on third-party vendors to provide the cloud office platform and to provide additional systems and related support. If we cannot continue to retain these services on acceptable terms, our access to these systems and services could be interrupted. Any security breach, interruption, delay or failure in our systems and operations could substantially reduce the transaction volume that can be processed with our systems, impair quality of service, increase costs, prompt litigation and other consumer claims and damage our reputation, any of which could substantially harm our financial condition.

III. RISKS RELATED TO THE COMPANY'S REAL ESTATE BUSINESS

Inflation and rising interest rates have and may continue to contribute to declining real estate transaction volumes, which have and may continue to materially impact operating results, profits and cash flows.*

Inflation and rising interest rates have generally impacted real estate transaction volumes in the U.S., Canada and other international markets. During 2022, the Company has experienced declining transaction volume, which has had an impact on operating results in the last few months of 2022. If we are not able to organically grow our market share, to offset the declining transactions, our operating results, profits and cash flow may be materially impacted in the event interest rates stay level or continue to rise. The Company believes that it continues to be well positioned for growth in the current economic climate, due to our strong base of agent support, along with our efficient operating model, with lower fixed costs and no brick-and-mortar locations.

We may be unable to maintain our agent growth rate, which would adversely affect our revenue growth and results of operations.*

We have experienced rapid and accelerating growth in our real estate broker and agent base. During the year ended December 31, 2022, our agent and broker base grew to 86,203 agents and brokers, or by 21%, from 71,137 agents and brokers as of December 31, 2021. Because we derive revenue from real estate transactions in which our brokers and agents receive commissions, the amount and rate of growth of our revenue typically correlate to the amount and rate of growth of our agent and broker base, respectively. The rate of growth of our agent and broker base cannot be predicted and is subject to many factors outside of our control, including actions taken by our competitors and macroeconomic factors affecting the real estate industry in general. We cannot assure that we will be able to maintain our recent agent growth rate or that our agent and broker base will continue to expand in future periods. A slowdown in our agent growth rate would have a material adverse effect on revenue growth and could adversely affect our business, results of operations, financial condition and cash flows.

Our value proposition for agents and brokers includes allowing them to participate in the revenues of our Company and is not typical in the real estate industry. If agents and brokers do not understand our value proposition, we may not be able to attract, retain and incentivize agents.*

Participation in our revenue sharing plan represents a key component of our agent and broker value proposition. Agents and brokers may not understand or appreciate its value due to the intricacies of our programs. In addition, agents may not appreciate other components of our value proposition, including the cloud office platform, the mobility it affords, the systems and tools that we provide to agents and brokers and the professional development opportunities we create and deliver. If agents and brokers do not understand the elements of our agent value proposition, or do not perceive it to be more valuable than the models used by most competitors, we may not be able to attract, retain and incentivize new and existing agents and brokers to grow our revenues.

If we fail to grow in the various local markets that we serve or are unsuccessful in identifying and pursuing new business opportunities our long-term prospects and profitability will be harmed.

To capture and retain market share in the various local markets that we serve, we must compete successfully against other brokerages for agents and brokers and for the consumer relationships that they bring. Our competitors could lower the fees that they charge to agents and brokers or could raise the compensation structure for those agents. Our competitors may have access to greater financial resources than us, allowing them to undertake expensive local advertising or marketing efforts. In addition, our competitors may be able to leverage local relationships, referral sources and strong local brand and name recognition that we have not established. Our competitors could, as a result, have greater leverage in attracting new and established agents in the market and in generating business among local consumers. Our ability to grow in the local markets that we serve will depend on our ability to compete with these local brokerages.

We may implement changes to our business model and operations to improve revenues that cause a disproportionate increase in our expenses or reduce profit margins. For example, we may allocate resources to acquiring lower margin brokerage models and have invested in the development of a mortgage servicing division, a commercial real estate division, a title and escrow company, a mortgage lending company, a personal development company and a continuing education division. Expanding our service offerings could involve significant up-front costs that may only be recovered after lengthy periods of time. The barrier to entry in new real estate markets is low given our cloud-based operating model; however, attempts to pursue new business opportunities could result in a disproportionate increase in our expenses and in reduced profit margins. In addition, expansion into new markets and business lines, including internationally, could expose us to additional compliance obligations and regulatory risks. If we fail to continue to grow in the local markets we serve or if we fail to successfully identify and pursue new business opportunities, our long-term prospects, financial condition and results of operations may be harmed and our stock price may decline.

IV. RISKS RELATED TO THE COMPANY'S VIRBELA BUSINESS

If we do not remain an innovative leader in the real estate industry, we may not be able to grow our business and leverage our costs to achieve profitability.*

Innovation has been critical to our ability to compete against other brokerages for clients and agents. For example, we have pioneered the utilization of a 3D immersive online office environment in the real estate market, which reduces our need for office space and facilitates the transaction of business away from an office. If competitors follow our practices or develop innovative practices, our ability to achieve profitability may diminish or erode. For example, certain other brokerages could develop or license cloud-based office platforms that are equal to or superior to ours. If we do not remain on the forefront of innovation, we may not be able to achieve or sustain profitability.

The market for internet products and services including, without limitation, 3D immersive experiences, virtual reality and augmented reality is characterized by rapid technological developments, evolving industry standards and consumer demands and frequent new product introductions and enhancements. The Company's future success will depend in significant part on its ability to continually improve the performance, features and reliability of its internet-based virtual environment, its tools and other properties in response to both evolving demands of the marketplace and competitive product offerings and there can be no assurance that the Company will be successful in doing so. In addition, the widespread adoption of new virtual reality and augmented reality applications through new technology developments could require fundamental changes in the Company's services.

The utilization of a 3D cloud-based immersive office as a suitable substitute for a physical brick-and-mortar location is a new and unproven strategy and we cannot guarantee that we will be able to operate and grow within its confines.

Currently, our cloud office adequately supports the needs of our agent population located across the markets we serve. We cannot guarantee that our cloud office platform will continue to support our agent population and meet our business needs as we grow. The effectiveness of our cloud office platform is tied to a number of variables at any given time, including server capacity and concurrent users. In addition, the use of the cloud office platform and the use generally of 3D immersive office environments as an acceptable substitute among agents and brokers for physical office locations is unproven. We cannot guarantee that industry rank and file will adopt or accept cloud-based 3D office environments as a substitute for a physical office environment in a sustainable, long-term manner.

V. RISKS RELATED TO LEGAL AND REGULATORY MATTERS

We face significant risk to our brand and revenue if we fail to maintain compliance with the law and regulations of federal, state, county and foreign governmental authorities, or private associations and governing boards.*

We operate in a heavily regulated industry subject to complex, federal, state, provincial and local laws and regulations within the markets in which we operate and third-party organizations' regulations, policies and bylaws governing the real estate business.

In general, the laws, rules and regulations that apply to our business practices include, without limitation, the Real Estate Settlement Procedures Act ("**RESPA**"), the federal Fair Housing Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "**Dodd-Frank Act**"), the U.S. Securities Exchange Act of 1934 and federal advertising and other laws, as well as comparable state statutes; rules of trade organizations such as National Association of Realtors, local Multiple Listing Services and state and local Associations of Realtors; licensing requirements and related obligations that could arise from our business practices relating to the provision of services other than real estate brokerage services, including without limitation, our mortgage lending services; privacy regulations relating to our use of personal information collected from the registered users of our websites; laws relating to the use and publication of information through the internet; and state real estate brokerage and mortgage lending licensing requirements, as well as statutory due diligence, disclosure, record keeping and standard-of-care obligations relating to these licenses.

Additionally, the Dodd-Frank Act contains the Mortgage Reform and Anti-Predatory Lending Act ("**Mortgage Act**"), which imposes a number of additional requirements on lenders and servicers of residential mortgage loans, by amending certain existing provisions and adding new sections to RESPA and other federal laws. It also broadly prohibits unfair, deceptive or abusive acts or practices and knowingly or recklessly providing substantial assistance to a covered person in violation of that prohibition. The penalties for noncompliance with these laws are also significantly increased by the Mortgage Act, which could lead to an increase in lawsuits against mortgage lenders and servicers.

As we expand our business into new international markets, including our existing international markets, we are subject to additional foreign governmental regulation. Ensuring compliance with these newly applicable laws could substantially increase our operating expenses. In addition, entry into these new markets exposes us to increased risk and liability. A violation of any of these applicable laws could have a material adverse effect on our business.

Maintaining legal compliance is challenging and increases our costs due to resources required to continually monitor business practices for compliance with applicable laws, rules and regulations and to monitor changes in the applicable laws themselves.

We may not become aware of all the laws, rules and regulations that govern our business, or be able to comply with all of them, given the rate of regulatory changes, ambiguities in regulations, contradictions in regulations between jurisdictions and the difficulties in achieving both company-wide and region-specific knowledge and compliance.

If we fail, or we have alleged to have failed, to comply with any existing or future applicable laws, rules and regulations, we could be subject to lawsuits and administrative complaints and proceedings, as well as criminal proceedings. Our noncompliance could result in significant defense costs, settlement costs, damages and penalties.

Our business licenses could be suspended or revoked, our business practices enjoined, or we could be required to modify our business practices, which could materially impair, or even prevent, our ability to conduct all or any portion of our business. Any such events could also damage our reputation and impair our ability to attract and service home-buyers, home sellers, agents, clients and customers as well our ability to attract brokerages, brokers, teams of agents and agents to our company, without increasing our costs.

Further, if we lose our ability to obtain and maintain all of the regulatory approvals and licenses necessary to conduct business as we currently operate, our ability to conduct business may be harmed. Lastly, any lobbying or related activities we undertake in response to mitigate liability of current or new regulations could substantially increase our operating expenses.

We offer our independent agents the opportunity to earn additional commissions through our revenue sharing plan, which pays under a multi-tiered compensation structure similar in some respects to network marketing. Network marketing is subject to intense government scrutiny and regulation and changes in the law, or the interpretation and enforcement of the law, might adversely affect our business.*

Various laws and regulations in the United States and other countries regulate network marketing. These laws and regulations exist at many levels of government in many different forms, including statutes, rules, regulations, judicial decisions and administrative orders. Network marketing regulations are inherently fact-based and often do not include "bright line" rules. Additionally, we are subject to the risk that the regulations, or a regulator's interpretation and enforcement of the regulations, could change. From time to time, we have received requests to supply information regarding our revenue sharing plan to regulatory agencies. We could potentially in the future be required to modify our revenue sharing plan in certain jurisdictions in order to comply with the interpretation of the regulations by local authorities.

In the United States, the Federal Trade Commission ("FTC") has entered into several highly publicized settlements with network marketing companies that required those companies to modify their compensation plans and business models. Those settlements resulted from actions brought by the FTC involving a variety of alleged violations of consumer protection laws, including misleading earnings representations by the companies' independent distributors, as well as the legal validity of the companies' business model and distributor compensation plans. FTC determinations such as these have created an ambiguity regarding the proper interpretation of the law and regulations applicable to network marketing companies in the U.S. Although a consent decree between the FTC and a specific company does not represent judicial precedent, FTC officials have indicated that the network marketing industry should look to these consent decrees and

the principles contained therein, for guidance. Additionally, following the issuance of these consent decrees, the FTC issued non-binding guidance to the network marketing industry, suggesting it was intending to reinforce the principles contained in the consent decrees and provide other operational guidance to the network marketing industry.

While we strive to ensure that our overall business model and revenue sharing plan, are regulatory compliant in each of our markets, we cannot assure you that a regulator, if it were to review our business, would agree with our assessment and would not require us to change one or more aspects of our operations. Any action against us in the future by the FTC or another regulator could materially and adversely affect our operations.

We cannot predict the nature of any future law, regulation, or guidance, nor can we predict what effect additional governmental regulations, judicial decisions, or administrative orders, when and if promulgated, would have on our business. Failure by us, or our independent agents, to comply with these laws, could adversely affect our business.

We may suffer significant financial harm and loss of reputation if we do not comply, cannot comply, or are alleged to have not complied with applicable laws, rules and regulations concerning our classification and compensation practices for the agents in our owned-and-operated brokerage.

Except for our employed state brokers and commission only employees, all real estate professionals in our brokerage operations have been retained as independent contractors, either directly or indirectly through third-party entities formed by these independent contractors for their business purposes. With respect to these independent contractors, like most brokerage firms, we are subject to the taxing authorities' regulations and applicable laws regarding independent contractor classification. These regulations and guidelines are subject to judicial and agency interpretation and it might be determined that the independent contractor classification is inapplicable to any of our affiliated real estate professionals. Further, if legal standards for classification of real estate professionals as independent contractors change or appear to be changing, it may be necessary to modify our compensation and benefits structure for our affiliated real estate professionals in some or all of our markets, including by paying additional compensation or reimbursing expenses.

In the future we could incur substantial costs, penalties and damages, including back pay, unpaid benefits, taxes, expense reimbursement and attorneys' fees, in defending future challenges by our affiliated real estate professionals to our employment classification or compensation practices.

We are subject to certain risks related to legal proceedings filed by or against us and adverse results may harm our business and financial condition.

We are subject to risk of and are from time to time involved in, or may in the future be subject to, claims, suits, government investigations and proceedings arising from our business, including actions with respect to securities, intellectual property, privacy, information security, data protection or law enforcement matters, tax matters, labor and employment, including claims challenging the classification of our agents and brokers as independent contractors and compliance with wage and hour regulations and claims alleging violations of RESPA or state consumer fraud statutes and commercial arrangements. We are also subject to risk related to shareholder derivative actions, standard brokerage disputes like the failure to disclose hidden defects in a property such as mold, vicarious liability based upon conduct of individuals or entities outside of our control, including our agents, brokers, third-party service or product providers and purported class action lawsuits.

We cannot predict with certainty the cost of defense, the cost of prosecution, insurance coverage or the ultimate outcome of litigation and other proceedings filed by or against us, including remedies or damage awards. Adverse results in such litigation and other proceedings may harm our business and financial condition. Class action lawsuits can often be particularly burdensome given the breadth of claims, large potential damages and significant costs of defense. In the case of intellectual property litigation and proceedings, adverse outcomes could include the cancellation, invalidation or other loss of material

intellectual property rights used in our business and injunctions prohibiting our use of business processes or technology that is subject to third-party patents or other third-party intellectual property rights. In addition, we may be required to enter into licensing agreements (if available on acceptable terms) and be required to pay royalties. In the case of securities litigation and proceedings, adverse outcomes could include the cancellation, invalidation, or modification of our existing equity incentive program.

From time to time, we may become involved in lawsuits and legal proceedings which arise in the ordinary course of business. At present, as specified in Part II, Section B.7.3 of this Supplement, we are not involved in any material pending legal proceedings and there are no proceedings in which any of our directors, officers or affiliates is an adverse party or has a material interest adverse to our interest.

We are and may, in the future, be blocked from or limited in providing our agent compensation plans in certain jurisdictions and may be required to modify our business model in those jurisdictions as a result.

Our agent compensation plans represent a key lever in our strategy to attract and retain independent agents and brokers and are subject to various international, federal, state, territorial and local laws, rules and regulations which differ in each of our existing and future markets. As a result, we are and may, in the future, be blocked from or limited in providing each of our agent compensation plans in certain markets. In addition, these laws, rules and regulations are subject to judicial and agency interpretation and it might be determined that our agent compensation plans are not permitted to be offered to independent contractors. In response to such limitations, we have and may, in the future, be required to modify our agent compensation practices in such markets. Failure to comply with applicable law, rules and regulations or failure to subsequently modify our business model in certain jurisdictions to effectively attract and retain agents and brokers could negatively affect our business, results of operations or financial condition. The costs attributable to developing compliant agent compensation plans can be significant and could adversely affect our financial condition.

If we fail to protect the privacy and personal information of our customers, agents or employees, we may be subject to legal claims, government action and damage to our reputation.

Hundreds of thousands of consumers, independent contractors and employees have shared personal information with us during the normal course of our business processing real estate transactions. This includes, but is not limited to, Social Security numbers, annual income amounts and sources, consumer names, addresses, telephone and cell phone numbers and email addresses. To run our business, it is essential for us to store and transmit this sensitive information in our systems and networks. At the same time, we are subject to numerous laws, regulations and other requirements that require businesses like ours to protect the security of personal information, notify customers and other individuals about our privacy practices and limit the use, disclosure, or transfer of personal data across country borders. Regulators in the U.S. and abroad continue to enact comprehensive new laws or legislative reforms imposing significant privacy and cybersecurity restrictions. The result is that we are subject to increased regulatory scrutiny, additional contractual requirements from corporate customers and heightened compliance costs. These ongoing changes to privacy and cybersecurity laws also may make it more difficult for us to operate our business and may have a material adverse effect on our operations. For example, the European Union's GDPR conferred new and significant privacy rights on individuals (including employees and independent agents) and materially increased penalties for violations. In the U.S., California enacted the California Consumer Privacy Act — which went into full effect in 2021 — imposing new and comprehensive requirements on organizations that collect and disclose personal information about California residents. In March 2017, the New York Department of Financial Services' cybersecurity regulation went into effect, requiring regulated financial institutions to establish a detailed cybersecurity program. Program requirements include corporate governance, incident planning, data management, system testing, vendor oversight and regulator notification rules. Now, other state regulatory agencies are expected to enact similar requirements following the adoption of the Insurance Data Security Model Law by the National Association of Insurance Commissioners that is consistent with the New York regulation.

Any significant violations of privacy and cybersecurity could result in the loss of new or existing business, litigation, regulatory investigations, the payment of fines, damages and penalties and damage to our reputation, which could have a material adverse effect on our business, financial condition and results of operations.

We could also be adversely affected if legislation or regulations are expanded to require changes in our business practices or if governing jurisdictions interpret or implement their legislation or regulations in ways that negatively affect our business, results of operations or financial condition.

In addition, while we disclose our information collection and dissemination practices in a published privacy statement on our websites, which we may modify from time to time, we may be subject to legal claims, government action and damage to our reputation if we act or are perceived to be acting inconsistently with the terms of our privacy statement, customer expectations or state, national and international regulations. Our policy and safeguards could be deemed insufficient if third parties with whom we have shared personal information fail to protect the privacy of that information.

The occurrence of a significant claim in excess of our insurance coverage or which is not covered by our insurance in any given period could have a material adverse effect on our financial condition and results of operations during the period. In the event we or the vendors with which we contract to provide services on behalf of our customers were to suffer a breach of personal information, our customers and independent agents could terminate their business with us. Further, we may be subject to claims to the extent individual employees or independent contractors breach or fail to adhere to Company policies and practices and such actions jeopardize any personal information. Our legal liability could include significant defense costs, settlement costs, damages and penalties, plus, damage our reputation with consumers, which could significantly damage our ability to attract customers. Any or all of these consequences would result in a meaningful unfavorable impact on our brand, business model, revenue, expenses, income and margins.

In addition, concern among potential home-buyers or sellers about our privacy practices could result in regulatory investigations, especially in the European Union as related to the GDPR. Additionally, concern among potential home-buyers or sellers could keep them from using our services or require us to incur significant expense to alter our business practices or educate them about how we use personal information.

SUCCESS Lending and SUCCESS Franchising are new business initiatives with regulatory and compliance risks, many of which are beyond our control.

The SUCCESS Lending and SUCCESS Franchising businesses, both launched in 2021, have limited operating histories and have encountered and will continue to encounter risks, uncertainties, difficulties and expenses, including, without limitation, ongoing compliance with a complex and evolving regulatory environment. If we are not able to timely and effectively respond to these requirements, or if risks arise outside our reasonable ability to respond effectively, our business and financial condition may be harmed.

Additionally, SUCCESS Lending relies on third-party sources, including credit bureaus, for credit, identification, employment and other relevant information in order to review and select qualified borrowers. If this information becomes unavailable, becomes more expensive to access or is incorrect, our business may be harmed.

VI. RISKS RELATED TO THE COMPANY'S STOCK

Glenn Sanford, our Chairman and Chief Executive Officer, together with Penny Sanford, a significant shareholder, Jason Gesing, a director and our Chief Industry Relations Officer and Gene Frederick, a director and agent, own a significant percentage of the Shares and have agreed to act as a group on any matter submitted to a vote of our stockholders. As a result, the trading price for the Shares may be depressed and they can take actions that may be adverse to the interests of our other stockholders.*

On November 2, 2022, Glenn Sanford, Penny Sanford, Jason Gesing and Gene Frederick filed an amended Schedule 13D with the SEC, which disclosed that they beneficially owned approximately 51.73% of the outstanding Shares as of September 30, 2022¹ and that they had agreed to vote their shares as a group with respect to the election of directors and any other matter on which the Shares are entitled to vote. This significant concentration of share ownership may adversely affect the trading price for the Shares because investors may perceive disadvantages in owning stock in a company with a controlling stockholder group. The group can significantly influence all matters requiring approval by our stockholders, including the election and removal of directors and any proposed merger, consolidation or sale of all or substantially all of our assets. In addition, due to his significant ownership stake and his service as our Principal Executive Officer and Chairman of the Board, Mr. Sanford controls the management of our business and affairs. Together, Messrs. Sanford, Gesing and Frederick hold three of our seven board seats.² This concentration of ownership and control could have the effect of delaying, deferring, or preventing a change in control, or impeding a merger or consolidation, takeover or other business combination that could be favorable to our other stockholders.

We are a “controlled company” within the meaning of Nasdaq rules and, as a result, we qualify for and intend to rely on, exemptions from certain corporate governance requirements.*

As of September 30, 2022, Glenn Sanford, Penny Sanford, Jason Gesing and Gene Frederick beneficially owned approximately 51.73% of the total combined voting power of the outstanding Shares.³ Accordingly, we qualify as a “controlled company” within the meaning of Nasdaq corporate governance standards.

Under Nasdaq rules, a company of which more than 50% of the voting power Nasdaq is held by an individual, group, or another company is a “controlled company” and may elect not to comply with certain Nasdaq corporate governance standards, including:

- the requirement that a majority of the members of the Board be independent directors;
- the requirement that our nominating and corporate governance committee be composed entirely of independent directors with a written charter addressing the committee’s purpose and responsibilities;
- the requirement that we have a compensation committee that is composed entirely of independent directors with a written charter for addressing the committee’s purpose and responsibilities; and
- the requirement for an annual performance evaluation of the nominating and corporate governance and compensation committees.

We intend to use these exemptions. As a result, we will not have a majority of independent directors, our compensation and our nominating and corporate governance committees will not consist entirely of independent directors and such committees may not be subject to annual performance evaluations.

¹ As of January 31, 2023, Glenn Sanford, Penny Sanford, Jason Gesing and Gene Frederick beneficially owned approximately 51.51% of the total combined voting power of the outstanding Shares. Please refer to Part II, Section B.11.2 of this prospectus.

² Mr. Frederick was not nominated for re-election to the Board upon the expiration of his term on May 19, 2023.

³ Please see footnote 1 above.

Consequently, our stockholders will not have the same protections afforded to stockholders of companies that are subject to all of the Nasdaq corporate governance rules and requirements. Our status as a controlled company could make the Shares less attractive to some investors or otherwise harm the Share price.

Because we can issue additional Shares and because we issue stock under Equity Incentive Plans, our stockholders may experience dilution in the future.*

We are authorized to issue up to 900,000,000 Shares, of which 171,656,030 Shares were issued and 152,839,239 Shares were outstanding as of December 31, 2022.⁴ Additionally, the Company maintains a 2015 Equity Incentive Plan from which employees, agents, brokers and certain service providers of the Company and its affiliates can receive awards of the Shares. As of December 31, 2022, there were 84,011,043 Shares registered and authorized under the 2015 Equity Incentive Plan, of which 28,125,785 are available for future issuance. The Board has the authority to cause us to issue additional Shares without consent of any of our stockholders. Consequently, current stockholders may experience more dilution in their ownership of the Shares in the future.

The stock price of the Shares has been and likely will continue to be volatile and may decline in value regardless of our performance.

The market price for the Shares could fluctuate significantly for various reasons, many of which are outside our control, including those described above and the following:

- our operating and financial performance and prospects;
- future sales of substantial amounts of the Shares in the public market, including but not limited to shares we may issue as consideration for acquisitions or investments;
- housing and mortgage finance markets;
- our quarterly or annual earnings or those of other companies in our industry;
- the public's reaction to our press releases, other public announcements and filings with the SEC;
- changes in recommendations or analysis of our prospects by securities analysts who track the Shares;
- market and industry perception of our success, or lack thereof, in pursuing our growth strategy;
- strategic actions by us or our competitors, such as acquisitions or restructurings;
- actual or potential changes in laws, regulations and regulatory interpretations;
- changes in interest rates;
- changes in demographics relating to housing such as household formation or other consumer preferences toward home ownership;
- changes in accounting standards, policies, guidance, interpretations or principles;
- arrival and departure of key personnel;

⁴ As of March 31, 2023, there were 174,532,043 Shares issued and 153,442,421 Shares outstanding.

- adverse resolution of new or pending litigation or regulatory proceedings against us; and
- changes in general market, economic and political conditions in the United States and global economies.

In addition, the stock markets have experienced periods of high price and volume fluctuations that have affected and continue to affect the market prices of the equity securities of many companies, including technology companies and real estate brokerages. Such price fluctuations can be unrelated or disproportionate to the operating performance of those companies. In the past, stockholders have instituted securities class action litigation following periods of market volatility. If we were to become involved in securities litigation, it could subject us to substantial costs, divert resources and the attention of management from our business and harm our business.

Because we may not pay any cash dividends on the Shares in the near future, our stockholders may not be able to receive a return on their shares unless they sell them.

On August 4, 2021, the Board declared and subsequently paid its first cash dividend. The Company then declared and paid subsequent dividends during each quarter of the fiscal year ended December 31, 2022. There is no assurance that future dividends will be paid and if dividends are paid, there is no assurance with respect to the amount of any such dividend. The declaration, payment and amount of any future dividends will be made at the discretion of the Board and will depend upon, among other things, the results of operations, cash flows and financial condition, operating and capital requirements and other factors as the Board considers relevant. Unless we pay dividends, our stockholders will not be able to receive a return on their Shares unless they sell them.

Delaware law and our organizational documents may impede or discourage a takeover, which could deprive our investors of the opportunity to receive a premium for their Shares.

We are a Delaware corporation and the anti-takeover provisions of Delaware law impose various impediments to the ability of a third party to acquire control of us, even if a change of control would be beneficial to our existing stockholders. In addition, provisions of our amended and restated certificate of incorporation (as amended, the “**Certificate**”) and amended and restated bylaws (as amended, the “**Bylaws**”) may make it more difficult for, or prevent a third party from, acquiring control of us without the approval of the Board. Among other things, these provisions:

- do not permit cumulative voting in the election of directors, which would otherwise allow less than a majority of stockholders to elect director candidates;
- delegate the sole power to a majority of the Board to fix the number of directors;
- provide the power to the Board to fill any vacancy on the Board, whether such vacancy occurs as a result of an increase in the number of directors or otherwise;
- eliminate the ability of stockholders to call special meetings of stockholders; and
- establish advance notice requirements for nominations for election to the Board or for proposing matters that can be acted on by stockholders at stockholder meetings.

The foregoing factors could impede a merger, takeover or other business combination or discourage a potential investor from making a tender offer for the Shares which, under certain circumstances, could reduce the market value of the Shares and our investors’ ability to realize any potential change-in-control premium.

VII. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk relates to the risk of the loss of fair value resulting from adverse changes in market rates and prices, such as interest rates and foreign currency exchange rates. Market risk is directly influenced by the volatility and liquidity in the markets in which the related underlying financial instruments are traded. Sensitivity analysis measures the impact of hypothetical changes in interest rates, foreign exchange rates, and other market rates or prices on the profitability of market-sensitive financial instruments and our results of operations. While we are exposed to market risk from foreign currency and exchange rate fluctuation, we do not have significant exposures to interest rate changes or commodity prices nor do we expect to have significant exposure to interest rate changes or commodity prices in the foreseeable future.

Additional information about the historical and current trading price of the Shares can be found on its website at <https://expworldholdings.com/investors/stock-information/>, being specified that the information on the website does not form part of this prospectus unless that information is incorporated by reference into this prospectus.

Foreign Currency Risk

The majority of our net sales, expenses and capital purchases were transacted in U.S. dollars. However, exposure with respect to foreign exchange rate fluctuation existed due to our operations in Canada, the United Kingdom (U.K.), Australia, South Africa, India, Mexico, Portugal, France, Puerto Rico, Brazil, Italy, Hong Kong, Colombia, Spain, Israel, Panama and Germany. Throughout 2022, we commenced operations in the Dominican Republic, Greece, New Zealand, Chile and Poland and announced the opening of the Dubai market, albeit each individually and in the aggregate to a small extent. As of December 31, 2022, our largest international operations were in Canada. Based on fiscal 2022 performance, a hypothetical appreciation or decline in the value of the Canadian dollar in relation to the U.S. dollar of 10% would have an immaterial impact on operating income. The individual impacts to the operating income of hypothetical currency fluctuations in the Canadian dollar have been calculated in isolation from any potential responses to address such exchange rate changes in our other foreign markets. Our exposures to foreign currency risk related to our other operations in our other international locations were immaterial and have been excluded from this analysis.

Our investments in the net assets of our international operations were also subject to currency risk. As of December 31, 2022, the impacts of translations of foreign-denominated net assets of our international operations were immaterial to the Company's consolidated financial statements. The translation impacts related to the net assets of our international operations are recorded within accumulated other comprehensive income. Historically, we have not hedged this exposure, although we may elect to do so in future periods.

SECTION B — SUPPLEMENTAL INFORMATION CONCERNING THE COMPANY AND THE PROGRAM

I. THE OUTLINE

1.1 Purpose of the Program

The purpose of the Program is to attract, retain and motivate independent agents whose present and potential contributions are important to the success of the Company and its affiliates.

1.2 Shares Offered Under the Program

As of March 31, 2023, 13,904,438 Shares were available for future issuance under the Program (out of the 84,011,043 Shares available for the duration of the Plan), representing approximately 9.06% of the

153,442,421 Shares outstanding as of March 31, 2023. Each Share has a par value of \$0.00001. The Shares offered under the Program are or will be, after their issuance, listed on NASDAQ under the trading symbol “EXPI.”

1.3 Purchase Period

The Program is offered via Monthly Offering starting on the first business day of each month. Each Monthly Offering consists of a single purchase period during which Participants’ Contributions are accumulated under the Program.

1.4 Purchase Price

The Purchase Price for Shares issued under the Program will be equal to ninety percent (90%) of the fair market value of the Shares on the Purchase Date.

The fair market value of a Share will be the closing price of the Shares (or the closing bid, if no sales were reported) as quoted on Nasdaq on the applicable date.

As soon as administratively practicable after each Purchase Date, the Purchase Price and Purchase Date information is available to the Participant from the Broker in the account established in the Participant’s name at the Broker. The Company does not provide additional or ancillary communications to the Participant as such communications are managed by the Broker.

1.5 Purchase of Shares

Participation in the Program is completely voluntary.

On each Purchase Date, the Contributions will be used to purchase whole Shares. The number of Shares purchased will be determined by dividing the Participant’s accumulated Contributions by the Purchase Price. No fractional Shares will be issued upon purchase; however, the Participant’s account will be credited with a fractional share economic interest.

Shares under the Program will be issued on the last trading day of the month during which the closing on the sales of any properties from which a Contribution has been authorized results in an accumulated Contribution of not less the purchase price of one whole Share.

Any cash remaining to buy less than a whole Share will be automatically rolled over into the next Monthly Offering.

1.6 Term of the Program

The Program does not have a termination date but the Plan under which the Program is offered will terminate on March 12, 2025.

The Company will continue offering the Program on or after the date this prospectus will be approved by the AMF, i.e., June 23, 2023. The prospectus will expire after twelve months from the date of the AMF approval and the Company will seek a subsequent approval to continue the offering of the Program.

1.7 Amendment or Discontinuance of the Plan and the Program

The Board may alter, amend, suspend or terminate the Plan (including the Program) as to any awards that have not been made. No amendment, suspension, or termination of the Plan will, without Participant’s consent, deprive participant of any award granted to Participant or any rights thereunder. Stockholder approval of amendments will be required only to comply with applicable laws or regulatory requirements.

II. ELIGIBILITY

2.1 Eligible Independent Agents

All agents and brokers that have entered into an independent contractor agreement with the Company or one of its subsidiaries and who are in good standing with the Company or its applicable subsidiaries are eligible to participate in the Program.

2.2 Participation of Eligible Independent Agents

In order to participate in the Program, an eligible independent agent must enroll in the Program by completing and submitting the Election Form, no later than ten days prior to the next purchase date.

The Participant will be automatically re-enrolled in each succeeding Monthly Offering, provided that the Participant remains eligible to participate to the Program.

If a Participant timely withdraws from the Program, or has terminated his or her services with the Company, the Participant will not be automatically re-enrolled in the succeeding Monthly Offering.

2.3 Contributions

By enrolling in the Program, Participant agrees that five percent (5%) of his or her net commission payment (after splits, fees, and any other required withholdings) (the “**Contributions**”) on real estate transactions that close in Participant’s name, commencing with transactions closing on or after Participant’s join date, will be used to purchase Shares at the Purchase Price. The Company does not presently cap the dollar amount of such Contributions. The Contributions are calculated on a monthly basis and deducted from Participant’s net commission payment that the local subsidiary for which Participant is providing services would otherwise pay for real estate transactions that have closed that month.

Participant cannot change the percentage of his or her Contributions other than to withdraw from the Program.

Any cash remaining to buy less than a whole Share will be automatically rolled over into the next Monthly Offering, unless Participant has withdrawn from the Program as described below.

The Company does not pay interest on the Contributions, unless required by local law.

2.4 Discontinuance of Participation of Participants

A Participant may withdraw from the Program at any time by completing a new Election Form indicating his or her intention to withdraw from the Program.

If Participant withdraws from a Monthly Offering, he or she may resume participation in any subsequent Monthly Offering, provided he or she remains eligible, by delivering to the Company a new Election Form. The Company may impose a requirement that the notice of withdrawal under the Program be on file, or submitted electronically (as applicable) with the Company’s designated office for a reasonable period prior to the Purchase Date with respect to a Monthly Offering.

Upon such voluntary withdrawal, Participant’s accumulated Contributions which have not been applied toward the purchase of Shares will be refunded to Participant within 30 days from submitting the Participant’s withdrawal Election Form to stock@exprealty.net.

2.5 Termination of Service of Participants

A Participant's participation in the Program will be terminated immediately if a Participant is no longer in good standing with the Company or any of its subsidiaries, as determined by the Administrator in its sole discretion. In such case, any amounts owed to Participant will be refunded to Participant as soon as practicable and will not be used to purchase additional Shares.

III. DELIVERY AND SALE OF THE SHARES

As soon as administratively practicable after each Purchase Date, Participant's individual account at the Broker will be credited with the Shares that were purchased on Participant's behalf. The Shares will remain in Participant's individual account until Participant gives further instructions to the Broker to transfer or sell the Shares, and will remain in such Participant's account following termination from participation in the Program or from the Company. Each quarter a summary statement is available from the Broker that details the activity in Participant's account, including any purchases and sales, the total number of Shares held at the end of the quarter and the total value of Participant's account. The fourth quarter statement will include a summary of any transactions that occurred during the year.

No Participant is permitted to sell, assign, transfer, pledge or otherwise dispose of or encumber either the Contributions credited to his/her account or any rights with regards to the purchase rights or rights to receive Shares under the Program.

IV. RIGHTS RELATED TO THE SHARES

4.1 Type and the Class of the Securities Being Offered, Including the Security Identification Code

eXp World Holdings, Inc.'s shares of common stock, par value \$0.00001 are quoted on Nasdaq under the trading symbol "EXPI." The ISIN of the Shares is US30212W1009 and the U.S. security identification number (the CUSIP number) for the Shares is 30212W100. The Shares are not traded, and have not been subject to a request for listing, on a regulated market or a multilateral trading facility located in the European Union.

The Shares were initially traded on the over-the-counter market for U.S. stocks (OTCQB) and have been traded on Nasdaq since May 21, 2018 as a result of Nasdaq's approval to uplist the Shares on May 17, 2018. There was no capital raising. The initial quote price of the Shares on Nasdaq was \$9.65.

As of May 2, 2023, the Company was authorized to issue 900,000,000 Shares. As of March 31, 2023, there were 153,442,421 Shares outstanding. There have been no material changes in the number of Shares issued and outstanding since that date.

4.2 Legislation Under Which the Securities Have Been Created

The Shares were created under the US Delaware General Corporation Law (the "DGCL"). Except as otherwise expressly required under the laws of a country, the Program and all rights thereunder will be governed by and construed in accordance with the laws of the State of Delaware, U.S.A. The Company is in compliance with the DGCL.

4.3 Form of Securities, Name and Address of the Entity in Charge of Keeping the Records

In general, stockholders may hold Shares either in certificated, uncertificated or street name form. The records are kept by the Company's transfer agent, Broadridge Corporation (the "Transfer Agent").

The Transfer Agent can be contacted through the web at www.shareholder.broadridge.com/expir, by telephone at +1 800-586-1585 or by mail at: P.O. Box 1342, Brentwood, NY 11717, U.S.A.

The Company's designated Broker is currently Shareworks by Morgan Stanley. The address and telephone number of the Broker is:

222 S. Mill Avenue, Suite 424
Tempe, AZ 85281, U.S.A.
+1 (480) 308-8181

At the Broker, Participants are informed of the number of Shares purchased via a confirmation of share purchase (either online or sent via mail, whichever Participant elects) and also a quarterly account statement.

Commissions

There is no charge to Participants for the acquisition or holding of the Shares under the Program. Commissions related to the sale of Shares are described below.

As of the date of this prospectus, the commission charged by the Broker on sales of Shares acquired under the Program is \$0.03 per share, \$25.00 minimum.

In addition, the SEC imposes a fee on the transfer of shares at a rate determined by the SEC. This fee is paid to the SEC at the time of sale and is required for all equity trades.

Such commission and fee are subject to change at any time.

4.4 Currency of the Securities Issue

The United States Dollar is the currency of the securities issue. Participants assume the risk of any currency fluctuations at the time of (i) their contribution to the Program and (ii) the selling of their Shares.

4.5 Rights Attached to the Securities

The Company only issues one class of shares. No Participant will have any voting, dividend, or other stockholder rights with respect to any offering under the Program until the Shares have been purchased and delivered to Participant. Following such purchase and delivery, Participant will be entitled to the rights attached to the Shares, as further described below:

Dividend Rights. Holders of Shares are entitled to receive such dividends and other distributions (payable in cash, property, or capital stock of the Company) when, as and if declared thereon by the Board from time to time out of any assets or funds of the Company legally available therefor, and share equally on a per Share basis in such dividends and distributions.

On August 4, 2021, the Board declared and subsequently paid its first cash dividend. The Company then declared and paid subsequent dividends during each quarter of the fiscal year ended December 31, 2022. The Company has not paid cash dividends on its Shares in previous periods, including during the year ended December 31, 2020. Payment of cash dividends is at the discretion of the Board in accordance with applicable law after taking into account various factors, including the Company's financial condition, operating results, current and anticipated cash needs and plans for growth. Under Delaware law, the Company can only pay dividends either out of surplus or out of the current or the immediately preceding year's earnings. Therefore, no assurance is given that the Company will pay any future dividends to its common stockholders, or as to the amount of any such dividends.

The following table summarizes quarterly cash dividends declared for the years ended December 31, 2020, 2021 and 2022:

2022			2021			2020		
Declaration Date	Payable Date	Per Share	Declaration Date	Payable Date	Per Share	Declaration Date	Payable Date	Per Share
02/17/2022	03/31/2022	\$0.040	—	—	—	—	—	—
04/29/2022	05/31/2022	\$0.040	—	—	—	—	—	—
07/29/2022	08/29/2022	\$0.045	08/04/2021	08/30/2021	\$0.040	—	—	—
10/27/2022	11/28/2022	\$0.045	10/26/2021	11/29/2021	\$0.040	—	—	—

On February 9, 2023, the Board approved a cash dividend of \$0.045 per Share that was paid on March 31, 2023 to shareholders of record on March 13, 2023. On April 27, 2023, the Board declared a dividend of \$0.045 per Share paid on May 31, 2023, to stockholders of record as of the close of business on May 12, 2023.

A stockholder's entitlement to dividends will not lapse while that stockholder remains a registered stockholder of the Company. There are no dividend restrictions in place for stockholders and no special procedures for the payment of dividends to non U.S. resident stockholders.

Voting Rights. Holders of Shares are entitled to one vote per Share on each matter submitted to a vote of stockholders, including the election of directors. The Shares do not have cumulative voting rights.

Board of Directors Vacancies. The Company's Certificate and Bylaws authorize only the Board to fill vacant directorships, including newly created seats. In addition, the number of directors constituting the Board is only permitted to be set by a resolution adopted by a majority vote of the entire Board. These provisions prevent a stockholder from increasing the size of the Board and then gaining control of the Board by filling the resulting vacancies with its own nominees. This makes it more difficult to change the composition of the Board and will promote continuity of management.

Special Meeting of Stockholders. The Company's Bylaws provide that special meetings of the Company's stockholders may be called only by a majority of the Board, thus prohibiting a stockholder from calling a special meeting. These provisions might delay the ability of the Company's stockholders to force consideration of a proposal or for stockholders controlling a majority of the Company's capital stock to take any action, including the removal of directors.

Stockholder Action Outside of a Meeting. The Company's Certificate of Incorporation provide that any action required or permitted to be taken at any annual or special meeting of stockholders may be taken without a meeting and without prior notice by written consent, if such consent is signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take the action at a meeting. However, if at any time Glenn Sanford and Penny Sanford no longer are the beneficial owners, in the aggregate, of at least a majority in voting power of all shares entitled to vote in the election of directors, then any action required or permitted to be taken by the holders of the common stock of the Company must be taken at a duly called annual or special meeting of the stockholders and may no longer be effected by a written consent. As a result, holder or holders controlling a majority of our capital stock are not be able to take action without holding a meeting of our stockholders called in accordance with our Certificate of Incorporation.

Advance Notice Requirements for Stockholder Proposals and Director Nominations. The Company's Bylaws provide advance notice procedures for stockholders seeking to bring business before our annual meeting of stockholders or to nominate candidates for election as directors at our annual meeting of stockholders. The Company's Bylaws also specify certain requirements regarding the form and content of a stockholder's notice. These provisions might preclude our stockholders from bringing matters before our annual meeting of stockholders or from making nominations for directors at The Company's annual meeting

of stockholders if the proper procedures are not followed. We expect that these provisions may also discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of our company.

No Cumulative Voting. The DGCL provides that stockholders are not entitled to cumulate votes in the election of directors unless a corporation's certificate of incorporation provides otherwise. Our Certificate does not provide for cumulative voting.

Removal of Directors. Any one or more or all of the directors may be removed, with or without cause, by the holders of at least a majority of the outstanding shares of capital stock then entitled to vote at an election of directors.

Exclusive Venue. Our Certificate provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for internal corporate claims, which would include derivative action or proceeding brought on our behalf; claims based on violations of duty by a current or former director or officer or stockholder in such capacity; and claims against us arising pursuant to the DGCL or our Certificate or Bylaws. The enforceability of similar choice of forum provisions in other companies' certificates of incorporation has been challenged in legal proceedings, and it is possible that, in connection with any action, a court could find the choice of forum provisions contained in our Certificate to be inapplicable or unenforceable in such action.

Pursuant to Section 242 of the DGCL, after a corporation has received payment for any of its capital stock, or after a nonstock corporation has members, it may amend its certificate of incorporation, from time to time, in any and as many respects as may be desired, so long as its certificate of incorporation as amended would contain only such provisions as it would be lawful and proper to insert in an original certificate of incorporation filed at the time of the filing of the amendment; and, if a change in stock or the rights of stockholders, or an exchange, reclassification, subdivision, combination or cancellation of stock or rights of stockholders is to be made, such provisions as may be necessary to effect such change, exchange, reclassification, subdivision, combination or cancellation. In particular, and without limitation upon such general power of amendment, a corporation may amend its certificate of incorporation, from time to time, so as:

- (1) To change its corporate name; or
- (2) To change, substitute, enlarge or diminish the nature of its business or its corporate powers and purposes; or
- (3) To increase or decrease its authorized capital stock or to reclassify the same, by changing the number, par value, designations, preferences, or relative, participating, optional, or other special rights of the shares, or the qualifications, limitations or restrictions of such rights, or by changing shares with par value into shares without par value, or shares without par value into shares with par value either with or without increasing or decreasing the number of shares, or by subdividing or combining the outstanding shares of any class or series of a class of shares into a greater or lesser number of outstanding shares; or
- (4) To cancel or otherwise affect the right of the holders of the shares of any class to receive dividends which have accrued but have not been declared; or
- (5) To create new classes of stock having rights and preferences either prior and superior or subordinate and inferior to the stock of any class then authorized, whether issued or unissued; or
- (6) To change the period of its duration; or

- (7) To delete:
- a. Such provisions of the original certificate of incorporation which named the incorporator or incorporators, the initial board of directors and the original subscribers for shares; and
 - b. Such provisions contained in any amendment to the certificate of incorporation as were necessary to effect a change, exchange, reclassification, subdivision, combination or cancellation of stock, if such change, exchange, reclassification, subdivision, combination or cancellation has become effective.

Any or all such changes or alterations may be effected by one certificate of amendment.

In order to effectuate an amendment to the certificate of incorporation, the Board shall adopt a resolution setting forth the amendment proposed, declaring its advisability, and either calling a special meeting of the stockholders entitled to vote in respect thereof for the consideration of such amendment or directing that the amendment proposed be considered at the next annual meeting of the stockholders; provided, however, that unless otherwise expressly required by the certificate of incorporation, no meeting or vote of stockholders shall be required to adopt an amendment that effects only changes described in paragraph (1) or (7) above. Such special or annual meeting shall be called and held upon written notice given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at such meeting as of the record date for determining the stockholders entitled to notice of the meeting. The notice shall set forth such amendment in full or a brief summary of the changes to be effected thereby, as the directors shall deem advisable. At the meeting, a vote of the stockholders entitled to vote thereon shall be taken for and against the proposed amendment. Notwithstanding the above, unless otherwise provided in the certificate of incorporation, any action required to be taken at any annual or special meeting of stockholders or which may be taken at any annual or special meeting of such stockholders, may be taken without a meeting, without prior notice and without a vote, if consents setting forth the action so taken are signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and are delivered to the corporation in the manner required by the DGCL, the certificate of incorporation and the bylaws; provided, however, that if at any time the Company ceases to be a “controlled company” under the rules of Nasdaq, then any action required or permitted to be taken by the holders of the common stock of the Company must be taken at a duly called annual or special meeting of the stockholders and may no longer be effected by a written consent. Subject to the foregoing, if a majority of the outstanding stock entitled to vote thereon, and a majority of the outstanding stock of each class entitled to vote thereon as a class has been voted in favor of the amendment, a certificate setting forth the amendment and certifying that such amendment has been duly adopted in accordance with Section 242 of the DGCL shall be executed, acknowledged and filed and shall become effective.

Right to Receive Liquidation Distributions. In the event of any voluntary or involuntary liquidation, dissolution, or winding-up of the Company, after payment or provision for payment of the debts and other liabilities of the Company, holders of Shares will be entitled to receive all the remaining assets of the Company available for distribution to its stockholders, ratably in proportion to the number of Shares held by them.

No Preemptive, Redemptive or Conversion Provisions. The Shares are not entitled to preemptive rights and are not subject to conversion or redemption.

4.6 Transferability

The Shares in this offering under the Program are registered on a registration statement on Form S-8 with the SEC and are generally freely transferable.

The Program is intended to provide Shares for investment and not for resale. The Company does not, however, intend to restrict or influence any Participant in the conduct of his or her own affairs. An eligible

independent agent, therefore, may sell Shares purchased under the Program at any time he or she chooses, subject to compliance with the Company's stock trading policy, applicable securities laws and the notice provisions mentioned in Section II above. PARTICIPANTS ASSUME THE RISK OF ANY CURRENCY AND / OR MARKET FLUCTUATIONS AT THE TIME OF (I) THEIR COMMISSION PAYMENT CONTRIBUTION TO THE PROGRAM AND (II) THE SELLING OF THEIR SHARES.

4.7 General Provisions Applying to Business Combinations

The Company is subject to Section 203 of the DGCL, which, subject to certain exceptions, prohibits a Delaware corporation from engaging in any "business combination" with an "interested stockholder" for a period of three (3) years following the time that such stockholder became an interested stockholder, unless:

- Prior to such time the board of directors of the corporation approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;
- Upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least eighty-five percent (85%) of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) those shares owned (i) by persons who are directors and also officers and (ii) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- At or subsequent to such time the business combination is approved by the board of directors and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least 66²/₃% of the outstanding voting stock which is not owned by the interested stockholder.

With certain exceptions, an "interested stockholder" under Section 203 of the DGCL is a person or group who or which owns fifteen percent (15%) or more of the corporation's outstanding voting stock (including any rights to acquire stock pursuant to an option, warrant, agreement, arrangement or understanding, or upon the exercise of conversion or exchange rights, and stock with respect to which the person has voting rights only), or is an affiliate or associate of the corporation and was the owner of fifteen percent (15%) or more of such voting stock at any time within the previous three (3) years.

In general, Section 203 of the DGCL defines a business combination to include:

- any merger or consolidation involving the corporation or any of its subsidiaries and the interested stockholder;
- any sale, transfer, pledge or other disposition of ten percent (10%) or more of the assets of the corporation involving the interested stockholder;
- subject to certain exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation or any of its subsidiaries to the interested stockholder;
- any transaction involving the corporation or any of its subsidiaries that has the effect of increasing the proportionate share of the stock or any class or series of the corporation or of any such subsidiary beneficially owned by the interested stockholder; or
- the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits provided by or through the corporation or any of its subsidiaries.

A Delaware corporation, such as the Company, may “opt out” of this provision with an express provision in its original certificate of incorporation or an express provision in its certificate of incorporation or bylaws resulting from a stockholders’ amendment approved by at least a majority of the outstanding voting shares. The Company has not “opted out” of this provision. Section 203 could prohibit or delay mergers or other takeover or change-in-control attempts and, accordingly, may discourage attempts to acquire the Company.

Section 253 of the DGCL authorizes the members of the board of directors of a Delaware corporation that owns ninety percent (90%) or more of each of the outstanding classes of stock of a subsidiary that are entitled to vote on a merger to merge the subsidiary into itself or to merge itself into the subsidiary without any requirement for action to be taken by the stockholders of the subsidiary, provided that if the parent corporation owns less than 100% of the subsidiary, the resolutions of the parent corporation’s board of directors approving the merger shall state the terms and conditions of the merger, including the consideration to be paid for each share of the subsidiary not owned by the parent corporation.

Section 251(h) of the DGCL, subject to certain exceptions, permits parties entering into a merger agreement to eliminate the requirement for approval of the merger by the target corporation’s stockholders if, following a tender or exchange offer, the acquirer has accumulated sufficient shares to approve the merger agreement (a majority unless the target corporation has adopted a higher vote requirement) but less than the 90% necessary to effect a merger under Section 253 of the DGCL. Section 251(h) of the DGCL applies only to target corporations that have a class or series of stock that is listed on a national securities exchange or held of record by more than 2,000 holders, such as the Company.

V. INFORMATION ON THE COMPANY

5.1 Business Overview

eXp World Holdings, Inc.’s principal offices are located at 2219 Rimland Drive, Suite 301, Bellingham, WA 98226, U.S.A. Telephone number: +1 (360) 685-4206; website: <https://expworldholdings.com>, being specified that the information on the website does not form part of this prospectus unless that information is incorporated by reference into this prospectus. The Company is a corporation incorporated under the laws of the State of Delaware, U.S.A. The Company was incorporated on July 30, 2008 for a perpetual term. The Company’s LEI is 549300TWVVZC283VEC32.

Description of Business

The Company owns and operates a diversified portfolio of service-based businesses whose operations benefit substantially from utilizing its enabling technology platform. The Company strategically prioritize its efforts to grow its real estate brokerage by strengthening its agent value proposition, developing immersive and cloud-based technology to enable its model and providing affiliate and media services supporting those efforts.

Specifically, the Company operates a cloud-based real estate brokerage (in North America and other international locations), a Virbela business and related affiliated services that support the development and success of agents, entrepreneurs and businesses by leveraging innovative technologies and integrated services. The Company’s North American and international real estate brokerage is now one of the largest and fastest-growing real estate brokerage companies, operating throughout the United States, most of the Canadian provinces, the United Kingdom (U.K.), Australia, South Africa, India, Mexico, Portugal, France, Puerto Rico, Brazil, Italy, Hong Kong, Colombia, Spain, Israel, Panama, Germany, the Dominican Republic, Greece, New Zealand, Chile and Poland. In addition, in late 2022, the Company announced operations in Dubai, which is expected to be fully operational in 2023.

Effective in December 2022, the Company revised the presentation of segment information to reflect changes in the way the Company manages and evaluates the business. As such, the Company now reports operating results through four reportable segments:

- North American Realty: includes real estate brokerage operations in the United States and Canada, as well as lead-generation and other real estate support services provided in North America.
- International Realty: includes real estate brokerage operations in all other international locations.
- Virbela: includes Virbela enterprise metaverse technology and the support services offered by eXp World Technologies.
- Other Affiliated Services which includes the Company's SUCCESS[®] Magazine and other ancillary and personal and professional development ventures.

As of December 31, 2022, the Company had approximately 2,016 full-time equivalent employees and 86,203 real estate agents.

The following are changes in the Company's business in the most recent fiscal year:

Real Estate Brokerage Expansion – In addition to maintaining operations in all locations, in 2022 the Company continued its international growth with expansion into the Dominican Republic, Greece, New Zealand, Chile and Poland. In addition, in late 2022, the Company announced operations in Dubai, which is expected to be fully operational in 2023. Except for certain employees who hold active real estate licenses, virtually all the Company's real estate professionals are independent contractors.

Recent Acquisition – On July 1, 2022, the Company acquired Zoocasa. Zoocasa's key product is a consumer real estate research portal that offers proprietary home search tools, market insights and a connection to local real estate experts. Zoocasa has been included in the North American Realty segment since its key asset, Zoocasa.com, provides quality real estate referrals for the North American real estate markets.

The Company acquired Zoocasa in a stock purchase transaction. The total consideration paid was \$17,155 including net cash of \$9,910 (net of cash acquired of \$2,772), stock issued from treasury of \$4,554 and the working capital adjustment. The Zoocasa acquisition has been accounted for using the acquisition method of accounting. Under the acquisition method of accounting, the Company allocated the total purchase price to the tangible and identifiable intangible assets acquired and assumed liabilities based on their estimated fair values as of the acquisition date, as determined by management. The excess of the purchase price over the aggregate fair values of the identifiable assets was recorded as goodwill of \$14,156, which is not deductible for tax purposes. Goodwill generated from the acquisition includes an assembled workforce. Zoocasa has been included in the North American Realty segment. The amounts are expressed in thousands.

New Programs and Services – During 2022, the Company launched various new ancillary programs and services to support the development and success of its agents, brokers and customers, including eXp Luxury[™], Revenos[™], SUCCESS[®] Health and SUCCESS[®] Coaching.

Segment Information

The reportable segments presented below represent the Company's segments for which separate financial information is available and which is utilized on a regular basis by its chief operating decision maker to assess performance and to allocate resources. In identifying its reportable segments, the Company also considers the nature of services provided by its segments.

Management evaluates the operating results of each of its reportable segments based upon revenue and Adjusted Segment EBITDA. Adjusted Segment EBITDA is defined by us as operating profit plus depreciation and amortization and stock-based compensation expenses. The Company's presentation of Adjusted Segment EBITDA may not be comparable to similar measures used by other companies. The Company's four reportable segments as follows:

- North American Realty: includes real estate brokerage operations in the United States and Canada, as well as lead-generation and other real estate support services provided in North America.
- International Realty: includes real estate brokerage operations in all other international locations.
- Virbela: includes Virbela enterprise metaverse technology and the support services offered by eXp World Technologies.
- Other Affiliated Services: includes our SUCCESS® Magazine and other smaller ventures.

The Company also reports corporate expenses, as further detailed below, as “Corporate and other” which include expenses incurred in connection with business development support provided to the agents as well as resources, including administrative, brokerage operations and legal functions.

All segments follow the same basis of presentation and accounting policies as those described throughout the Notes to the Audited Consolidated Financial Statements included herein. The following table provides information about the Company’s reportable segments and a reconciliation of the total segment Revenues to consolidated Revenues and Adjusted Segment EBITDA to the consolidated operating (loss) profit (in thousands). Financial information for the comparable prior periods presented have been revised to conform with the current year presentation.

	Revenues	
	Three Months Ended March 31,	
	2023	2022
North American Realty	\$ 837,114	\$ 1,001,880
International Realty	10,758	7,094
Virbela	2,163	1,813
Other Affiliated Services	1,677	838
Revenues reconciliation:		
Segment eliminations	(1,096)	(894)
Consolidated revenues	<u>\$ 850,616</u>	<u>\$ 1,010,731</u>
	Adjusted Segment EBITDA	
	Three Months Ended March 31,	
	2023	2022
North American Realty	\$ 21,203	\$ 28,770
International Realty	(3,676)	(1,956)
Virbela	(1,296)	(2,771)
Other Affiliated Services	(681)	(829)
Corporate expenses and other	(2,223)	(5,505)
Consolidated Adjusted EBITDA	<u>\$ 13,327</u>	<u>\$ 17,709</u>
Operating Profit Reconciliation:		
Depreciation and amortization expense	2,579	1,958
Stock compensation expense	9,660	7,798
Stock option expense	2,761	3,511
Consolidated operating (loss) profit	<u>(\$ 1,673)</u>	<u>\$ 4,442</u>

The Company does not use segment assets to allocate resources or to assess performance of the segments and therefore, total segment assets have not been disclosed.

Geographical information

For the years ended December 31, 2022, 2021 and 2020 approximately 9%, 8% and 5%, respectively, of the Company's total revenue was generated outside of the U.S. Long-lived assets held outside of the U.S. were 6% and 8% as of December 31, 2022 and 2021, respectively.

The Company's CODM does not use segment assets to allocate resources or to assess performance of the segments and therefore, total segment assets have not been disclosed.

Government Regulation*Real Estate Regulation*

We primarily serve the residential real estate industry, which is regulated by U.S. federal, international, state, provincial and local authorities as well as private associations or state sponsored associations or organizations. We are required to comply with federal, state, provincial and local laws, as well as private governing bodies' regulations, which combined results in a highly-regulated industry.

We are also subject to U.S. federal, international, state and provincial regulations relating to employment, contractor, and compensation practices. Except for certain employees who have an active real estate license, virtually all real estate professionals in our brokerage operations have been retained as independent contractors, either directly or indirectly through third-party entities formed by these independent contractors for their business purposes. With respect to these independent contractors, like most brokerage firms, we are subject to the Internal Revenue Service regulations, foreign regulations and applicable state and provincial law guidelines regarding independent contractor classification. These regulations and guidelines are subject to judicial and agency interpretation.

Environmental Regulation

The Company operates in a cloud-based model which, gives us an insignificant physical geographical footprint. Due to this, we are not materially impacted by any environmental regulation.

Other Regulation

Our technology and affiliate services businesses operate in multiple geographies and industries which subject them to various governmental and non-governmental rules and regulations, including without limitation, franchising, fair trade, health and data privacy rules. As we expand into new businesses and markets, we assign and/or engage appropriate personnel to manage and comply with such requirements.

5.2 Organizational Structure

For a description of the Company's beneficial ownership, please refer to Section 11.2 below.

Subsidiaries

eXp is the parent company of the eXp group. The Company holds, directly or indirectly, the capital and voting rights of each of its subsidiaries listed below.

Name	Jurisdiction of Organization	Percentage of Ownership by the Company (%)
eXp Realty Holdings, Inc.	Washington, U.S.A.	100%
eXp Realty, LLC	Washington, U.S.A.	100%
eXp Realty of California, Inc.	Washington, U.S.A.	100%
eXp Realty California Operations, Inc.	California, U.S.A.	100%
eXp Realty of California Enterprise, Inc.	California, U.S.A.	100%

Name	Jurisdiction of Organization	Percentage of Ownership by the Company (%)
eXp Realty of Connecticut, LLC	Connecticut, U.S.A.	100%
eXp Realty Associates, LLC	Georgia, U.S.A.	100%
eXp Realty of Canada, Inc.	Canada	100%
eXp Realty North, LLC	North Dakota, U.S.A.	100%
eXp Realty of Greater Los Angeles, Inc.	Delaware, U.S.A.	100%
eXp Realty of Southern California, Inc.	Delaware, U.S.A.	100%
eXp Realty of Northern California, Inc.	Delaware, U.S.A.	100%
eXp International Holdings, Inc.	Delaware, U.S.A.	100%
MLS Real Estate Tech S. DE R.L. DE C.V.	Mexico	99.9%
eXp Global Portugal, LDA	Portugal	50%
Grupo eXp Realtors Mexico, S. DE R.L. DE CV	Mexico	99.9%
eXp Global India	India	99.9%
eXp Brasil Consultoria Imobiliária LTDA	Brazil	100%
eXp Panamá, S. DE R.L.	Panama	99.94%
eXp Real Estate (Br of eXp International holdings Inc) (Dubai Branch)	United Arab Emirates	100%
eXp Hong Kong Limited	Hong Kong	100%
eXp Global Hong Kong Limited	Hong Kong	100%
eXp Realty Singapore Pte. Ltd.	Singapore	100%
eXp Realty Germany Gmbh	Germany	100%
eXp Italia S.r.l.	Italy	100%
eXp Australia Pty. Ltd.	Australia	100%
eXp Realty España, S.L.	Spain	100%
eXp Realty South Africa	South Africa	100%
eXp Global France	France	100%
eXp Chile SpA	Chile	100%
eXp Colombia S.A.S.	Colombia	100%
eXp Puerto Rico Inc.	Puerto Rico	100%
eXp Puerto Rico Partnership, S. EN C.	Puerto Rico	99%
eXp Greece, LLC	Greece	99%
eXp World UK Limited	United Kingdom	100%
eXp New Zealand Limited	New Zealand	100%
eXp Poland, sp. z.o.o.	Poland	100%
DREXP, S.R.L.	Dominican Republic	100%
eXp Realty Israel Ltd.	Israel	100%
Zocasa Realty Inc.	Canada	100%
eXp Commercial, LLC	Delaware, U.S.A.	100%
eXp Commercial of Connecticut, LLC	Connecticut, U.S.A.	100%
eXp Commercial of California, Inc.	Delaware, U.S.A.	100%
eXp Commercial of Canada, Inc.	Canada	100%
eXp Referral Associates, LLC	Delaware, U.S.A.	100%
eXp Referral Associates of Connecticut, LLC	Connecticut, U.S.A.	100%
eXp Referral Associates of California, Inc.	Delaware, U.S.A.	100%
eXp World Technologies, LLC	Delaware, U.S.A.	100%
Showcase Web Sites, LLC	Georgia, U.S.A.	100%
Opportunity Garden, Inc.	Delaware, U.S.A.	100%
Lares Investco, LLC	Delaware, U.S.A.	45%
Lares Title, LLC	Delaware, U.S.A.	24.75%
eXp Silverline Ventures, LLC	Delaware, U.S.A.	100%
SilverLine Title & Escrow, LLC	Florida, U.S.A.	50%
SUCCESS Lending, LLC	Delaware, U.S.A.	50%
SUCCESS Enterprises LLC	Delaware, U.S.A.	100%
SUCCESS World Holdings, LLC	Delaware, U.S.A.	100%
SUCCESS Operations II, LLC	Delaware, U.S.A.	100%

Name	Jurisdiction of Organization	Percentage of Ownership by the Company (%)
SUCCESS Intellectual Property, LLC	Delaware, U.S.A.	100%
SUCCESS Franchising, LLC	Delaware, U.S.A.	100%
eXtend a Hand Fund	Delaware, U.S.A.	N/A

Joint Ventures and Variable Interest Entity

Variable interest entities and noncontrolling interests

A company is deemed to be the primary beneficiary of a variable interest entities (“**VIE**”) and must consolidate the entity if the company has both: (i) the power to direct a VIE’s activities that most significantly impact the VIE’s economic performance, and (ii) the obligation to absorb losses of the VIE that could potentially be significant to the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE.

In 2019, the Company made capital contributions in consideration for an ownership interest in First Cloud Investment Group, LLC (“First Cloud”), a Nevada limited liability company providing mortgage origination for end-consumers, with the remaining ownership interests held by certain independent agents and brokers. Under the terms of the operating agreement, the Company maintains at least a 50% equity ownership interest in First Cloud.

The Company determined that First Cloud is a variable interest entity (“VIE”), as the Company is the primary beneficiary that has both the power to direct the activities that most significantly impact the VIE and a variable interest that potentially could be significant to the VIE. The Company treats the interest in First Cloud that it does not own as a noncontrolling interest. The noncontrolling interest balance is adjusted each period to reflect the allocation of net income and other comprehensive income attributable to the noncontrolling interest, as shown in the consolidated statements of comprehensive income. The noncontrolling interest balance in the consolidated balance sheets represents the proportional share of the equity of the joint venture entity, which is attributable to the noncontrolling shareholders.

As of December 31, 2022, First Cloud’s operations have ceased and are not material to the Company’s financial position or results of operations.

Joint Ventures

A joint venture is a contractual arrangement whereby the Company and other parties undertake an economic activity through a jointly controlled entity. Joint control exists when strategic, financial, and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control. Joint ventures are accounted for using the equity method and are recognized initially at cost. Joint ventures are typically included in the Other Affiliated Services, unless the joint venture specifically supports one of the reportable segments.

The Company has investments in a joint venture, Silverline Title & Escrow, LLC (“**Silverline**”), which operates and manages a title agency that performs, among other functions, core title agent services (for which liabilities arises), including the evaluation of searches to determine the insurability of title, the clearance of underwriting objections, the actual issuance of policies on behalf of insurance companies and, where customary, the issuance of title commitments and the conducting of title searchers. As of December 31, 2022, Silverline’s operations were wound down in preparation for dissolution in 2023.

In July 2021, the Company entered into a joint venture with Kind Partners, LLC, a subsidiary of Kind Lending, LLC, forming SUCCESS Lending, a residential mortgage service company.

None of these joint venture investments are consolidated and the Company recognizes its share of income and expenses and equity movement in the joint ventures in proportion to their percentage of ownership.

As of December 31, 2022, Silverline and SUCCESS Lending's operations are not material to the Company's financial position or results of operations.

5.3 Property, Plant and Equipment, Net

The Company's property, plant and equipment, net consisted of the following:

(in thousands)	March 31, 2023	December 31, 2022
Computer hardware and software	\$ 34,263	\$ 34,206
Furniture, fixture and equipment	52	20
Total depreciable property and equipment	34,315	34,226
Less: accumulated depreciation	(21,434)	(19,282)
Depreciable property, net	12,881	14,944
Assets under development	1,194	3,207
Property, plant and equipment, net	\$ 14,075	\$ 18,151

For the three months ended March 31, 2023 and 2022 depreciation expense was \$2,067 and \$1,616, respectively.

VI. SELECTED FINANCIAL INFORMATION

6.1 Selected Financial Data

The selected consolidated financial data of the Company set out in this prospectus have been prepared in accordance with U.S. GAAP. The following consolidated statements of comprehensive income (loss) and the consolidated balance sheets data of the Company for the fiscal years ended December 31, 2022, 2021 and 2020 are derived in part from and should be read in conjunction with Management's Discussion and Analysis of Financial Condition and Results of Operations and the Company's audited consolidated financial statements and notes thereto appearing respectively on pages 24 – 36 and 41 – 62 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2022, filed with the SEC on February 28, 2023 (the "**Company's Form 10-K**"). The selected consolidated balance sheet data as of December 31, 2020, are derived from the Company's audited consolidated financial statements contained in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2021, filed with the SEC on February 25, 2022, which is available, free of charge, on the website of the SEC. The following selected condensed consolidated statements of comprehensive income (loss) for the quarterly periods ended March 31, 2023 and 2022 and the condensed consolidated balance sheets data of the Company as of March 31, 2023 and December 31, 2022, are derived from the Company's unaudited condensed consolidated financial statements contained on pages 4 – 15 of Company's Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2023, filed with the SEC on May 2, 2023 (the "**Company's Form 10-Q**").

SELECTED THREE-YEAR FINANCIAL DATA (In thousands, except share amounts and per share data) (audited)

	Year Ended December 31,		
	2022	2021	2020
Consolidated Statements of Comprehensive Income:			
Revenues (1)	\$ 4,598,161	\$ 3,771,170	\$ 1,798,285
Total operating expenses	4,592,753	3,737,018	1,766,698
Operating income	5,408	34,152	31,587
Total other expense, net	820	480	184
Income tax (benefit) expense (2)	(10,836)	(47,487)	413
Net income (3)	15,424	81,159	30,990
Net loss attributable to noncontrolling interest	18	61	141
Net income attributable to eXp World Holdings, Inc.	15,442	81,220	31,131

	Year Ended December 31,		
	2022	2021	2020
Earnings per share (4)			
Basic	0.10	0.56	0.22
Diluted	0.10	0.51	0.21
Weighted average shares outstanding (4)			
Basic	151,036,110	146,170,871	138,572,358
Diluted	156,220,165	157,729,374	151,550,075
As of December 31,			
Consolidated Balance Sheets Data: (5)			
	2022	2021	2020
Cash and cash equivalents (A)	121,594	108,237	100,143
Other noncurrent assets	1,703	2,827	—
Total assets	381,682	413,826	242,187
Current portion of long-term payable (B)	—	—	1,416
Current portion of lease obligation - operating lease (C)	175	311	746
Long-term payable, net of current portion (D)	4,697	2,714	2,876
Long-term lease obligation - operating lease, net of current portion (E)	694	765	74
Total liabilities	132,690	190,293	99,600
Equity	248,992	223,533	142,587

	Year Ended December 31,		
	2022	2021	2020
Consolidated Statements of Cash Flows:			
Net cash provided by operating activities	210,535	246,892	119,659
Net cash (used in) investing activities	(22,461)	(18,923)	(16,963)
Dividends declared and paid	(25,229)	(11,548)	—
Net cash provided by (used in) financing activities	(204,514)	(179,924)	(21,893)
Cash, cash equivalents and restricted cash, end of year	\$ 159,383	\$ 175,910	\$ 127,924

- The Company's total revenues were \$4.6 billion in 2022 compared to \$3.8 billion in 2021, an increase of \$827.0 million, or 22%. Total revenues increased primarily as a result of higher volume of real estate brokerage commissions, which is attributable to growth in the Company's agent base, an increase of real estate transactions and increased home sales prices compared to 2021.
- The Company's provision for income taxes amounted to a benefit of (\$10.8) million, a benefit decrease of \$36.7 million for the year ended December 31, 2022. The decrease in income tax benefit was primarily attributable to the release of the valuation allowance in the prior year and lower deductible share-based compensation expenses.
- For the year ended December 31, 2022, the Company generated a lower net income attributable to an increase in general and administrative costs resulting from the Company's increase in employee count to continue to support the Company's agent growth strategy and increased costs related to entering international markets and investments in Virbela.
- On January 16, 2021, the Board approved the Stock Split. The Stock Split was effected on February 12, 2021. All applicable period amounts have been adjusted to reflect the Stock Split.
- As of December 31, 2022, the Company's total financial indebtedness is \$(116,028,000) (i.e., (B + C + D + E) - A).

SELECTED QUARTERLY FINANCIAL DATA
(In thousands, except share amounts) (unaudited)

	Three months ended March 31,	
	2023	2022
Condensed Consolidated Statements of Comprehensive Income (loss):		
Revenues	\$ 850,616	\$ 1,010,731
Total operating expenses	852,289	1,006,289
Operating income (loss) (1)	(1,673)	4,442
Income tax benefit	(2,588)	(5,149)
Net income (2)	1,453	8,864
Earnings per share		
Basic	\$ 0.01	\$ 0.06
Diluted	\$ 0.01	\$ 0.06
Weighted average shares outstanding		
Basic	152,546,766	149,226,166
Diluted	155,668,712	156,842,721

- The Company's total revenues were \$850.6 million for the three months ended March 31, 2023 compared to \$1,010.7 million for the same period in 2022, a decrease of (\$160.1) million, or (16%). Total revenues decreased in the first quarter of 2023 as a result of a decrease in real estate transactions and home prices compared to the same period in 2022 due to the decline of the US and Canada residential real estate market. Although the total operating expenses decreased compare to the three months ended March 31, 2022, this was not sufficient to balance the decrease in revenues described above. Note that operating results

for the three months ended March 31, 2023 are not necessarily indicative of the results that may be expected for the year ending December 31, 2023.

- (2) For the three months ended March 31, 2023, the Company generated positive income, primarily due to the income tax benefit and the Company's efficient operating model with lower fixed costs driven by its cloud-based model, with no brick-and-mortar locations, despite the global residential real estate market downturn.

	As of	
	March 31, 2023	December 31, 2022 (audited)
Condensed Consolidated Balance Sheets Data: (1)		
Cash and cash equivalents (A)	\$ 122,769	\$ 121,594
Other noncurrent assets	1,711	1,703
Total assets	415,333	381,682
Current portion of long-term payable (B)	—	—
Current portion of lease obligation – operating lease (C)	159	175
Long-term payable, net of current portion (D)	5	4,697
Long-term lease obligation – operating lease, net of current portion (E)	694	694
Total liabilities	162,246	132,690
Equity	253,087	248,992

- (1) As of March 31, 2023, the Company's total financial indebtedness is \$(121,911,000) (i.e., (B + C + D + E) - A).

	Three months ended March 31,	
	2023	2022
Condensed Consolidated Statements of Cash Flows:		
Net cash provided by operating activities	\$ 56,144	\$ 111,507
Net cash used in investing activities	(1,782)	(4,684)
Net cash used in financing activities	(36,205)	(35,743)
Cash, cash equivalents and restricted cash, ending balance	178,134	247,031

There has been no material change to the Company's financial position since March 31, 2023 (the date to which the latest financial information of the Company was prepared).

6.2 Independent Registered Public Accounting Firm

Since 2019, the independent registered public accounting firm of the Company is Deloitte & Touche LLP, 555 Mission Street, Suite 1400, San Francisco, California 94105, U.S.A. Deloitte & Touche LLP is registered with the Public Company Accounting Oversight Board (United States) and a member of the American Institute of Certified Public Accountants.

VII. STATEMENT OF CAPITALIZATION AND INDEBTEDNESS AS OF MARCH 31, 2023

The following tables set forth the Company's capitalization and indebtedness as of March 31, 2023 and the Company's statement of indebtedness as of March 31, 2023, in accordance with paragraphs 166 and 175 of the Guidelines on disclosure requirements under the Prospectus Regulation issued by the European Securities and Markets Authority (ESMA 32-382-1138 dated March 4, 2021).

7.1 Capitalization and Indebtedness (in thousands - unaudited)

Total current debt (including current portion of non-current debt)	\$ 159
- Guaranteed	—
- Secured	\$ 159
- Unguaranteed / Unsecured	—
Total non-current debt (excluding current portion of non-current debt)	\$ 699
- Guaranteed	—
- Secured	\$ 694
- Unguaranteed / Unsecured	\$ 5

Stockholders' equity	
a. Share capital and additional paid-in capital	\$ 650,385
b. Legal reserve	—
c. Total other reserves	\$ (398,467)
- Treasury stock, at cost: 21,089,622 shares held at March 31, 2023	\$ (414,926)
- Accumulated earnings	\$ 15,580
- Accumulated other comprehensive income	\$ 879
Total equity	\$ 253,087
- Total eXp World Holdings, Inc. stockholders' equity	\$ 251,918
- Equity attributable to non-controlling interests	\$ 1,169

There has been no material change to the Company's capitalization and indebtedness since March 31, 2023 (the date to which the latest financial information of the Company was prepared).

7.2 Statement of Indebtedness (in thousands - unaudited)

A. Cash	\$ 78,230
B. Cash equivalents	\$ 44,539
C. Other current financial assets	—
D. Liquidity (A + B + C)	\$ 122,769
E. Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	\$ 159
F. Current portion of non-current financial debt	\$ —
G. Current financial indebtedness (E + F)	\$ 159
H. Net current financial indebtedness (G - D)	\$ (122,610)
I. Non-current financial debt (excluding current portion and debt instruments)	\$ 5
J. Debt instruments	—
K. Non-current trade and other payables	\$ 694
L. Non-current financial indebtedness (I + J + K)	\$ 699
M. Total financial indebtedness (H + L)	\$ (121,911)

As of March 31, 2023, the Company also had restricted cash of \$55.365 million. Restricted cash consists of cash held in escrow by the Company on behalf of real estate buyers. The Company recognizes a corresponding customer deposit liability until the funds are released. Once the cash transfers from escrow, the Company reduces the respective customers' deposit liability.

7.3 Indirect and Contingent Indebtedness

Operating leases

The Company's lease portfolio consists of office leases with lease terms ranging from less than one year to seven years, with the weighted average lease term being seven years.

Certain leases provide for increases in future lease payments once the term of the lease has expired, as defined in the lease agreements. These leases generally also include real estate taxes.

As of December 31, 2022, maturities of the operating lease liabilities by fiscal year were as follows:

Period Ending December 31,	
2023	\$ 172
2024	104
2025	93
2026	93
2027	93
2028 and thereafter	323
Total lease payments	878
Less: interest	(9)
Total operating lease liabilities	\$ 869

Included below is other information regarding leases for the year ended December 31, 2022:

	Year Ended December 31,	
	2022	2021
Other information		
Operating lease expense	\$ 409	\$ 448
Short-term lease expense	542	70
Cash paid for operating leases	258	1,828
Weighted-average remaining lease term (years) – operating leases ⁽¹⁾	7.7	7.0
Weighted-average discount rate – operating leases	5.165%	5.043%

⁽¹⁾ The Company's lease terms include options to extend the lease when it is reasonably certain the Company will exercise its option. Additionally, the Company considered any historical and economic factors in determining if a lease renewal or termination option would be exercised.

Rent expense is recorded in general and administrative expense in the consolidated statements of comprehensive income.

Commitments and Contingencies

From time to time, the Company is subject to potential liability under laws and government regulations and various claims and legal actions that may be asserted against us that could have a material adverse effect on the business, reputation, results of operations or financial condition. Such litigation may include, but is not limited to, actions or claims relating to sensitive data, including proprietary business information and intellectual property and that of clients and personally identifiable information of employees and contractors, cyber-attacks, data breaches and non-compliance with contractual or other legal obligations.

There are no matters pending or, to the Company's knowledge, threatened that are expected to have a material adverse impact on the business, reputation, results of operations, or financial condition.

There are no proceedings in which any of the Company's directors, officers or affiliates, or any registered or beneficial stockholder is an adverse party or has a material interest adverse to the Company's interest.

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or, to the Company's knowledge, threatened), that may have or have had, in the twelve (12) months before the date of this prospectus, significant effects on the Company's financial position or profitability.

VIII. WORKING CAPITAL STATEMENT

As of the date of this prospectus, the Company believes that its existing balances of cash and cash equivalents and cash flows expected to be generated from the Company's operations will be sufficient to satisfy its operating requirements for at least the next twelve months.

IX. MAXIMUM DILUTION AND NET PROCEEDS

9.1 Maximum Dilution

Assuming that the eligible independent agents participating in the offer would purchase the maximum number of Shares that may be issued pursuant to the Program (i.e., 13,904,438), the holdings of a stockholder of the Company currently holding 1% of the total outstanding share capital of the Company as of March 31, 2023, i.e., 1,534,424 Shares, and who is not an eligible independent agent participating in the offer, would be diluted as indicated in the following table:

	Percentage of the total outstanding Shares	Total number of outstanding Shares
Before the issuance of Shares under the Program (as of March 31, 2023)	1.00%	153,442,421
After issuance of 13,904,438 Shares under the Program	0.92%	167,346,859

Assuming that the eligible independent agents participating in the offer would purchase the maximum number of Shares that may be issued pursuant to the Program (i.e., 13,904,438), and based on consolidated equity as of March 31, 2023 and the total number of Shares outstanding as of March 31, 2023, the impact of the issuance of the Shares issuable under the Program on the consolidated equity per outstanding Share of a stockholder of the Company who is not an eligible independent agent participating in the offer, would be as indicated in the following table:

	Consolidated equity per outstanding Shares
Before the issuance of Shares under the Program (as of March 31, 2023)	\$1.65 ⁽¹⁾
After issuance of 13,904,438 Shares under the Program	\$2.98 ⁽²⁾

(1) Based on the total equity as of March 31, 2023, i.e., \$253,087,000.

(2) Based the total equity as of March 31, 2023 and the net proceeds as calculated below in Section 9.2.

9.2 Net Proceeds

Hypothetically, assuming that all 13,904,438 Shares remaining available for issuance under the Program pursuant to this prospectus would be purchased by the independent agents participating in the Program, and taking into account a Share price of \$17.69 (90% of a hypothetical Share price of \$19.65 which was the closing price of the Shares on June 16, 2023), then the gross proceeds of the Company in connection with the offer under the Program pursuant to this prospectus would be \$245,969,508. After deducting approximately \$155,000 in legal and accounting expenses in connection with the offer, the net proceeds would be \$245,814,508.

However, in reality, the Company does not expect to issue all the Shares it is authorized to issue under the Program. The net proceeds from the issuance of Shares over the life of the Program will depend on the level of independent agents participation and the exercise of the Committee's discretion in granting awards.

The net proceeds will be used for general corporate purposes.

X. DIRECTORS AND EXECUTIVE OFFICERS

10.1 Directors and Executive Officers

As of the date of this prospectus, the following individuals serve as directors and executive officers of the Company. All directors of the Company hold office until the next annual meeting of our stockholders or until their successors have been elected and qualified. The executive officers of the Company are appointed by the Board and hold office until their resignation or removal from office.

Name	Position	Age (as of April 6, 2023)	Date First Elected or Appointed
Board of Directors			
Glenn Sanford	Director, Chairman, Chief Executive Officer (eXp World Holdings, Inc. and eXp Realty, LLC)	56	March 12, 2013
Darren Jacklin	Director	50	May 22, 2014
Jason Gesing	Director, Chief Industry Relations Officer	49	September 27, 2014
Randall Miles	Director	66	July 20, 2016
Dan Cahir	Director	40	November 29, 2018
Monica Weakley	Director and Independent Contractor Real Estate Agent	54	June 20, 2022
Peggie Pelosi	Director	67	January 26, 2023
Executive Officers			
Glenn Sanford	Director, Chairman, Chief Executive Officer (eXp World Holdings, Inc. and eXp Realty, LLC)	56	March 12, 2013
Jason Gesing ⁽¹⁾	Director, Chief Industry Relations Officer	49	September 27, 2014
Jeff Whiteside	Chief Financial Officer and Chief Collaboration Officer	60	November 1, 2018
James Bramble	Chief Legal Counsel, General Counsel, and Corporate Secretary	53	March 18, 2019
Michael Valdes	Chief Growth Officer, eXp Realty	56	May 4, 2020
Courtney Keating	Chief Marketing Officer	46	June 15, 2020
Kent Cheng	Chief Accounting Officer	56	April 15, 2021
Shoeb Ansari	Chief Information Officer	57	March 21, 2022
Leo Pareja	Chief Strategy Officer, eXp Realty	40	May 23, 2022

(1) As of January 3, 2023, Mr. Gesing is no longer an executive officer of the Company in his capacity as Chief Industry Relations Officer.

The following is a brief description of the business experience and education of each director and executive officer during at least the past five years, indicating the person's principal occupation during that period, and the name and principal business of the organization in which such occupation and employment were carried out.

Business Experience - Board of Directors

Glenn Sanford has served as the Company's Chief Executive Officer and as one of our directors since March 13, 2013. Prior to real estate, Mr. Sanford was active at the executive level with a number of technology-related companies. In 1998, Mr. Sanford founded and served as President for eShippers.com, an online e-commerce and logistics company. Since 2002, Mr. Sanford has been actively involved in the residential real estate space. Mr. Sanford ran a large mega-agent team and consulted to Keller Williams International as a member of the Agent Technology Council in the areas of online client acquisition, client conversion and technology. Mr. Sanford was also a significant contributor to Keller Williams Internet Lead Generation Masterminds. In early 2007, Mr. Sanford launched BuyerTours Realty, LLC and grew the Company to three offices and into two states. After the decline in the real estate market in 2008, Mr. Sanford

and his executive team rewrote the entire business model to reduce costs and provide consumers with more information and access. In October 2009, Glenn Sanford founded and launched eXp Realty, LLC as the first truly cloud-based national real estate brokerage which meant giving up the traditional brick and mortar environment and moving to a fully-immersive 3D virtual office environment where agents, brokers and staff collaborate across borders while learning and transacting business from anywhere in the world. Since that time, eXp Realty has quickly grown throughout the United States and internationally.

Today, Mr. Sanford serves as one of our directors and as Chairman of the Board, and as Chief Executive Officer of the Company and eXp Realty, LLC. The Board believes that Mr. Sanford is qualified to serve on our Board because of his business and management experience.

Darren Jacklin has served as an independent director of the Company since May 22, 2014. For over 25 years, Mr. Jacklin has worked as a global corporate trainer and has traveled four continents and over 48 countries mentoring entrepreneurs and business owners on specific and measurable strategies designed to increase their income, transform their obstacles into cash flow and turn their passion into profits. Since January 2017, Mr. Jacklin has also served as the Managing Director of Grandeur Capital Corp., Darren Jacklin Group of Companies which has residential and commercial real estate and business holdings across North America. In 2019, Mr. Jacklin also co-founded LY2NK Foundation, a family foundation for global philanthropy.

His ability to identify potential investment and growth opportunities has been recognized by Tiger 21, The Wall Street Journal, Yahoo Finance, NBC TV, CBS TV, Global TV international radio stations, magazines and newspapers, movie producers, best-selling authors, Chief Executive Officer's and business experts worldwide.

Darren Jacklin currently sits on paid international boards of directors of OrbVest Ltd. and ReachOut IT. Mr. Jacklin has consulted with over 157 Fortune 500 companies such as Microsoft, AT&T, Black & Decker, Barclays Bank, as well as high school, college, university students and professional athletes and has connected with people in more than 130 countries.

The Board believes Mr. Jacklin is qualified to serve on the Board because of his business experience and venture capital background.

Jason Gesing joined the Company in March 2010 and was appointed Chief Business Development Officer in September 2012, a position he held until June 2014. From June 2014 through September 2016, Mr. Gesing served as the Corporation's President. From September 2016 through August 2018, Mr. Gesing served as Chief Executive Officer of our Real Estate Brokerage Division. Mr. Gesing reassumed the role of Chief Executive Officer of our Real Estate Brokerage Division in October 2019 which role he assumed until January 2023 when Mr. Gesing transitioned to Chief Industry Relations Officer. Mr. Gesing has over 15 years of experience in real estate in various capacities and holds a broker's license in Massachusetts.

Mr. Gesing was an attorney with Murphy, Hesse, Toomey & Lehane, LLP in Boston, MA from 2002 to 2010. In his capacity as a lawyer, he obtained a broad base of experience in corporate, municipal, real estate, compliance, health care, construction, litigation, and administrative law, and advising clients on day to day issues and managing crises. He has acted in a variety of roles and undertaken a variety of matters including: corporate counsel; municipal counsel; hospital counsel; leasing, licensing and contract negotiation; governance and compliance; appearances before administrative hearing officers and state judges; defense of management in unfair labor practice charges; collective bargaining; internal investigations; and, owner representative in construction matters.

Mr. Gesing obtained a Bachelor of Arts (Magna Cum Laude) in 1996 from Syracuse University, and a Juris Doctor in 2002 from Boston College Law School. He is licensed to practice law in Massachusetts and New Hampshire.

The Board believes that Mr. Gesing is qualified to serve on the Board because of his business and legal experience.

Randall Miles has served as an independent director of the Company since July 2016 and was appointed Vice-Chairman on January 20, 2018. For over 25 years Mr. Miles has held senior leadership positions in global financial services, financial technology and investment banking companies. His extensive investment banking background at bulge bracket, regional and boutique firms advising financial services companies on strategic and capital structure needs has crossed many disciplines. Mr. Miles' transactional and advisory experience is complemented by leadership roles at public and private equity backed financial technology, specialty finance and software companies that have included Chairman and Chief Executive Officer at LIONMTS where he was nominated for the Ernst & Young Entrepreneur of the Year award, Chief Executive Officer at Syngence Corporation, Chief Operating Officer of AtlasBanc Holdings Corp. and Chief Executive Officer of Advantage Funding / NAFCO Holdings.

Mr. Miles is Managing Partner at SCM Capital Group, a global strategic and capital structure advisory firm, where he has served since in 2003. Previously, he served as Head of Investment Banking at Tigress Financial Partners, Managing Director at Riparian Partners, a division of Oppenheimer & Co., Inc. as Senior Managing Director, and Head of FIG and COO, Investment Banking at Cantor Fitzgerald & Co. Mr. Miles has held senior leadership roles at Oppenheimer & Co., D.A. Davidson and & Co., The First Boston Corporation (Credit Suisse), Meridian Capital and Greenwich Capital Markets. Mr. Miles has broad public, private and nonprofit board experience and has been active for many years in leadership roles with the Make-A-Wish Foundation. He presently serves on the boards of Troika Media Group, Inc., RESAAS Services Inc., Kuity, Corp., Arthur H. Thomas Company as Chairman, Independent Director, Chairman, and Vice Chairman respectively. Mr. Miles holds a BBA from the University of Washington and holds FINRA licenses Series 7, 24, 63 and 79.

The Board believes that Mr. Miles is well qualified to serve on the Board because of his extensive background in investment banking and financial services.

Dan Cahir has served as an independent director of the Company since November 29, 2018. Mr. Cahir has more than 10 years of experience managing public and private equity investments across a variety of industries. Currently, Mr. Cahir serves as the Chief Executive Officer and Chief Investment Officer of Sapling Capital, LLC, positions he has held at Sapling Capital, LLC and its related entities since June 2018. Currently, Mr. Cahir serves as director of Exit Plan Capital, LLC.

From June 2013 to June 2018, Mr. Cahir served as a portfolio manager at Long Light Capital, managing a public equity portfolio and evaluating venture capital and private equity investments and allocations to external fund managers. From September 2011 to April 2013, Mr. Cahir was a member of the investment team at Ziff Brothers Investments, a private investment firm. From August 2007 to September 2009, Mr. Cahir was a member of the investment team at Madrone Capital Partners where he led the analysis on venture capital, private equity and public equity investments. Mr. Cahir began his career in September 2005 with Bain & Co., where he advised Fortune 500 and private equity clients on M&A, growth and efficiency initiatives until June 2007.

Mr. Cahir completed his studies and earned his Bachelor of Arts Degree in Economics in 2005, graduating with the summa cum laude distinction from Claremont McKenna College and completed his studies and earned a Master of Business Administration from Harvard Business School in 2011.

The Board believes that Mr. Cahir is qualified to serve on the Board because of his extensive experience in managing equity portfolios and well as advising Fortune 500 clients on M&A, growth and cost-cutting strategies.

Monica Weakley joined eXp Realty as an independent contractor real estate agent in July 2017. Ms. Weakley has more than 19 years of experience in the real estate industry, including being a team leader. Ms. Weakley has also been coaching and training agents since 2007 and founded her own real estate referral service company, GhostPostr, in 2019. In 2021, Ms. Weakley joined the Company's Agent Advisory

Council which represents the interests of agents to the Board and other Company leadership. In 2022, Ms. Weakley was elected to the Board to represent agent interests.

Ms. Weakley completed her studies and earned her Bachelor of Science in Speech/Communications from Denison University in 1990.

The Board believes that Ms. Weakley is qualified to serve on the Board because of her experience in residential real estate and her leadership ability.

Peggie Pelosi joined the Board in January 2023 and was appointed as Chair of the Company's ESG Committee and Nominating & Corporate Governance Committee in March 2023. Ms. Pelosi has more than 20 years of experience as a sales and network development professional and 15 years of experience as a corporate social responsibility and sustainability practitioner. Currently, Ms. Pelosi serves as the founding partner and strategic advisor of Orenda Social Purpose, positions she has held since September 2005. Since 2015, she has also served as the Executive Director of Innovators Alliance, a network of CEOs focused on sustainable and profitable growth through innovation. Prior to her career and academic work in corporate social responsibility and sustainability, Ms. Pelosi served as a member of USANA Health Sciences, Inc.'s ("**USANA**") management team, first as Executive Director of Sales for Canada from 1999 until 2000 and then as Vice President of Network Development from 2000 until 2004. Since 2018, Ms. Pelosi has served as a member of USANA's Board of Directors and currently serves on USANA's Audit Committee, Compensation Committee, Governance, Risk & Nominating Committee, and serves as Chair of the Sustainability Committee.

Ms. Pelosi has received a graduate diploma from St. Michael's College at the University of Toronto in Corporate Social Responsibility & Sustainability, and has completed the NACD Directorship Certification (NACD.CD) and the ESG Competent Boards Director Certification (GCB.D).

The Board believes that Ms. Pelosi is qualified to serve on the Board because of her experience in sales and network development and corporate social responsibility and sustainability.

Business Experience - Executive Officers

Glenn Sanford's biography can be found above under "*Business Experience - Board of Directors.*"

Jason Gesing's biography can be found above under "*Business Experience - Board of Directors.*"

Jeff Whiteside joined the Company as its Chief Financial Officer and Chief Collaboration Officer on November 1, 2018. Mr. Whiteside works closely with Mr. Sanford, our CEO, across the Company and the teams in eXp Realty, finance, technology, marketing, legal, human resources, new business development, M&A, international markets, investor relations, and Virbela. Mr. Whiteside has more than 30 years of experience in global finance and operational leadership including executive positions at General Electric, Pitney Bowes, and RM Sotheby's Auctions. Additionally, Mr. Whiteside held the positions of Chief Financial Officer and Chief Operating Officer at three software and technology companies. Mr. Whiteside has extensive international experience from living and working in Asia, Australia, Europe, and Canada.

Recently, Mr. Whiteside founded and served as the Auction Director at Saratoga Automobile Museum, a not-for-profit institution focusing on the impact of the automobile, from November 2016 through October 2018, Chief Operating Officer of Saratoga Juice Bar, LLC from January 2015 through November 2016, Chief Operating Officer and Chief Financial Officer at RM Sotheby's Auctions in 2014 and 2015, and Vice President and Group Financial Officer at Pitney Bowes from 2008 through 2013.

Mr. Whiteside is a graduate of Rensselaer Polytechnic Institute, obtaining both his B.S. (with an emphasis in Managerial Economics) and M.B.A. in 1986.

James Bramble joined the Company as its Chief Legal Counsel and General Counsel on March 18, 2019. Mr. Bramble was appointed as the Company's Corporate Secretary on October 1, 2019. As Chief Legal Counsel and General Counsel, Mr. Bramble oversees the company's legal affairs, including corporate governance, litigation and compliance. Mr. Bramble has over 20 years of international business experience and has transformed the Company's legal and compliance functions to empower an agent-centric, globally-scaled organization. Mr. Bramble is an active member of the Association of Corporate Counsel (ACC) and is a licensed real estate agent. Mr. Bramble champions eXtend a Hand, the Company's charitable foundation and leverages his expertise in service of his community and on non-profit and private company boards.

Recently, Mr. Bramble served as Chief Legal Officer, General Counsel and Corporate Secretary at USANA, a producer of nutritional products, dietary supplements and skincare products, from February 1998 until 2018. Currently, Mr. Bramble serves as a member of the board of directors and as Corporate Secretary of Vasayo, LLC.

Mr. Bramble is a graduate of University of Utah where he obtained his B.S. (majoring in Political Science) and J.D.

Michael Valdes joined the Company on May 5, 2020 and served as our Executive Vice President of International Expansion until September 2020 when Mr. Valdes became our President of eXp Global. In July 2022, Mr. Valdes was promoted to Chief Growth Officer, eXp Realty. Mr. Valdes brings more than 25 years of expertise in global real estate and finance to eXp Realty. From November 2018 to May 2020, Mr. Valdes was Senior Vice President of Global Servicing for all brands of Realogy Corporation, an integrated provider of real estate services in the U.S., including Better Homes & Gardens, Century 21, Coldwell Banker, Corcoran, ERA and Sotheby's International Realty. In his role, Mr. Valdes oversaw the international servicing platform for all Realogy brands across more than 100 countries and opened more than 70 countries during his tenure. Prior to that, Mr. Valdes was Global Vice President of Sotheby's International Realty, a franchise focusing on brokering and marketing of residential real estate, from December 2014 until May 2020.

Courtney Keating joined the Company as our Chief Marketing Officer on June 15, 2020. Ms. Keating is responsible for rebranding and amplifying the Company's brands and overseeing all areas of marketing, including enhancing the Company's value proposition for agents, brokers, and customers. Ms. Keating has over two decades of marketing and innovation experience and has held various leadership roles at Roostify, CoreLogic and General Electric.

From November 2018 until May 2020, Ms. Keating served as the Chief Marketing Officer at Roostify, a digital lending platform that historically processed nearly \$35 billion a month in home loans. From December 2016 until November 2018, Ms. Keating led marketing and innovation at CoreLogic, a property data company, in her role as Executive, Marketing and Innovation Solutions. Previously, Ms. Keating spent 15 years at General Electric, namely as VP, New Products for GE Capital Retail Finance in the U.S. and internationally.

Ms. Keating is a graduate of University of Arkansas where she obtained both her BSBA in Marketing Management and MBA.

Kent Cheng joined the Company as Global Controller on March 30, 2020 and was appointed the Company's Chief Accounting Officer on April 15, 2021. Mr. Cheng is responsible for leading and developing the Company's global accounting, finance practices and procedures. He also ensures the preparation and analysis of all financial reports comply with applicable regulations. Mr. Cheng has decades of finance expertise in global finance, accounting and information technology functions in large, complex and geographically dispersed multi-billion-dollar global businesses.

From July 2019 until March 2020, Mr. Cheng served as the Corporate Controller at Ocean Spray, an agricultural cooperative of growers of cranberries and grapefruit, where he oversaw corporate accounting, internal controls, financial reporting, and global tax and cost accounting. Prior to that Mr. Cheng served as

Global Finance Director of The Chemours Company, a chemical company, from November 2015 until March 2019. Prior to Chemours, Mr. Cheng worked in the finance department at Akzo Nobel, Dow Chemical, Rohm and Haas, and General Electric.

Mr. Cheng is a graduate of Utah State University, where he obtained his Masters of Accounting and Sun Yat-Sen University, where he obtained a Bachelor of Business Administration. Mr. Cheng is a member of American Institute of Certified Public Accountants.

Shoeb Ansari joined the Company as its Chief Information Officer on March 21, 2022. As Chief Information Officer, Mr. Ansari leads solution delivery functions covering product management, software engineering, product launch, project management, data services and innovation along with managing technology infrastructure and services for the Company and its subsidiaries. Mr. Ansari brings more than 25 years of experience in business and information technology management, helping companies manage their product and technology functions.

Most recently, Mr. Ansari was a key member of the executive leadership team, in his capacity of Chief Technology Officer, at RealPage, Inc., a provider of property management software, from May 2020 to March 2022. At RealPage, Inc., Mr. Ansari led their global engineering organization to deliver and support their vast SaaS platform serving the multi-family property management industry. Previously, Mr. Ansari served as the Chief Product Officer and Chief Information Officer at Travel Leaders Group, a provider of personalized vacation packages, travel deals and travel services, from October 2016 to May 2020 where he was responsible for product/solution delivery and technology infrastructure to support over 45,000 agents serving both corporate and leisure travelers.

Mr. Ansari is a graduate of Southern Methodist University where he obtained his M.B.A. and University of Oklahoma where he received his B.S. in Computer Sciences.

Leo Pareja joined the Company as its President of Affiliated Services in July 2022 and was subsequently promoted to Chief Strategy Officer, eXp Realty in November 2022. As Chief Strategy Officer, Mr. Pareja creates strategies that reinforce and evolve eXp Realty's competitive advantage and industry-leading agent value proposition while also optimizing the organization at large, seizing new opportunities for growth. Mr. Pareja brings more than 20 years of real estate experience and has been recognized as a top real estate agent in RealTrends' The Thousand report, a No. 1 agent on the National Association of Hispanic Real Estate Professionals' (NAHREP) Top 250 list and a 30 under 30 agent in Realtor® Magazine. Mr. Pareja co-founded one of the largest private lending companies on the U.S. East Coast, as well as a fast-growing MLS technology vendor. He has served as founding president of NAHREP's Metro D.C. chapter, and later as national president for the organization.

Prior to joining the Company, Mr. Pareja cofounded Remine, Inc. in January 2016, where he served as CEO and President until October 2021 when Remine, Inc. was acquired by MLS Technology Holdings, LLC, and Mr. Pareja transitioned to Chief Strategy Officer. While at Remine, Mr. Pareja oversaw and managed the creation and growth of the MLS technology suite of services, which served over 1,000,000 real estate professionals in North America.

Mr. Pareja is a graduate of George Mason University where he obtained his B.A. in Integrated Studies.

There are no family relationships between any of the executive officers and directors listed above.

10.2 Fraudulent Offences and Bankruptcy, Etc.

For at least the previous five years, none of the directors or executive officers of the Company has:

- (a) been convicted in relation to fraudulent offenses;

- (b) been associated with any bankruptcies, receiverships or liquidations when acting in their capacity of directors or executive officers of the Company; or
- (c) been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.

10.3 Executive Compensation

The following table sets forth summary information regarding the compensation awarded to, earned by, or paid to each of the named executive officers (“NEOs”) for services rendered to us for the fiscal years ended December 31, 2022, 2021, and 2020.

Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards ⁽¹⁾ (\$)	Option Awards ⁽²⁾ (\$)	All Other Compensation (\$)	Total (\$)
Glenn Sanford	2022	1,568,750	205,248	-	-	466 ⁽³⁾	1,774,464
<i>Chief Executive Officer (EXPI and eXp Realty) and Chairman of the Board</i>	2021	1,500,000	398,644	-	-	216 ⁽⁴⁾	1,898,860
	2020	656,480	117,677	-	14,529,614	655,490 ⁽⁵⁾	15,959,261
Jason Gesing	2022	435,577	-	407	-	463,172 ⁽⁶⁾	899,156
<i>Chief Industry Relations Officer⁽⁷⁾</i>	2021	250,000	-	413	-	548,810 ⁽⁸⁾	799,223
	2020	235,577	-	406	-	473,136 ⁽⁹⁾	709,119
Jeff Whiteside	2022	566,346	575,000	-	-	9,033 ⁽¹⁰⁾	1,150,380
<i>Chief Financial Officer and Chief Collaboration Officer</i>	2021	500,000	500,000	-	1,621,749	8,293 ⁽¹¹⁾	2,630,042
	2020	368,846	347,750	-	3,020,078	12,667 ⁽¹²⁾	3,749,341
Michael Valdes	2022	367,260	377,500	401	228,418	14,910 ⁽¹³⁾	988,488
<i>Chief Growth Officer, eXp Realty</i>	2021	258,846	248,750	1,020	263,533	7,601 ⁽¹⁴⁾	779,750
	2020	156,923	148,264	-	700,351	-	1,005,538
Shoeb Ansari	2022	384,615	187,500	-	4,600,196	14,412 ⁽¹⁵⁾	5,186,723
<i>Chief Information Officer⁽¹⁶⁾</i>	2021	-	-	-	-	-	-
	2020	-	-	-	-	-	-

- (1) Amounts in this column represent the fair value of restricted stock unit awards issued to the individuals noted, with the fair value determined at the date of grant in accordance with FASB ASC Topic 718 based on the closing price of the Shares on the applicable grant date. See *Note 10 - Stockholders' Equity* to the consolidated financial statements of the Company's Form 10-K, for the assumptions used in determining the grant date fair value of stock awards.
- (2) Amounts in this column represent the fair value of option awards issued to the individuals noted, with the fair value determined at the date of grant in accordance with FASB ASC Topic 718. See *Note 10 - Stockholders' Equity* to the consolidated financial statements of the Company's Form 10-K, for the assumptions used in determining the grant date fair value of option awards.
- (3) Consists of holiday gift and \$216 in life insurance premiums paid by the Company on behalf of Mr. Sanford.
- (4) Consists of \$216 in life insurance premiums paid by the Company behalf of Mr. Sanford.
- (5) Consists of holiday gift, \$42 in life insurance premiums paid by the Company, and \$655,488 in revenue sharing earned. Prior to August 2020, Mr. Sanford received monthly revenue share compensation under the Revenue Share Program. Since August 2020, Mr. Sanford no longer receives revenue share, but is eligible to receive quarterly revenue share cash bonuses. See “*Compensation Discussion and Analysis – Quarterly Revenue Share Cash Bonus*” in the Company's Definitive Proxy Statement filed with the SEC on April 6, 2023 (the “**Company's Proxy Statement**”) for a discussion of the revenue sharing program.
- (6) Consists of holiday gift, \$459,451 in revenue share earned, \$216 in life insurance premiums paid by the Company, and \$3,255 in Company 401(k) contributions on behalf of Mr. Gesing. See “*Compensation Discussion and Analysis – Quarterly Revenue Share Cash Bonus*” in the Company's Proxy Statement for a discussion of the revenue sharing program.
- (7) During the year ended December 31, 2022, Mr. Gesing served as Chief Executive Officer of eXp Realty. On January 3, 2023, Mr. Gesing transferred to his role as Chief Industry Relations Officer.
- (8) Consists of \$216 in life insurance premiums paid by the Company, \$545,506 in revenue share earned, and \$3,088 in Company 401(k) contributions on behalf of Mr. Gesing, and. See “*Compensation Discussion and Analysis – Quarterly Revenue Share Cash Bonus*” in the Company's Proxy Statement for a discussion of the revenue sharing program.
- (9) Consists of \$36 in life insurance premiums paid by the Company, \$468,559.65 in revenue sharing earned, and \$4,540 in Company 401(k) contributions on behalf of Mr. Gesing, and. See “*Compensation Discussion and Analysis – Quarterly Revenue Share Cash Bonus*” in the Company's Proxy Statement for a discussion of the revenue sharing program.

- (10) Consists of holiday gift, \$216 in life insurance premiums paid by the Company, and \$8,567 in Company 401(k) contributions on behalf of Mr. Whiteside.
- (11) Consists of holiday gift, \$216 in life insurance premiums paid by the Company, and \$8,077 in Company 401(k) contributions on behalf of Mr. Whiteside.
- (12) Consists of holiday gift, \$42 in life insurance premiums paid by the Company, and \$12,125 in Company 401(k) contributions on behalf of Mr. Whiteside.
- (13) Consists of holiday gift, \$216 in life insurance premiums paid by the Company, \$4,811 in revenue sharing earned, and \$9,633 in Company 401(k) contributions on behalf of Mr. Valdes, and. See "*Compensation Discussion and Analysis – Quarterly Revenue Share Cash Bonus*" in the Company's Proxy Statement for a discussion of the revenue sharing program.
- (14) Consists of \$216 in life insurance premiums paid by the Company and \$7,385 in Company 401(k) contributions on behalf of Mr. Valdes.
- (15) Consists of holiday gift, \$162 in life insurance premiums paid by the Company, \$1,800 of medical waiver payments, and \$12,200 in Company 401(k) contributions on behalf of Mr. Ansari.
- (16) Mr. Ansari's employment with the Company commenced on March 21, 2022. The salary and bonus amounts presented for Mr. Ansari are prorated based on the number of days in fiscal 2022 during which he was employed with us.

Retirement, Health and Welfare Benefits

Our executive officers, including our NEOs, are eligible to participate in our employee benefit programs on the same basis as our other full-time, salaried employees. These benefits include a 401(k) plan, with the Company matching up to 4% of each participant's eligible compensation, medical (including a medical waiver reimbursement of \$100 per paycheck if he/she declines to use Company coverage), dental and vision benefits, disability insurance, basic life insurance coverage, health savings accounts, accidental death and dismemberment insurance, and a monthly technology reimbursement of \$40, as well as employer-paid wellness benefits, including an employee subscription to the Calm® mobile application. We design our employee benefits programs to be affordable and competitive in relation to the market, as well as compliant with applicable laws and practices. We adjust our employee benefits programs as needed based upon regular monitoring of applicable laws and practices and the competitive market. We believe these benefits are necessary to be competitive within our industry and the expense of these programs is offset by their attraction and retention value.

Special and Other Benefits

In general, we do not view perquisites, special bonuses, or other personal benefits as a significant component of our executive compensation program. Accordingly, we do not provide perquisites, special bonuses, or other personal benefits to our NEOs, except in unique situations where we believe it is appropriate to assist an individual in the performance of his or her duties, to make our NEOs more efficient and effective, and for recruitment and retention purposes. In particular, as a cloud-based company, we have provided certain home-technology expense payments for certain of our NEOs in order to join and remain with our company and work efficiently in a remote environment. Similar benefits are provided to all employees. No NEOs received perquisites, or were granted new special bonuses, or other new unique personal benefits during 2022.

Executive Employment Terms

We have entered into written offer letters with certain of our NEOs. In filling NEO positions, we recognize that we have to develop competitive compensation packages to attract qualified candidates in a dynamic labor market.

Mr. Sanford: Mr. Sanford is the founder of the Company, and currently the CEO of the Company and eXp Realty, and no formal offer letter or engagement letter was entered into between Mr. Sanford and the Company. Mr. Sanford is an at-will employee. Mr. Sanford's current annual base salary is \$1,575,000. Subject to the Board's discretion, Mr. Sanford is eligible to receive certain cash bonus compensation and long-term incentive awards (see "*Compensation Discussion and Analysis – Quarterly Revenue Share Cash*").

Bonus” and “*Compensation Discussion and Analysis – Long-Term Incentive Compensation (Equity Awards)*” in the Company’s Proxy Statement for additional details).

Mr. Gesing: Mr. Gesing joined the Company in March 2010 and no formal offer letter or engagement letter is currently active between Mr. Gesing and the Company. Mr. Gesing is an at-will employee. As of December 31, 2022, Mr. Gesing’s annual base salary was \$500,000 and he had received certain long-term incentive awards (see “*Compensation Discussion and Analysis – Long-Term Incentive Compensation (Equity Awards)*” in the Company’s Proxy Statement for additional details) and revenue share (see “*Special and Other Benefits*” in the Company’s Proxy Statement). As of January 3, 2023, Mr. Gesing is no longer an executive officer of the Company in his capacity as Chief Industry Relations Officer.

Mr. Whiteside: We entered into an offer letter with Mr. Whiteside, effective October 11, 2018, to serve as our Chief Financial Officer and Chief Collaboration Officer. Mr. Whiteside is an at-will employee. Mr. Whiteside’s current annual base salary is \$625,000. Subject to the Board’s discretion and Mr. Whiteside’s contributions to Company growth, Mr. Whiteside is eligible to receive certain annual cash bonus compensation (see “*Compensation Discussion and Analysis – Annual Cash Bonus*” in the Company’s Proxy Statement for additional details) and has also received long-term incentive awards (see “*Compensation Discussion and Analysis – Long-Term Incentive Compensation (Equity Awards)*” in the Company’s Proxy Statement for additional details). Pursuant to the terms of his offer letter, Mr. Whiteside is eligible to receive a payment of up to four months’ of base pay in the event Mr. Whiteside is terminated by the Company without cause. Consistent with past practice, such severance would be paid lump-sum, contingent on the effectiveness of a release of claims in favor of the Company.

Mr. Valdes: We entered into an offer letter with Mr. Valdes, effective April 22, 2019, to serve as our Executive Vice President of International Expansion. In September 2020, Mr. Valdes became our President of eXp Global. In July 2022, Mr. Valdes became the Chief Growth Officer, eXp Realty. Mr. Valdes is an at-will employee. Mr. Valdes’ current annual base salary is \$415,000. Subject to Mr. Valdes’ contribution to Company growth, Mr. Valdes is eligible to receive certain annual cash bonus compensation (see “*Compensation Discussion and Analysis – Annual Cash Bonus*” in the Company’s Proxy Statement for additional details) and has also received long-term incentive awards (see “*Compensation Discussion and Analysis – Long-Term Incentive Compensation (Equity Awards)*” in the Company’s Proxy Statement for additional details).

Mr. Ansari: We entered into an offer letter with Mr. Ansari, effective March 14, 2022, to serve as our Chief Information Officer. Mr. Ansari is an at-will employee. Mr. Ansari’s current annual base salary is \$500,000. Subject to the Board’s discretion and Mr. Ansari’s contributions to Company growth, Mr. Ansari is eligible to receive certain annual cash bonus compensation (see “*Compensation Discussion and Analysis – Annual Cash Bonus*” in the Company’s Proxy Statement for additional details) and has also received long-term incentive awards (see “*Compensation Discussion and Analysis – Long-Term Incentive Compensation (Equity Awards)*” in the Company’s Proxy Statement for additional details). Pursuant to the terms of his offer letter, Mr. Ansari is eligible to receive a payment of (i) equal to four months’ of base pay in the event Mr. Ansari is terminated by the Company without cause, or (ii) equal to one year of base pay in the event Mr. Ansari is terminated by the Company without cause in connection with a sale of the Company resulting in the Company no longer being publicly listed. Consistent with past practice, such severance would be paid lump-sum, contingent on the effectiveness of a release of claims in favor of the Company.

Resignation, Retirement, Other Termination, or Change in Control Arrangements

Certain NEOs have been granted post-employment compensation benefits, including severance and change of control arrangements. In the event of employment termination, certain NEOs would receive post-termination benefits:

- Mr. Sanford’s revenue share would continue even after ceasing to be an employee of the Company;

- Mr. Whiteside is eligible to receive a severance payment of up to four months' of base pay in the event Mr. Whiteside's employment is terminated by the Company without cause;
- Mr. Ansari is eligible to receive a payment of (i) equal to four months' of base pay in the event Mr. Ansari's employment is terminated by the Company without cause, or (i) equal to one year of base pay in the event Mr. Ansari's employment is terminated by the Company without cause in connection with a sale of the Company resulting in the Company no longer being publicly listed.

Additionally, any option awards granted to employees, including NEOs, may be exercised: (i) for 90 days after his or her termination of employment, (ii) for 12 months after his or her death (if such death occurred during such person's employment or if such death occurred during the 90 days after termination), and (iii) for 6 months after certain events of disability (if such death occurred during such person's employment), but in each case only to the extent such option(s) would have been exercisable by such person on the date of termination, death or disability. Pursuant to the terms of the Company's 2015 Equity Incentive Plan, the Board may, but shall not be obligated to, accelerate, vest, cancel for fair value, or issue substitute awards for any option awards upon a change of control.

There are no other arrangements for resignation, retirement, termination, or change in control arrangements (including, without limitation, severance, non-401(k)-retirement or pension benefits) with any NEOs in their capacity as such.

Potential Payments upon Termination or Change-in-Control

Pursuant to the terms of his offer letter with the Company, Mr. Whiteside is eligible to receive a payment of up to four months of base pay, less applicable withholding, in the event Mr. Whiteside is terminated by the Company without cause, which term is undefined. Mr. Whiteside's receipt of severance is subject to his execution of a general release in the form prescribed by the Company. Such severance payment would be equal to \$208,333, less applicable withholding (as of December 31, 2022). Consistent with past practice, such severance would be paid lump-sum, contingent on the effectiveness of a release of claims in favor of the Company.

Pursuant to the terms of his offer letter with the Company, Mr. Ansari is eligible to receive a payment equal to four months' of base pay in the event Mr. Ansari is terminated by the Company without cause, which term is undefined. Mr. Whiteside's receipt of severance is subject to his execution of a general release in the form prescribed by the Company. Such severance payment would be equal to \$166,667, less applicable withholding (as of December 31, 2022). Consistent with past practice, such severance would be paid lump-sum, contingent on the effectiveness of a release of claims in favor of the Company.

Pursuant to the terms of his offer letter with the Company, Mr. Ansari is eligible to receive a payment equal to one year of base pay in the event Mr. Ansari is terminated by the Company without cause, which term is undefined, in connection with a sale of the Company resulting in the Company no longer being publicly listed. Such severance payment would be equal to \$500,000, less applicable withholding (as of December 31, 2022). Consistent with past practice, such severance would be paid lump-sum, contingent on the effectiveness of a release of claims in favor of the Company.

Under our 2015 Equity Incentive Plan, as amended, if we experience a change in control transaction (as defined in such plan), the Board may, but is not obligated to: accelerate, vest or cause the restrictions to lapse with respect to all or any portion of an award; cancel awards for fair value (as determined by the Board); provide for the assumption of awards or the issuance of substitute awards that will substantially preserve the otherwise applicable terms of any affected award previously granted hereunder as determined by the Board; or provide advance notice of such change in control transaction to holders of options, after which any options not exercised prior to such change in control may be cancelled.

Outstanding Equity Awards as of December 31, 2022

The following table provides information regarding the equity awards outstanding as of December 31, 2022 held by each of our named executive officers:

Name	Option Awards					Stock Awards	
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock that have not Vested (#)	Market Value of Shares or Units of Stock that have not Vested (\$)
Glenn Sanford	775,364	184,380 ⁽¹⁾	-	9.94	7/31/2030	-	-
	750,000	-	250,000 ⁽²⁾	9.94	7/31/2030	-	-
	30,192	10,064 ⁽³⁾	-	10.93	7/31/2025	-	-
Jason Gesing	150,000	50,000 ⁽⁴⁾	-	4.66	11/6/2029	119	1,319
Jeff Whiteside	340,000 ⁽⁵⁾	-	-	5.83	11/1/2028	-	-
	133,334	66,666 ⁽⁶⁾	-	20.77	11/1/2030	-	-
	-	44,539 ⁽⁷⁾	-	51.91	10/28/2031	-	-
	-	5,461 ⁽⁸⁾	-	34.51	12/1/2031	-	-
Michael Valdes	33,804	75,000 ⁽⁹⁾	-	4.37	5/4/2030	31	343
	3,125	6,875 ⁽¹⁰⁾	-	39.01	7/6/2031	-	-
	3,125	21,875 ⁽¹¹⁾	-	15.15	8/4/2032	-	-
Shoeb Ansari	56,250	243,750 ⁽¹²⁾	-	24.56	3/21/2032	-	-

- (1) Option award was granted on July 31, 2020 and vests monthly over three years. Unless specifically noted otherwise, all awards in the Outstanding Equity Awards as of December 31, 2022 table vest in equal installments over the applicable vesting period.
- (2) Option award was granted on July 31, 2020 and vests based on continued service and based on revenues – see “*Compensation Discussion and Analysis – Long-Term Incentive Compensation (Equity Awards)*” in the Company’s Proxy Statement for additional details.
- (3) Option award was granted July 31, 2020 and vests monthly over three years.
- (4) Option award was granted November 6, 2019 and vests quarterly over four years.
- (5) Option award was granted November 1, 2018 and is fully vested.
- (6) Option award was granted November 1, 2020 and vests quarterly over three years.
- (7) Option award was granted October 28, 2021 and vests over an eight-month period of continuous service, with 25% vesting on February 1, 2024, 25% vesting on May 1, 2024, 25% vesting on August 1, 2024, and 25% vesting on November 1, 2024.
- (8) Option award was granted December 1, 2021 and vests over an eight-month period of continuous service, with 25% vesting on February 1, 2024, 25% vesting on May 1, 2024, 25% vesting on August 1, 2024, and 25% vesting on November 1, 2024.
- (9) Option award was granted May 4, 2020 and vests quarterly over four years.
- (10) Option award was granted July 6, 2021 and vests quarterly over four years.
- (11) Option award was granted August 4, 2022 and vests quarterly over two years.
- (12) Option award was granted March 21, 2022 and vests quarterly over four years.

10.4 Non-Employee Director Compensation

Our non-employee director compensation program is intended to enhance our ability to attract, retain and motivate directors of exceptional ability and to promote the common interest of directors and stockholders in enhancing the value of the Shares. The Board reviews and approves director compensation and the Nominating and Corporate Governance Committee has the authority to engage a consulting firm to evaluate director compensation.

During the year ended December 31, 2022, all directors except Messrs. Sanford and Gesing qualified as non-employee directors; Mr. Sanford and Mr. Gesing do not receive compensation for their directorship activities. While Ms. Gentry, Ms. Weakley, and Mr. Frederick are independent contractor real estate agents of eXp Realty, such persons are not employees of the Company or any of its subsidiaries and do receive compensation for their directorship activities in addition to their real estate agent commission and related income, as described below.

Independent Director Compensation

Under our independent director compensation policy, independent directors are eligible to receive certain cash retainers and equity awards in lieu of any individual compensatory arrangements. The Board believes that this policy provides for transparency and parity of compensation among directors. Pursuant to that policy, independent directors are eligible to receive up to \$200,000 in cash compensation annually, paid monthly. Independent directors that assume leadership roles are eligible to receive additional annual cash compensation equal to: \$25,000 for the Vice Chairman, paid monthly; \$50,000 for the Audit Committee Chairman, paid monthly; \$25,000 for the Compensation Committee Chairman, paid monthly; \$25,000 for the Nominating and Governance Committee Chairman, paid monthly; and \$25,000 for the ESG Committee Chairman, paid monthly. When an independent director is first elected to the Board, he or she will be eligible to receive a stock option having a value of up to \$300,000 using the Black Scholes valuation methodology, which will vest monthly in equal installments over three years, subject to continued service. Additionally, each independent director is eligible to receive additional annual stock options beginning upon the commencement of his or her fourth year of directorship and each year thereafter, with each annual grant having a value of up to \$100,000 per year using the Black Scholes valuation methodology and which will vest monthly in equal installments over a period of three years, subject to continued service. Independent director option grants are administered under and subject to the Company's 2015 Equity Incentive Plan.

For the year ended December 31, 2022, Mr. Jacklin's cash compensation for his directorship activities was \$183,343. For the year ended December 31, 2022, Mr. Miles' cash compensation was \$275,000 and he was issued a stock option having a value of \$100,178 on July 31, 2022, which vests monthly in equal installments over three years, in each case for directorship activities. For the year ended December 31, 2022, Mr. Cahir's cash compensation was \$216,680 for directorship activities and he was issued a stock option having a value of \$100,329 on November 29, 2022, which vests monthly in equal installments over three years, for directorship activities. For the year ended December 31, 2022, Ms. Pelosi was not a director of the Company and received no compensation from the Company.

Real Estate Agent Director Seat Compensation

In June 2022, the Compensation Committee recommended, and the Board adopted, a formal policy pursuant to which our rotating agent director position is eligible to receive \$25,000 annual cash compensation for directorship services, paid monthly, and an annual stock option award having a value of \$25,000 using the Black Scholes valuation methodology, which will vest monthly in equal installments over a period of one year, subject to continued service. During 2022, Ms. Gentry filled the dedicated agent director position until Ms. Weakley was elected in June 2022, who currently fills the agent director position. For the year ended December 31, 2022, Ms. Gentry received cash compensation of \$12,500 for her directorship activities which ceased June 19, 2022. Additionally, for the year ended December 31, 2022, Ms. Gentry received the following compensation in her role as an independent director real estate agent of eXp Realty and not in connection with her directorship activities:

- stock awards valued at \$402 under our Agent Growth Incentive Program;
- cash payment of \$4,035 under our revenue share program;
- cash payment of \$5,273 for earned commission;

- income of \$30 for her discount in connection with her participation in our Agent Equity Program; and
- income of \$1,031 in connection with her participation in our Agent Growth Incentive Program.

In addition, Ms. Gentry receives compensation in the capacity as a consultant to the Company pursuant to a consultant agreement entered into in March 2020 between Ms. Gentry and the Company, whereby Ms. Gentry provides certain diversity and inclusion services to the Company. For the year ended December 31, 2022, Ms. Gentry received cash payments of \$53,336 in connection with her role as a consultant of the Company. As of the date that Ms. Gentry ceased providing directorship services, she had no unvested equity awards or unexercised options related to her directorship services.

Ms. Weakley's directorship services commenced on June 20, 2022. For the year ended December 31, 2022, Ms. Weakley's cash compensation was \$13,333 and she was issued stock options having a value of \$25,021 in connection with her election, which vests monthly in equal installments over one year, for directorship activities. Additionally, for the year ended December 31, 2022, Ms. Weakley received the following compensation in her role as an independent director real estate agent of eXp Realty and not in connection with her directorship activities:

- stock awards valued at \$7,680 under our Agent Growth Incentive Program;
- cash payment of \$119,262 under our revenue share program;
- cash payment of \$176,822 for earned commission;
- income of \$873 for her discount in connection with her participation in our Agent Equity Program; and
- income of \$12,830 in connection with her participation in our Agent Growth Incentive Program.

Other Real Estate Agent Director Compensation

Historically, the Board has performed pursuant to an informal policy according to which Mr. Frederick was eligible to receive compensation equal to \$24,000 per year, which may be paid as cash compensation or as a stock award having an equal value, as determined in the discretion of the Board. For the year ended December 31, 2022, Mr. Frederick received \$24,089 in stock awards for his directorship activities. Mr. Frederick did not receive any cash payments for his directorship activities for the year ended December 31, 2022. Additionally, for the year ended December 31, 2022, Mr. Frederick received the following compensation in his role as an independent contractor real estate agent of eXp Realty and not in connection with his directorship activities:

- stock awards valued at \$11,330 under our Agent Growth Incentive Program; and
- cash payment of \$8,500,969 under our revenue share program.

Pursuant to an action of the Board taken on March 30, 2023, Mr. Frederick was not nominated for re-election to the Board and the size of the Board will reduce to seven members upon the expiration of his term on May 19, 2023.

General

As a general matter, directors are reimbursed for reasonable out-of-pocket expenses incurred in the performance of duties as a Board member. With respect to option awards and stock awards, the dollar amounts described above and shown below represent the aggregate grant date fair value of stock awards and stock options granted, with the fair value determined at the date of grant in accordance with FASB ASC

Topic 718, based on the closing price of the Shares on the applicable grant date. Option award vesting is contingent on continued service and stock awards are granted fully vested.

The following table sets forth certain information regarding the compensation earned by or awarded to each non-employee director during fiscal year 2022 who served on our Board during the fiscal year 2022:

Name	Fees Earned or Paid in Cash ⁽¹⁾	Option Awards ⁽²⁾	Stock Awards ⁽³⁾	All Other Compensation	Total
Darren Jacklin ⁽⁴⁾	\$ 183,343	\$ -	\$ -	\$ -	\$ 183,343
Gene Frederick ⁽⁵⁾	\$ -	\$ -	\$ 35,419 ⁽⁶⁾	\$ 8,500,969 ⁽⁷⁾	\$ 8,536,388
Randall Miles ⁽⁸⁾	\$ 275,000 ⁽⁹⁾	\$ 100,178	\$ -	\$ -	\$ 375,178
Dan Cahir ⁽¹⁰⁾	\$ 216,680	\$ 100,329	\$ -	\$ -	\$ 317,009
Felicia Gentry ⁽¹¹⁾	\$ 12,500	\$ -	\$ 402 ⁽¹²⁾	\$ 63,705 ⁽¹³⁾	\$ 76,607
Monica Weakley ⁽¹⁴⁾	\$ 13,333	\$ 25,021	\$ 7,680 ⁽¹⁵⁾	\$ 309,787 ⁽¹⁶⁾	\$ 355,821

- (1) The dollar amounts shown represent all director fees earned in 2022 (excluding fees which may have been earned in 2021, but were paid in 2022, and including fees which may have been earned in 2022, but were paid in 2023).
- (2) The dollar amounts shown represent the aggregate grant date fair value of stock options granted in 2022, determined at the date of grant in accordance with FASB ASC Topic 718. The assumptions used in the valuation of the stock options are consistent with the valuation methodologies specified in the notes to our consolidated financial statements included in the Company's Form 10-K.
- (3) The dollar amounts shown represent the grant date fair value of stock awards granted in 2022, with the fair value determined at the date of grant in accordance with FASB ASC Topic 718, based on the closing price of our common stock on the applicable grant date. The assumptions used in the valuation of the stock options are consistent with the valuation methodologies specified in the notes to our consolidated financial statements included in the Company's Form 10-K.
- (4) As of December 31, 2022, Mr. Jacklin had 11,482 unexercised option awards.
- (5) Pursuant to an action of the Board taken on March 30, 2023, Mr. Frederick was not nominated for re-election to the Board and the size of the Board will reduce to seven members upon the expiration of his term on May 19, 2023. As of December 31, 2022, Mr. Frederick had no unexercised option awards.
- (6) Includes stock awards valued at \$24,089 granted to Mr. Frederick for his directorship activities and stock awards valued at \$11,330 for his participation in our Agent Growth Incentive Program in connection with his role as an independent contractor real estate agent of eXp Realty.
- (7) "All Other Compensation" fees payable to Mr. Frederick represents cash payments of \$8,500,969 under our revenue share program.
- (8) As of December 31, 2022, Mr. Miles had 68,104 unexercised option awards.
- (9) Includes \$200,000 paid to Mr. Miles for his general directorship activities, plus \$25,000 for his directorship activities as Vice Chairman, plus \$50,000 for his directorship activities as Audit Committee Chairman.
- (10) As of December 31, 2022, Mr. Cahir had 167,913 unexercised option awards.
- (11) Ms. Gentry ceased serving as a director on June 19, 2022. As of December 31, 2022, Ms. Gentry had 836 unexercised option awards.
- (12) Includes stock awards valued at \$402 for Ms. Gentry's participation in our Agent Growth Incentive Program in connection with her role as an independent contractor real estate agent of eXp Realty.
- (13) "All Other Compensation" fees payable to Ms. Gentry include: cash payment of \$4,035 under our revenue share program, commission equal to \$5,273, income of \$30 for Ms. Gentry's discount in connection with her participation in our Agent Equity Program, and income of \$1,031 for Ms. Gentry's participation in our Agent Growth Incentive Program, each in connection with her role as an independent contractor real estate agent of eXp Realty, and cash payments of \$53,336 for services provided by Ms. Gentry to the Company in her capacity as a consultant.
- (14) Ms. Weakley was elected as a director on June 20, 2022. As of December 31, 2022, Ms. Weakley had 3,567 unexercised option awards.
- (15) Represents stock awards for Ms. Weakley's participation in our Agent Growth Incentive Program in connection with her role as an independent contractor real estate agent of eXp Realty.
- (16) "All Other Compensation" fees payable to Ms. Weakley includes cash payment of \$119,262 under our revenue share program, commission equal to \$176,822, income of \$873 for Ms. Weakley's discount in connection with her participation in our Agent Equity Program, and income of \$12,830 in connection with Ms. Weakley's participation in our Agent Growth Incentive Program, each in connection with her role as an independent contractor real estate agent of eXp Realty.

Termination Arrangements or Similar Benefit Plans

There are no arrangements or plans in which we provide pension, retirement or similar benefits for directors in their capacity as such. Our directors may receive stock options and stock grants at the discretion of our Board as discussed above. Except as otherwise indicated, we do not have any bonus or profit-sharing plans pursuant to which cash or non-cash compensation is or may be paid to our directors for directorship activities.

Any option awards granted to a Director may be exercised: (i) for 90 days after his or her termination of services, (ii) for 12 months after his or her death (if such death occurred during such person's directorship or if such death occurred during the 90 days after termination), and (iii) for 6 months after certain events of disability, but in each case only to the extent such option(s) would have been exercisable by such person on the date of termination, death or disability. Pursuant to the terms of the Company's 2015 Equity Incentive Plan, the Board may, but is not obligated to, accelerate, vest, cancel for fair value, or issue substitute awards for any option awards upon a change of control of us. There are no other arrangements for resignation, retirement, other termination, or change in control arrangements with any directors in their capacity as such.

Our cloud office has enabled us to introduce and maintain a gross revenue sharing plan whereby each of our agents and brokers can participate in and from which they can receive monthly and annual overrides on the gross commission income resulting from transactions consummated by agents and brokers who they have attracted to our company. Mr. Frederick, Ms. Gentry, and Ms. Weakley are participants in the Company's revenue share plan in their capacities as independent contractor real estate agents or brokers of the Company and would (and will, with respect to Mr. Frederick) continue to receive those benefits similar to all other agents and brokers of eXp Realty even after ceasing their directorship services so long as they maintain active real estate licenses and are not affiliated as an agent or broker with a competitive brokerage, consistent with the Company's revenue share plan. Mr. Gesing participates in the revenue share program in his capacity as an employee of the Company with a broker's license, but not in his role as a director. Mr. Sanford would continue to receive revenue if his employment with the Company ceased (see "*Compensation Discussion and Analysis - Quarterly Revenue Share Cash Bonus*" below).

Anti-Hedging and Anti-Pledging Policies

Certain transactions in our securities (such as short sales, hedging, and transactions in derivatives) create a heightened compliance risk or could create the appearance of misalignment between executive officers and stockholders. In addition, securities that are pledged as collateral or held in a margin account create a risk of being sold without consent if the owner fails to meet a margin call or defaults on the secured obligation, thus creating the risk that a sale may occur at a time when a person is aware of material, non-public information or otherwise is not permitted to trade in Company securities. Our insider trading policy prohibits all Company insiders, including our directors, from engaging in short sales, derivative securities transactions, including hedging, with respect to Company securities, and from pledging Company securities as collateral.

10.5 Conflicts of Interest

To the Company's knowledge as at the date of this prospectus, there were no potential conflicts of interest between the duties to the Company, of Board members and the executive officers, and their private interests.

Controlled Company

The Company is subject to the rules of the Nasdaq Stock Market and is in compliance with such rules.

Under the rules of Nasdaq, a company is a "controlled company" if more than 50% of the combined voting power for the election of directors is held by an individual, group or another company. Glenn Sanford

beneficially owned approximately 28.76% of the outstanding Shares as of January 31, 2023. Penny Sanford beneficially owned approximately 17.86% of the outstanding Shares as of January 31, 2023. Jason Gesing beneficially owned 1.64% of the outstanding Shares as of January 31, 2023. Gene Frederick beneficially owned 3.25% of the outstanding Shares as of January 31, 2023. Each of Messrs. Sanford, Gesing, and Frederick serve in certain employment, independent contractor, and/or directorship roles with the Company, as applicable, as discussed herein (see “Business Experience – Board of Directors” above).

In March 2021, Mr. Sanford, Ms. Sanford, Mr. Gesing and Mr. Frederick filed a Schedule 13D/A with the SEC indicating that they had entered into an agreement to vote their shares as a group with respect to the election of directors and any other matter on which the Shares are entitled to vote. Accordingly, Mr. Sanford, Ms. Sanford, Mr. Gesing and Mr. Frederick collectively own a number of Shares sufficient to elect all of the members of the Board without the approval of any other stockholders. As a result of this concentration, we are a “controlled company” within the meaning of Nasdaq’s corporate governance standards. Accordingly, we currently avail ourselves of the “controlled company” exception available under the Nasdaq rules which exempt us from certain corporate governance requirements, including the requirements that we have a majority of independent directors on the Board, that compensation of the executive officers be determined, or recommended to the Board for determination, by a majority of the independent directors or a compensation committee comprised solely of independent directors, and that director nominees be selected, or recommended for the Board’s selection, by a majority of the independent directors or a nominations committee comprised solely of independent directors. These exemptions do not modify the independence requirements for our Audit Committee. Presently, we utilize these “controlled company” exemptions to the corporate governance requirements of Nasdaq, and as a result, our Nominating and Corporate Governance Committee and Compensation Committee do not consist entirely of independent directors. Accordingly, you do not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of Nasdaq.

Director Independence

Our Board annually reviews the independence of all non-employee directors. Our Board has determined, after considering all the relevant facts and circumstances, including information requested from and provided by each director concerning his or her background, employment and affiliation, including family relationships, that Mr. Jacklin, Mr. Miles, Mr. Cahir, and Ms. Pelosi are independent directors, as defined by the listing standards of Nasdaq and the SEC, because they have no relationship with us that would interfere with their exercise of independent judgment. There are no family relationships among any of our directors and director nominees or executive officers.

Code of Ethics

The Company adopted a Code of Ethics that applies to all of its directors, officers (including its chief executive officer, chief financial officer, chief accounting officer, controller and any person performing similar functions) and employees. The Company has made the Code of Ethics available on its website at https://expworldholdings.com/wp-content/uploads/2022/11/Code_of_Business_Conduct_and_Ethic.pdf.

Certain Relationships and Related Transactions

The Company has an unwritten policy requiring that a majority of the Board’s independent directors approve any related party, in conformance with Section 144 of Delaware’s General Corporation Law. Pursuant to the Company’s Code of Business Conduct and Ethics and the Audit Committee charter, each director and executive officer must promptly notify the Chief Executive Officer and the Audit Committee of the Board of any matter that he or she believes may raise doubt regarding his or her ability to act objectively and in the Company’s best interest. In determining whether to approve, ratify, disapprove or reject such related party transaction, the Audit Committee and the Board may take into account, among other factors it deems appropriate, whether such related party transaction is entered into on terms no less favorable to the Company than terms generally available to an unaffiliated third-party under the same or similar circumstances. During fiscal year 2022, we have not been a participant in any related party transaction in which the amount involved in the transaction exceeds or will exceed \$120,000 and in which any of our

directors, director nominees, executive officers, or holders of more than 5% of our capital stock, or any immediate family member of, or person sharing the household with, any of these individuals, had or will have a direct or indirect material interest.

None of our current or former directors or executive officers is indebted to us, nor are any of these individuals indebted to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by us.

XI. EMPLOYEES

11.1 Overview

Our employees, including our brokers and our independent contractor real estate agents, represent the human capital investments imperative to our operations. As of December 31, 2022, the Company had approximately 2,016 full-time equivalent employees and 86,203 real estate agents. Our employees are not members of any labor union and we have never experienced business interruptions due to labor disputes. We also utilize part-time and temporary employees and consultants when necessary; in many of our foreign markets we rely on the use of indirect employment structures where personnel providing certain services to the foreign entities are employed by a contractor of the Company and are not employed by the Company.

Management: Our operations are overseen directly by management. Our management oversees all responsibilities in the areas of corporate administration, business development and technological research and development. We have successfully expanded our current management to retain skilled employees with experience relevant to our business and intend to continue with this initiative. Our management's relationships with agents, brokers, technology providers and customers will provide the foundation through which we expect to grow our business in the future. We believe the skill set of our management team will be a primary asset in the development of our brands and trademarks.

Talent and Culture: Our business is driven by nine core values of community, sustainability, integrity, service, collaboration, innovation, transparency, agility and fun. At eXp, these core values are manifested throughout everything we do and support the Company's overall vision and shape our culture. We believe that our ongoing success is attributable in large part to our eXp employees who work across the U.S. and internationally in the cloud environment to support our agent-centric business model and core values. Attracting and retaining employee talent is a high priority for us and we look to hire passionate and driven individuals who want to be a part of our mission to continue to grow the brokerage and our related suite of services. We also value transparency and are committed to an open and accountable workplace where employees are empowered to raise issues. The Company provides multiple channels to speak up, ask for guidance and report concerns. eXp has been named one of the Best Places to Work on Glassdoor for each of the years 2019 through 2022. In 2021 and 2022, we were named as one of the Top 100 Companies to Watch for Remote Jobs by FlexJobs.

Health & Safety: Our employees operate in a fully remote environment and are located across the U.S. and internationally. During 2022, our human resources department expanded on our existing health and safety benefit offerings to support the health and safety of our employees in their remote work environments.

Independent Agent and Broker Support: We provide entrepreneurial business opportunities and a competitive compensation structure to our agents and brokers. Additionally, our agents and brokers have a unique choice to attain a greater vested interest in eXp through the acceptance of equity awards in eXp stock as part of their compensation packages. These programs and our agent support platforms — including training, back-office support and communications — allow agents and brokers to successfully operate their own businesses that are aligned with our strategies and goals, creating synergies across our distribution network. We believe it is critical to our success that agent voices are heard at every level of the Company, including management, whose mission is supported by our Agent Advisory Council. Refer to our Agent Advisory Council section of our website at <https://expworldholdings.com/agent-advisory-council/> for

information on agent participation in the management of eXp. Information contained on our website is not incorporated by reference into this report.

As the Company grows, management continually researches new directives and implementation efforts for the long-term success of the Company.

11.2 Major Stockholders, Directors' and Executive Officers' Holdings of Shares and Options

Securities Ownership of Principal Stockholders

The following table shows, as of January 31, 2023, stockholders known to the Company who beneficially own more than 5% of the outstanding Shares. To the best knowledge of the Company, there has been no material change to the beneficial ownership of the stockholders listed in the table below since January 31, 2023. Beneficial ownership represents sole and shared voting power and investment power. Unless otherwise noted below, the address of each person listed on the table is c/o eXp World Holdings, Inc. at 2219 Rimland Drive, Suite 301, Bellingham, WA 98226, U.S.A.

Name and Address	Amount and Nature of Beneficial Ownership ⁽¹⁾	Percentage of Class
Group of stockholders ⁽²⁾	78,693,407	51.51%
• Glenn Sanford	• 43,941,026	• 28.76%
• Penny Sanford	• 27,284,043	• 17.86%
• Gene Frederick	• 4,960,430	• 3.25%
• Jason Gesing	• 2,507,908	• 1.64%
The Vanguard Group	10,487,220 ⁽³⁾	6.86%

(1) The information is based on 152,794,389 Shares issued and outstanding as of January 31, 2023. As of March 31, 2023, there were 153,442,421 Shares outstanding. The beneficial ownership of the shareholders listed in the table above has not changed significantly as of March 31, 2023 and the percentage ownership does not change by more than one percent.

(2) In March 2021, Mr. Sanford, Ms. Sanford, Mr. Gesing and Mr. Frederick filed a Schedule 13D/A with the SEC indicating that they had entered into an agreement to vote their shares as a group with respect to the election of directors and any other matter on which the Shares are entitled to vote. Accordingly, Mr. Sanford, Ms. Sanford, Mr. Gesing and Mr. Frederick collectively own a number of Shares sufficient to elect all of the members of the Board without the approval of any other stockholders.

(3) The Vanguard Group's business address is 100 Vanguard Blvd., Malvern, PA 19355, U.S.A.

The Company is a "controlled company" within the meaning of Nasdaq rules. Per the above, Glenn Sanford, together with Penny Sanford, Jason Gesing and Gene Frederick own approximately 51.51% of the outstanding Shares (as of January 31, 2023), and they agreed to vote their Shares as a group with respect to the election of directors and any other matter on which the Shares are entitled to vote.

Securities Ownership of Executive Officers and Directors

The following table provides certain information regarding the ownership of the Shares, as of January 31, 2023 (except as otherwise indicated) by each person known to us to own more than 5% of our outstanding Shares; each of our named executive officers; each of our directors; and all of our executive officers and directors as a group.

The number of Shares beneficially owned by each person is determined under the rules of the SEC. Under these rules, beneficial ownership includes any shares as to which the individual has sole or shared voting power or investment power and also any shares that the individual has the right to acquire by April 1, 2023 (sixty days after January 31, 2023) through the exercise or conversion of a security or other right. Unless otherwise indicated, each person has sole investment and voting power, or shares such power with a family member, with respect to the shares set forth in the following table. The inclusion in this table of any shares deemed beneficially owned does not constitute an admission of beneficial ownership of those Shares for any other purpose. Unless otherwise noted below, the address of each person listed on the table is c/o eXp World Holdings, Inc., 2219 Rimland Drive, Suite 301, Bellingham, WA 98226, USA.

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership ⁽¹⁾	Percentage of Class ⁽²⁾
More than 5% stockholders:			
Shares	Penny Sanford	27,284,043 ⁽³⁾	17.86%
Shares	The Vanguard Group 100 Vanguard Blvd. Malvern, PA 19355, USA	10,487,220 ⁽⁴⁾	6.86%
Directors and named executive officers:			
Shares	Glenn Sanford	43,941,026 ⁽³⁾⁽⁵⁾	28.76%
Shares	Gene Frederick	4,960,430 ⁽³⁾⁽⁶⁾	3.25%
Shares	Darren Jacklin	129,798 ⁽⁷⁾	*
Shares	Jason Gesing	2,507,908 ⁽³⁾⁽⁸⁾	1.64%
Shares	Randall Miles	677,716 ⁽⁹⁾	*
Shares	Dan Cahir	153,401 ⁽¹⁰⁾	*
Shares	Monica Weakley	7,951 ⁽¹¹⁾	*
Shares	Peggie Pelosi	1,854 ⁽¹²⁾	*
Shares	Jeff Whiteside	490,150 ⁽¹³⁾	*
Shares	Michael Valdes	112,461 ⁽¹⁴⁾	*
Shares	Shoeb Ansari	75,000 ⁽¹⁵⁾	*
Shares	All executive officers and directors as a group (15 persons)	53,349,945 ⁽¹⁶⁾	34.92%

* - Less than one percent.

- (1) Except as otherwise indicated, we believe that the beneficial owners of the common stock listed above, based on information furnished by such owners, have sole investment and voting power with respect to such shares, subject to community property laws where applicable. Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities.
- (2) Percentage of ownership is based on 152,794,389 Shares issued and outstanding as of January 31, 2023. Shares subject to options or warrants exercisable within 60 days of January 31, 2023 are deemed outstanding for purposes of computing the percentage ownership of the person holding such option or warrants, but are not deemed outstanding for purposes of computing the percentage ownership of any other person.
- (3) On March 8, 2021, Mr. Sanford, Ms. Sanford, Mr. Gesing and Mr. Frederick (collectively, the "Group Members") filed a Schedule 13D/A with the SEC (as amended from time-to-time, the "Schedule 13D/A") indicating that they had entered into an agreement to vote their shares as a group with respect to the election of directors and any other matter on which our shares of common stock are entitled to vote. By virtue of the relationship described in the Schedule 13D/A, the Group Members may be deemed to constitute a "group" within the meaning of Rule 13d-5 under the Act. As a member of a group, each Group Member may be deemed to share voting and dispositive power with respect to, and therefore beneficially own, the securities of the Company beneficially owned by the Group Members as a whole. As of January 31, 2023, the Group Members are collectively the beneficial owners of 78,693,407 Shares. Such Shares represent beneficial ownership of 51.5% of outstanding Shares.
- (4) Represents Shares beneficially owned as of December 30, 2022, based on a Schedule 13G/A filed with the SEC on February 9, 2023, by The Vanguard Group. The Vanguard Group lists its address as 100 Vanguard Blvd., Malvern, PA 19355, USA, and indicates that it has shared voting power with respect to 115,150 Shares, sole dispositive power with respect to 10,305,485 Shares, and shared dispositive power with respect to 181,735 Shares.
- (5) Includes 42,034,338 Shares and 1,638,888 Shares exercisable within 60 days of January 31, 2023 and 267,800 Shares owned by Deborah Biery.
- (6) Includes 4,937,347 Shares and 288 Shares exercisable within 60 days of January 31, 2023 and 22,795 Shares owned by Susan Frederick.
- (7) Includes 119,592 Shares and stock options to acquire 10,206 Shares exercisable within 60 days of January 31, 2023.
- (8) Includes of 2,345,312 Shares and stock options to acquire 162,596 Shares exercisable within 60 days of January 31, 2023.
- (9) Includes 621,380 Shares and stock options to acquire 56,336 Shares exercisable within 60 days of January 31, 2023.
- (10) Includes stock options to acquire 153,401 Shares exercisable within 60 days of January 31, 2023.
- (11) Includes 5,276 Shares and stock options to acquire 2,675 Shares exercisable within 60 days of January 31, 2023.
- (12) Includes stock options to acquire 1,854 Shares exercisable within 60 days of January 31, 2023.
- (13) Includes 150 Shares and stock options to acquire 490,000 Shares exercisable within 60 days of January 31, 2023.
- (14) Includes 56,157 Shares and stock options to acquire 56,304 Shares exercisable within 60 days of January 31, 2023.
- (15) Includes stock options to acquire 75,000 Shares exercisable within 60 days of January 31, 2023.
- (16) Includes beneficial ownership of the directors and executive officers listed above, together with James Bramble, Kent Cheng, Courtney Keating, and Leo Pareja.

Subject to the information for Mr. Sanford, Mr. Gesing and Mr. Frederick provided under “Securities Ownership of Principal Stockholders” described above, the Company’s directors and executive officers listed in the above table, respectively, hold, individually, less than 1% of the Shares representing the Company’s capital stock as of the date of this prospectus.

11.3 Stock Plans

Agent Equity Program

The Company provides agents and brokers the opportunity to elect to receive 5% of commissions earned from each completed real estate transaction in the form of Shares. If agents and brokers elect to receive portions of their commissions in Shares, they are entitled to receive the equivalent number of Shares, based on the fixed monetary value of the commission payable. The Company recognizes a 10% discount on these issuances as an additional cost of sales charge during the periods presented.

During the three months ended March 31, 2023 and 2022, the Company issued 2,106,369 and 1,550,455 Shares, respectively, to agents and brokers with a value of \$26,775 and \$38,500, respectively, inclusive of discount.

Agent Growth Incentive Program

The Company administers an equity incentive program whereby agents and brokers become eligible to receive awards of the Shares through agent attraction and performance benchmarks (the “AGIP”). The incentive program encourages greater performance and awards agents with Shares based on achievement of performance milestones. Awards typically vest after performance benchmarks are reached and three years of subsequent service is provided to the Company. Share-based performance awards are based on a fixed-dollar amount of shares based on the achievement of performance metrics. As such, the awards are classified as liabilities until the number of share awards becomes fixed once the performance metric is achieved.

For the three months ended March 31, 2023 and 2022 the Company’s stock compensation expense attributable to the AGIP was \$9,660 and \$7,798, respectively, of which the total amount of stock compensation attributable to liability classified awards was \$993 and \$1,906, respectively.

XII. MATERIAL CONTRACTS

Except for the variable interest entities and noncontrolling interests, and joint ventures described in Section 5.2 above, there are no other material contracts within the past 24 months.

XIII. DOCUMENTS ON DISPLAY

The Company’s Internet address is <https://expworldholdings.com/>. At its Investor Relations website, <https://expworldholdings.com/sec-filings/>, the Company makes available free of charge a variety of information for investors, including its annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and any amendments to those reports, as soon as reasonably practicable after the Company electronically files such material with or furnishes it to the SEC (www.sec.gov).

The Company’s Form 10-K, the Company’s Form 10-Q and the Company’s Proxy Statement, referred to in this prospectus, may be obtained free of charge upon request by a stockholder of record as of March 22, 2023.

The Company’s Bylaws and Certificate can be found as exhibits to the Company’s latest Annual Report on Form 10-K filed with the SEC.

The Company expects to issue, in early August 2023, its earnings release for the quarter ended June 30, 2023. The quarterly report on Form 10-Q for such quarter will be filed with the SEC no later than August 9, 2023. The annual report on Form 10-K for the fiscal year ending December 31, 2023 will be filed with the SEC no later than February 29, 2024. These documents will be available on the web sites of the Company and the SEC indicated above.

XIV. TAX CONSEQUENCES

The following summaries are based on the income and social tax laws in effect in the respective countries as of the date of this prospectus. However, because tax and other laws are complex and can change frequently, the information below may be out of date at the time Participant purchases Shares or sells Shares under the Program. Moreover, the information in the summaries is based on certain assumptions which may or may not apply to the particular situation of Participant. Finally, in some countries, there may be exemptions and deductions applicable to Participant that are not described herein.

Therefore, Participants are strongly advised to consult their own independent personal tax advisors as to how the tax or other laws in their respective countries apply to their specific situations.

14.1 French Tax Consequences

The following summary is based on the income and social tax laws in effect in France as of the date of this prospectus. Tax laws are complex and can change frequently. As a result, the information below may be out of date at the time Participant purchases Shares, sells Shares or receives dividends.

The following applies only to Participants who are French tax residents. If Participant is a citizen or resident of another country for local law purposes or transfers residency to another country after a Purchase Period begins, the income and social tax information below may not be applicable. Furthermore, this information is general in nature and does not discuss all of the various laws, rules and regulations that may apply. It may not apply to each Participant's particular tax or financial situation, and the Company is not in a position to assure them of any particular tax result.

Participants should address any particular questions to a specialized advisor.

Enrollment in the Program

Participant is not subject to tax or social security contributions when he/she enrolls in the Program.

Contributions

The five percent (5%) of a Participant's commission compensation are after-tax contributions and, as such, they remain subject to social security contributions (including general insurance contribution, "CSG" and contribution for the reimbursement of social insurance debt, "CRDS") and are not deductible from the total taxable salary subject to personal income tax.

Purchase of Shares

When Shares are purchased under the Program, Participant will be subject to tax on the difference (or discount) between the Fair Market Value of the Shares on the Purchase Date and the Purchase Price, net of any social security contributions which are tax deductible for income tax purposes. The discount will be taxed as income from business or profession (commission) and Participant also will be subject to social security contributions on the discount.

Sale of Shares

When Participant subsequently sells the Shares acquired under the Program, the net sale gain, calculated as the difference between the net sale price and the Fair Market Value of the Shares on the Purchase Date, will be subject to personal income tax and social tax at a combined flat tax rate. Alternatively, Participant may choose to be taxed at progressive income tax rates, in which case a portion of the social taxes will be tax deductible; however, such election will be applied to all of Participant's other investment income and may thus trigger unintended tax consequences.

Withholding and Reporting

The Company subsidiary with which Participant has an independent contractor agreement (the "Service Provider") is not required to report the taxable amount or withhold tax. It is Participant's responsibility to report and pay any tax due upon purchase of the Shares, as well as any taxes resulting from the sale of the Shares or the receipt of any dividends. If Participant is subject to additional surtax, he/she should contact his/her own personal advisor or tax office regarding the availability of a surtax reduction.

14.2 Portuguese Tax Consequences

The following summary is based on the income and social tax laws in effect in Portugal as of the date of this prospectus. Tax laws are complex and can change frequently. As a result, the information below may be out of date at the time Participant purchases Shares, sells Shares or receives dividends.

The following applies only to Participants who are Portuguese tax residents. If Participant is a citizen or resident of another country for local law purposes or transfers residency to another country after a Purchase Period begins, the income and social tax information below may not be applicable. Furthermore, this information is general in nature and does not discuss all of the various laws, rules and regulations that may apply. It may not apply to each Participant's particular tax or financial situation, and the Company is not in a position to assure them of any particular tax result.

Participants should address any particular questions to a specialized advisor.

Enrollment in the Program

Participant is not subject to tax or social contributions when he/she enrolls in the Program.

Purchase of Shares

When Shares are purchased under the Program, Participant will be subject to income tax (plus solidarity surcharge, if applicable) on the difference between the Fair Market Value of the Shares on the Purchase Date and the Purchase Price.

Sale of Shares

Participant will be subject to tax when he/she subsequently sells the Shares purchased under the Program on the difference between the sale price and the Fair Market Value of the Shares on the Purchase Date. A tax exemption may apply up to a certain threshold on the capital gain.

Withholding and Reporting

The Company subsidiary with which Participant has an independent contractor agreement (the "Service Provider") will be required to report the taxable amount and may withhold income tax (or solidarity surcharge, if applicable). Notwithstanding any withholding obligation by the Service Provider, it is Participant's responsibility to report and pay any tax due upon purchase of the Shares, as well as any taxes resulting from the sale of the Shares or the receipt of any dividends.

14.3 Spanish Tax Consequences

The following summary is based on the income and social tax laws in effect in Spain as of the date of this prospectus. Tax laws are complex and can change frequently. As a result, the information below may be out of date at the time Participant purchases Shares, sells Shares or receives dividends.

The following applies only to Participants who are Spanish tax residents. If Participant is a citizen or resident of another country for local law purposes or transfers residency to another country after a Purchase Period begins, the income and social tax information below may not be applicable. Furthermore, this information is general in nature and does not discuss all of the various laws, rules and regulations that may apply. It may not apply to each Participant's particular tax or financial situation, and the Company is not in a position to assure them of any particular tax result.

Participants should address any particular questions to a specialized advisor.

Enrollment in the Program

Participant is not subject to tax or social contributions when he/she enrolls in the Program.

Purchase of Shares

When Shares are purchased under the Program, Participant will be subject to income tax on the difference between the Fair Market Value of the Shares on the Purchase Date and the Purchase Price.

Sale of Shares

Participant will be subject to tax at a flat rate when he/she subsequently sells the Shares purchased under the Program on the difference between the sale price and the Fair Market Value of the Shares on the Purchase Date.

Withholding and Reporting

The Company subsidiary with which Participant has an independent contractor agreement (the "Service Provider") may be required to report the taxable amount and withhold tax. Notwithstanding any withholding obligation by the Service Provider, it is Participant's responsibility to report and pay any tax due upon purchase of the Shares, as well as any taxes resulting from the sale of the Shares or the receipt of any dividends.

EXHIBITS

EXHIBIT I
2015 EQUITY INCENTIVE PLAN

**SECOND AMENDMENT
TO
2015 EQUITY INCENTIVE PLAN
OF
EXP WORLD HOLDINGS, INC.**

2015 Equity Incentive Plan

(as adopted on March 12, 2015, first amendment August 28, 2017, second amendment December 11, 2019)

1. **PURPOSE.** eXp World Holdings, Inc. (formerly eXp Realty International Corporation), a Delaware corporation (the “Company”) has established this Plan to provide incentives to attract, retain and motivate eligible persons whose present and potential contributions are important to the success of the Company, and any Parents and Subsidiaries that exist now or in the future, by offering them an opportunity to participate in the Company’s future performance through the grant of equity based Awards. Capitalized terms not defined herein are defined in Appendix A.

2. **SHARES SUBJECT TO THE PLAN.**

2.1 **Number of Shares Available.** Subject to Sections 2.4 and 20 and any other applicable provisions hereof, the total number of Shares reserved and available for grant and issuance pursuant to this Plan, including Shares that may be made subject to ISOs, is 30,000,000 Shares plus (i) any reserved shares not issued or subject to outstanding grants under the Company’s 2013 Stock Option Plan (the “Prior Plan”) on the Effective Date (as defined below) and (ii) shares that are subject to stock options or other awards granted under the Prior Plan that cease to be subject to such stock options or other awards by forfeiture or otherwise after the Effective Date. The aggregate number of Shares reserved for grant and issuance hereunder will automatically increase on December 1 of each year, commencing on December 1, 2019, and ending on (and including) December 1, 2024, in an amount equal to the lesser of (a) three percent (3%) of the total number of shares of Common Stock outstanding on December 31 of the preceding calendar year, or (b) the number of shares of Common Stock repurchased by the Company pursuant to any issuer repurchase plan then in effect. Notwithstanding the foregoing, the Board may act prior to December 1 of a given year to provide that there will be no share increase for such year or that the increase for such year will be a lesser number of Shares than provided herein.

2.2 **Lapsed, Returned Awards.** Shares subject to Awards, and Shares issued under the Plan under any Award, will again be available for grant and issuance in connection with subsequent Awards under this Plan to the extent such Shares: (a) are subject to issuance upon exercise of an Option granted under this Plan but which cease to be subject to the Option for any reason other than exercise of the Option; (b) are subject to Awards granted under this Plan that are forfeited or are repurchased by the Company at the original issue price; (c) are subject to Awards granted under this Plan that otherwise terminate without such Shares being issued; or (d) are surrendered pursuant to an Exchange Program. To the extent an Award under the Plan is paid out in cash rather than Shares, such cash payment will not result in reducing the number of Shares available for issuance under the Plan. Shares used or withheld to pay the exercise price of an Award or to satisfy the tax withholding obligations related to an Award (such as through a “net exercise”) will remain available for future grant or sale under the Plan. No fractional Shares shall be issued under the Plan.

2.3 **Minimum Share Reserve.** At all times the Company shall reserve and keep available a sufficient number of Shares as shall be required to satisfy the requirements of all outstanding Awards granted under this Plan.

2.4 **Adjustment of Shares.** If the number of outstanding Shares is changed by a stock dividend, recapitalization, stock split, reverse stock split, subdivision, combination, reclassification or similar change in the capital structure of the Company, without consideration, or in the event of an extraordinary cash dividend, then (a) the number and kind of Shares reserved for issuance and future grant under the Plan set

forth in Section 2.1, (b) the Exercise Prices of outstanding Options, and (c) the number and kind of Shares subject to outstanding Awards, shall be appropriately adjusted consistent with such change or event in such manner as the Board may determine. Fractional Shares resulting from any adjustment in Awards shall be eliminated by rounding down.

3. ELIGIBILITY. ISOs may be granted only to Employees. All other Awards may be granted to Employees, Consultants and Directors of the Company or any Parent or Subsidiary of the Company whose participation in the Plan the Board determines to be in the company's best interests.

4. ADMINISTRATION.

4.1 Authority. This Plan will be administered by the Board. The Board, in its discretion, may delegate the granting of Awards and other administration of the Plan to a committee of the Board or to officers of the Company or other persons, subject to any applicable legal limitations. Subject to the general purposes, terms and conditions of this Plan, the Board will have full power to implement and carry out this Plan. The Board will have the authority, without limitation, to:

(i) determine Eligible Persons to whom Awards shall be granted from time to time and the number of Shares to be covered by each Award;

(ii) determine, from time to time, the Fair Market Value of Shares;

(iii) determine, and to set forth in Award Agreements, the terms and conditions of all Awards, including any applicable exercise or purchase price, the installments and conditions under which an Award shall become vested (which may be based on performance), terminated, expired, cancelled, or replaced, and the circumstances for vesting acceleration or waiver of forfeiture restrictions, and other restrictions and limitations, which terms and conditions need not be uniform among Awards or Participants;

(iv) approve the forms of Award Agreements and all other documents, notices and certificates in connection therewith which need not be identical either as to type of Award or among Participants;

(v) construe and interpret the terms of the Plan and any Award Agreement, to determine the meaning of their terms, and to prescribe, amend, and rescind rules and procedures relating the Plan and its administration; and

(vi) delegate any of the foregoing to a subcommittee consisting of one or more executive officers pursuant to a specific delegation.

4.2 Board Interpretation and Discretion. Any determination made by the Board with respect to any Award shall be made in its sole discretion at the time of grant of the Award or, unless in contravention of any express term of the Plan or Award, at any later time, and such determination shall be final and binding on the Company and all persons having an interest in any Award under the Plan. Any dispute regarding the interpretation of the Plan or any Award Agreement shall be submitted by the Participant or Company to the Board for review. The resolution of such a dispute by the Board shall be final and binding on the Company and the Participant. The Board may delegate to one or more executive officers the authority to review and resolve disputes with respect to Awards held by Participants who are not Insiders, and such resolution shall be final and binding on the Company and the Participant.

4.3 Documentation. The Award Agreement for a given Award, the Plan and any other documents may be delivered to, and accepted by, a Participant or any other person in any manner (including electronic distribution or posting) that meets applicable legal requirements.

5. OPTIONS. The Board may grant Options to Participants and will determine whether such Options will be Incentive Stock Options within the meaning of the Code ("ISOs") or Nonqualified Stock Options ("NQSOS"), the number of Shares subject to the Option, the Exercise Price of the Option, the period

during which the Option may vest and be exercised, and all other terms and conditions of the Option, subject to the following:

5.1 Option Grant. Each Option granted under this Plan will identify the Option as an ISO or an NQSO. An Option may be, but need not be, awarded upon satisfaction of such Performance Factors during any Performance Period as are set out in advance in the Participant's individual Award Agreement. If the Option is being earned upon the satisfaction of Performance Factors, then the Board will: (x) determine the nature, length and starting date of any Performance Period for each Option; and (y) select from among the Performance Factors to be used to measure the performance. Performance Periods may overlap and Participants may participate simultaneously with respect to Options that are subject to different performance goals and other criteria.

5.2 Exercise Period. Options may be vested and exercisable within the times or upon the conditions as set forth in the Award Agreement governing such Option; provided, however, that no Option will be exercisable after the expiration of ten (10) years from the date the Option is granted; and provided further that no ISO granted to a person who, at the time the ISO is granted, directly or by attribution owns more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or of any Parent or Subsidiary of the Company as described in Section 422(b)(6) of the

Code ("Ten Percent Stockholder") will be exercisable after the expiration of five (5) years from the date the ISO is granted. The Board also may provide for Options to become exercisable at one time or from time to time, periodically or otherwise, in such number of Shares or percentage of Shares as the Board determines.

5.3 Exercise Price. The Exercise Price of an Option will be determined by the Board when the Option is granted; provided that:

(i) the exercise price per share of an Option shall not be less than 100% (or, with respect to ISOs granted to a Ten Percent Stockholder, 110%) of the Fair Market Value per share of the Common Stock on the date of grant; and

(ii) Options granted in substitution for outstanding options of another company in connection with the merger, consolidation, acquisition of property or stock or other reorganization involving such other company and the Company or any subsidiary of the Company may be granted with an exercise price equal to the exercise price for the substituted option of the other company, subject to any adjustment consistent with the terms of the transaction pursuant to which the substitution is to occur.

5.4 Method of Exercise. Any Option granted hereunder will be vested and exercisable according to the terms of the Plan and at such times and under such conditions as determined by the Board and set forth in the Award Agreement. An Option may not be exercised for a fraction of a Share. An Option will be deemed exercised when the Company receives: (i) notice of exercise (in such form as the Board may specify from time to time) from the person entitled to exercise the Option, and (ii) full payment for the Shares with respect to which the Option is exercised (together with applicable withholding taxes). Shares issued upon exercise of an Option will be issued in the name of the Participant. Until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder will exist with respect to the Shares, notwithstanding the exercise of the Option. The Company will issue (or cause to be issued) such Shares promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 2.4 of the Plan. Exercising an Option in any manner will decrease the number of Shares thereafter available, both for purposes of the Plan and for sale under the Option, by the number of Shares as to which the Option is exercised. Payment for Stock purchased upon any exercise of an Option shall be made in full in cash concurrently with such exercise, except that, if the Board shall have authorized it and the Company is not then legally prohibited from receiving such consideration, any other method in accordance with Section 9 of the Plan.

5.5. Termination. The exercise of an Option will be subject to the following (except as may be otherwise provided in an Award Agreement or authorized by the Board):

- (a) If the Participant is Terminated for any reason except for Cause or the Participant's death or Disability, then the Participant may exercise such Participant's Options only to the extent that such Options would have been exercisable by the Participant on the Termination Date no later than ninety (90) days after the Termination Date, but in any event no later than the expiration date of the Options.
- (b) If the Participant is Terminated because of the Participant's death (or the Participant dies within ninety (90) days after a Termination other than for Cause or because of the Participant's Disability), then the Participant's Options may be exercised only to the extent that such Options would have been exercisable by the Participant on the Termination Date and must be exercised by the Participant's legal representative, or authorized assignee, no later than twelve (12) months after the Termination Date, but in any event no later than the expiration date of the Options.
- (c) If the Participant is Terminated because of the Participant's Disability, then the Participant's Options may be exercised only to the extent that such Options would have been exercisable by the Participant on the Termination Date and must be exercised by the Participant (or the Participant's legal representative or authorized assignee) no later than twelve (12) months after the Termination Date, but in any event no later than the expiration date of the Options.
- (d) If the Participant is terminated for Cause, then Participant's Options shall expire on such Participant's Termination Date.

5.6. Limitations on Exercise. The Board may specify a minimum number of Shares that may be purchased on any exercise of an Option, provided that such minimum number will not prevent any Participant from exercising the Option for the full number of Shares for which it is then exercisable.

5.7. Limitations on ISOs. With respect to Awards granted as ISOs, to the extent that the aggregate Fair Market Value of the Shares with respect to which such ISOs are exercisable for the first time by the Participant during any calendar year (under all plans of the Company and any Parent or Subsidiary) exceeds one hundred thousand dollars (\$100,000), such Options will be treated as NQSOs. For purposes of this Section 5.7, ISOs will be taken into account in the order in which they were granted. The Fair Market Value of the Shares will be determined as of the date the Option with respect to such Shares is granted. In the event that the Code or the regulations promulgated thereunder are amended after the Effective Date to provide for a different limit on the Fair Market Value of Shares permitted to be subject to ISOs, such different limit will be automatically incorporated herein and will apply to any Options granted after the effective date of such amendment.

5.8. Modification, Extension or Renewal. The Board may modify, extend or renew outstanding Options, and may accept the surrender of outstanding Options and authorize the grant of new Options in substitution therefor, provided that (a) any such action may not, without the written consent of a Participant, impair any of such Participant's rights under any Option previously granted, and (b) other than substitutions and adjustments pursuant to Section 2.4, an outstanding Option may not be modified to reduce the Exercise Price thereof, and a new Option may not be substituted for a surrendered Option, unless such action is approved by the Company's stockholders if the Shares are at such time traded on an established securities market. Any outstanding ISO that is modified, extended, renewed or otherwise altered will be treated in accordance with Section 424(h) of the Code. Subject to the preceding sentences of this Section 5.8, by written notice to affected Participants, the Board may reduce the Exercise Price of outstanding Options without the consent of such Participants; provided, however, that the Exercise Price may not be reduced below the Fair Market Value on the date the action is taken to reduce the Exercise Price.

5.9 No Disqualification. Notwithstanding any other provision in this Plan, no term of this Plan relating to ISOs will be interpreted, amended or altered, nor will any discretion or authority granted under

this Plan be exercised, so as to disqualify this Plan under Section 422 of the Code or, without the consent of the Participant affected, to disqualify any ISO under Section 422 of the Code.

6. RESTRICTED STOCK AWARDS.

6.1 Awards of Restricted Stock. A Restricted Stock Award is an offer by the Company to sell to, or a grant to, a Participant Shares that are subject to restrictions ("Restricted Stock"). The Board will determine to whom an offer will be made, the number of Shares the Participant may purchase, the Purchase Price (if any), the restrictions under which the Shares will be subject and all other terms and conditions of the Restricted Stock Award, subject to the Plan.

6.2 Purchase Price. The Purchase Price for a Restricted Stock Award will be determined by the Board and may be less than Fair Market Value on the date the Restricted Stock Award is granted (including zero). Payment of the Purchase Price (if any) must be made in accordance with Section 9 of the Plan, and the Award Agreement and in accordance with any procedures established by the Company.

6.3 Terms of Restricted Stock Awards. Restricted Stock Awards will be subject to such restrictions as the Board may impose or are required by law. These restrictions may be based on completion of a specified number of years of service with the Company or upon completion of Performance Factors, if any, during any Performance Period as set out in advance in the Participant's Award Agreement. Prior to the grant of a Restricted Stock Award, the Board shall: (a) determine the nature, length and starting date of any Performance Period for the Restricted Stock Award; (b) select from among the Performance Factors to be used to measure performance goals, if any; and (c) determine the number of Shares that may be awarded to the Participant. Performance Periods may overlap and a Participant may participate simultaneously with respect to Restricted Stock Awards that are subject to different Performance Periods and having different performance goals and other criteria.

6.4 Termination of Participant. Except as may be set forth in the Participant's Award Agreement, vesting ceases on such Participant's Termination Date (unless determined otherwise by the Board).

7. RESTRICTED STOCK UNITS.

7.1 Awards of Restricted Stock Units. A Restricted Stock Unit ("RSU") is an award to a Participant covering a number of Shares that may be settled in cash, or by issuance of those Shares (which may consist of Restricted Stock). All RSUs shall be made pursuant to an Award Agreement.

7.2 Terms of RSUs. The Board will determine the terms of an RSU including, without limitation: (a) the number of Shares subject to the RSU; (b) the time or times at which the RSU vests; (c) the consideration to be distributed on settlement; and (d) the effect of the Participant's Termination on each RSU. An RSU may vest upon satisfaction of such performance goals based on Performance Factors during any Performance Period as are set out in advance in the Participant's Award Agreement. If the RSU vests upon satisfaction of Performance Factors, then the Board will: (x) determine the nature, length and starting date of any Performance Period for the RSU; (y) select from among the Performance Factors to be used to measure the performance, if any; and (z) determine the number of Shares deemed subject to the RSU. Performance Periods may overlap and participants may participate simultaneously with respect to RSUs that are subject to different Performance Periods and different performance goals and other criteria.

7.3 Form and Timing of Settlement. The Board, in its sole discretion, may settle earned RSUs in cash, Shares, or a combination of both. The Board may also permit a Participant to defer settlement under a RSU to a date or dates after the RSU vests, provided that the terms of the RSU and any deferral satisfy the requirements of Section 409A of the Code.

7.4 Termination of Participant. Except as may be set forth in the Participant's Award Agreement, vesting ceases on such Participant's Termination Date (unless determined otherwise by the Board).

8. OTHER STOCK-BASED AWARDS.

8.1 Other Stock-Based Awards. The Board is authorized to grant to Participants Other Stock-Based Awards, including shares of Common Stock awarded purely as a bonus and not subject to any restrictions or conditions, shares of Common Stock in payment of the amounts due under an incentive or performance plan sponsored or maintained by the Company, stock equivalent units, deferred stock units, and Awards valued by reference to the value of shares of Common Stock. The Board may condition the grant or vesting of Other Stock-Based Awards upon the attainment of specified Performance Factors or such other factors as the Board may determine. The Board may also provide for the grant of Common Stock under such Awards upon the completion of a specified Performance Period. Other Stock-Based Awards may be granted either alone or in addition to or in tandem with other Awards granted under this Plan.

8.2 Terms of Other Stock-Based Awards. The Board will determine, and each Award Agreement shall set forth, the terms of each Other Stock-Based Award including, without limitation: (a) any vesting conditions; (b) the number of Shares upon which such Other Stock-Based Award is based; (c) the Performance Factors and Performance Period (if any) that shall determine the time and extent to which each Performance Award shall be vested or granted; (d) the consideration to be distributed on settlement; and (e) the effect of the Participant's Termination on each Other Stock-Based Award. In establishing Performance Factors and the Performance Period (if any) the Board will: (x) determine the nature, length and starting date of any Performance Period; and (y) select from among the Performance Factors to be used. Prior to settlement the Board shall determine the extent to which Other Stock-Based Awards have been earned. Performance Periods may overlap and Participants may participate simultaneously with respect to Other Stock-Based Awards that are subject to different Performance Periods and different performance goals and other criteria.

8.3 Deferral of Other-Stock Based Awards. To the extent permitted by law, the Board may permit Participants to defer all or a portion of their compensation in the form of Other Stock-Based Awards granted under this Plan, subject to the terms and conditions of any deferred compensation arrangement established by the Company, which shall be in a manner intended to comply with Section 409A of the Code.

8.4 Termination of Participant. Except as may be set forth in the Participant's Award Agreement, vesting ceases on such Participant's Termination Date (unless determined otherwise by the Board).

9. PAYMENT FOR SHARE PURCHASES.

Payment from a Participant for Shares purchased pursuant to this Plan may be made in cash or by check or, where expressly approved for the Participant by the Board and where permitted by law (and to the extent not otherwise set forth in the applicable Award Agreement):

(i) by forgiveness of indebtedness owed by the Company to the purchaser;

(ii) by surrender of shares of the Company held by the Participant that have a Fair Market Value on the date of surrender equal to the aggregate exercise price or purchase price of the Shares as to which said Award will be exercised or settled;

(iii) by reducing the number of shares of Stock to be delivered to the Participant upon exercise of the Option or settlement of an Award, with the reduction valued on the basis of the aggregate Fair Market Value on the Date of Exercise or purchase of the additional shares of Stock that would otherwise have been delivered to the Participant upon the Option exercise or Award settlement;

(iv) by the delivery, concurrently with such exercise and in accordance with Regulation T promulgated under the Securities Exchange Act of 1934, or any successor rule or regulation, of a properly executed exercise notice for the Option and irrevocable instructions to a broker promptly to deliver to the Company to pay the exercise price a specified amount of the proceeds of a sale of the Option shares or loan secured by the Option shares;

(v) by waiver of compensation due or accrued to the Participant for services rendered or to be rendered to the Company or a Parent or Subsidiary of the Company; and/or

(vi) by any combination of the foregoing or by other means determined by the Board to be consistent with this Plan's purposes.

Subject to any Board approval requirements or other limitations under applicable laws, the Board may also assist any Participant (including an officer or director) in the payment for Shares by authorizing a loan from the Company, permitting the Participant to pay the exercise price or purchase price in installments or authorizing a guarantee by the Company of a third party loan to the Participant, and the terms and conditions of any such loan, installment sale or guarantee will be determined by the Board.

10. WITHHOLDING TAXES.

10.1 Withholding Generally. Whenever Shares are to be issued in satisfaction of Awards granted under this Plan, the Company may require the Participant to remit to the Company, or to the Parent or Subsidiary employing the Participant, an amount sufficient to satisfy applicable U.S. federal, state, local and international withholding tax requirements or any other tax liability legally due from the Participant prior to the delivery of Shares pursuant to exercise or settlement of any Award. Whenever payments in satisfaction of Awards granted under this Plan are to be made in cash, such payment will be net of an amount sufficient to satisfy applicable U.S. federal, state, local and international withholding tax requirements or any other tax liability legally due from the Participant.

10.2 Stock Withholding. The Board, in its sole discretion and pursuant to such procedures as it may specify from time to time and to limitations of local law, may require or permit a Participant to satisfy such tax withholding obligation or any other tax liability legally due from the Participant, in whole or in part by (without limitation) (i) paying cash, (ii) electing to have the Company withhold otherwise deliverable cash or Shares having a Fair Market Value equal to the minimum statutory amount required to be withheld, or (iii) delivering to the Company already-owned Shares having a Fair Market Value equal to the minimum amount required to be withheld.

11. TRANSFERABILITY. An Award may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution. Notwithstanding the foregoing, the Board may determine that an Award, other than an ISO, may be transferred to a Permitted Transferee, upon such additional terms and conditions as the Board deems appropriate. All Awards shall be exercisable: (i) during the Participant's lifetime only by (A) the Participant, or (B) the Participant's guardian or legal representative; (ii) after the Participant's death, by the legal representative of the Participant's heirs or legatees; and (iii) in the case of all Awards except ISOs, by a Permitted Transferee.

12. PRIVILEGES OF STOCK OWNERSHIP; RESTRICTIONS ON SHARES.

12.1 Voting and Dividends. No Participant will have any of the rights of a stockholder with respect to any Shares until the Shares are issued to the Participant, except for any dividend equivalent rights permitted by an applicable Award Agreement. After Shares are issued to the Participant, the Participant will be a stockholder and have all the rights of a stockholder with respect to such Shares, including the right to vote and receive all dividends or other distributions made or paid with respect to such Shares; provided, that if such Shares are Restricted Stock, then any new, additional or different securities the Participant may become entitled to receive with respect to such Shares by virtue of a stock dividend, stock split or any other change in the corporate or capital structure of the Company will be subject to the same restrictions as the Restricted Stock.

12.2 Restrictions on Shares. At the discretion of the Board, the Company may reserve to itself and/or its assignee(s) a right to repurchase (a "Right of Repurchase") a portion of any or all Shares held by a Participant following such Participant's Termination at any time within ninety (90) days after the later of the Participant's Termination Date and the date the Participant purchases Shares under this Plan, for cash and/or cancellation of purchase money indebtedness, at the Participant's Purchase Price or Exercise Price, as the case may be.

13. CERTIFICATES. All Shares or other securities whether or not certificated, delivered under this Plan will be subject to such stock transfer orders, legends and other restrictions as the Board may deem necessary or advisable, including restrictions under any applicable U.S. federal, state or foreign securities law, or any rules, regulations and other requirements of the SEC or any stock exchange or automated quotation system upon which the Shares may be listed or quoted and any non-U.S. exchange controls or securities law restrictions to which the Shares are subject.

14. ESCROW; PLEDGE OF SHARES. To enforce any restrictions on a Participant's Shares, the Board may require the Participant to deposit all certificates representing Shares, together with stock powers or other instruments of transfer approved by the Board, appropriately endorsed in blank, with the Company or an agent designated by the Company to hold in escrow until such restrictions have lapsed or terminated, and the Board may cause a legend or legends referencing such restrictions to be placed on the certificates. Any Participant who is permitted to execute a promissory note as partial or full consideration for the purchase of Shares under this Plan will be required to pledge and deposit with the Company all or part of the Shares so purchased as collateral to secure the payment of the Participant's obligation to the Company under the promissory note; provided, however, that the Board may require or accept other or additional forms of collateral to secure the payment of such obligation and, in any event, the Company will have full recourse against the Participant under the promissory note notwithstanding any pledge of the Participant's Shares or other collateral. In connection with any pledge of the Shares, the Participant will be required to execute and deliver a written pledge agreement in such form as the Board will from time to time approve. The Shares purchased with the promissory note may be released from the pledge on a pro rata basis as the promissory note is paid.

15. SECURITIES LAW AND OTHER REGULATORY COMPLIANCE. An Award will not be effective unless such Award is in compliance with all applicable U.S. and foreign federal and state securities laws, rules and regulations of any governmental body, and the requirements of any stock exchange or automated quotation system upon which the Shares may then be listed or quoted, as they are in effect on the date of grant of the Award and also on the date of exercise or other issuance. Notwithstanding any other provision in this Plan, the Company will have no obligation to issue or deliver certificates for Shares under this Plan prior to: (a) obtaining any approvals from governmental agencies that the Company determines are necessary or advisable; and/or (b) completion of any registration or other qualification of such Shares under any state or federal or foreign law or ruling of any governmental body that the Company determines to be necessary or advisable. The Company will be under no obligation to register the Shares with the SEC or to effect compliance with the registration, qualification or listing requirements of any foreign or state securities laws, stock exchange or automated quotation system, and the Company will have no liability for any inability or failure to do so.

16. NO OBLIGATION TO EMPLOY. Nothing in this Plan or any Award granted under this Plan will confer or be deemed to confer on any Participant any right to continue in the employ of, or to continue any other relationship with, the Company or any Parent or Subsidiary of the Company or limit in any way the right of the Company or any Parent or Subsidiary of the Company to terminate Participant's employment or other relationship at any time.

17. CORPORATE TRANSACTIONS.

In the event of (i) the dissolution or liquidation of the Company, (ii) a reorganization, merger or consolidation as a result of which the Company is not the surviving entity or as a result of which the outstanding shares of Stock are changed

into or exchanged for cash, property or securities not of the Company's issue, except for a merger or consolidation with a wholly-owned subsidiary of the Company or a transaction effected primarily to change the state of the Company's incorporation, or (iii) a sale or other transfer in one or a series of transactions of all or substantially all of the assets of the Company, or of more than eighty percent (80%) of the voting stock of the Company then outstanding, to any person or entity or to persons or entities which are affiliated or acting in concert with respect to such sale or transfer (each, a "Change in Control"), the Board may, but shall not be obligated to:

(a) accelerate, vest or cause the restrictions to lapse with respect to all or any portion of an Award;

(b) cancel Awards for fair value (as determined by the Board) which, in the case of Options may equal the excess, if any, of the per share value of the consideration to be paid in the Change in Control transaction for Common Stock over the Exercise Price of such Options (or, if such Exercise Price is greater than the consideration paid in the Change in Control transaction, the Board may cancel such Options for no consideration);

(c) provide for the assumption of Awards or the issuance of substitute Awards that will substantially preserve the otherwise applicable terms of any affected Award previously granted hereunder as determined by the Board; or

(d) provide advance notice of such Change in Control transaction to holders of Options, after which any Options not exercised prior to such Change in Control may be cancelled.

Any Award granted under this Plan shall automatically terminate upon the closing of a Change in Control, unless provision shall be made in connection with such Change in Control for the assumption of the Award by, or the substitution for such Award of a new Award covering the stock or other equity securities of, the surviving, successor or purchasing entity or a parent or subsidiary thereof, with appropriate adjustments as to the number and kind of shares or other securities or property to be issued upon exercise of the Award and the exercise price, as applicable. This paragraph shall not restrict the Board from permitting or requiring other accelerations of vesting upon transactions described in this paragraph or any other acquisitions of the Company's shares or business or changes in control of the Company or any other event. The treatment of Awards upon a Change in Control need not be uniform among Awards or Participants.

18. **ADOPTION AND STOCKHOLDER APPROVAL.** This Plan shall be submitted for the approval of the Company's stockholders, consistent with applicable laws, within twelve (12) months before or after the date this Plan is adopted by the Board.

19. **TERM OF PLAN/GOVERNING LAW.** Unless earlier terminated as provided herein, this Plan will become effective on the Effective Date and will terminate ten (10) years from the date this Plan is adopted by the Board or is approved by the Company's stockholders, whichever is earlier. This Plan and all Awards granted hereunder shall be governed by and construed in accordance with the laws of the State of Delaware.

20. **AMENDMENT OR TERMINATION OF PLAN.** The Board shall have complete power and authority to alter, amend, suspend or terminate this Plan, provided that no such action shall deprive a Participant, without his or her consent, of any Award, or of any rights thereunder, previously granted pursuant to this Plan. Stockholder approval of amendments shall be required only to permit the issuance of Incentive Options or otherwise to comply with applicable laws or regulatory requirements; provided, however, that an amendment increasing the maximum number of shares issuable under this Plan shall require approval by the stockholders of the Company.

21. **AWARD AGREEMENTS AND AMENDMENTS.** Each Award granted under this Plan shall be evidenced by an agreement between the Company and the Participant, which shall be approved by the Board or an executive officer of the Company. The Award Agreement shall comply with the provisions of this Plan and the terms of the Award's grant by the Board and may contain additional terms not inconsistent with this Plan and such grant which are deemed necessary or desirable by the Board or the executive officer. Subject to the terms and limitations set forth in this Plan, the Board and the Participant may without approval modify, extend, renew or terminate any outstanding Award or Award Agreement.

22. **NONEXCLUSIVITY OF THE PLAN.** Neither the adoption of this Plan by the Board, the submission of this Plan to the stockholders of the Company for approval, nor any provision of this Plan will be construed as creating any limitations on the power of the Board to adopt such additional compensation arrangements as it may deem desirable, including, without limitation, the granting of stock awards and

bonuses otherwise than under this Plan, and such arrangements may be either generally applicable or applicable only in specific cases.

eXp World Holdings, Inc.
2015 EQUITY INCENTIVE PLAN

Appendix A: Definitions

As used in the Plan, the following definitions shall apply:

“Award” means any award under the Plan, including any Option, Restricted Stock, or Other Stock-Based Award.

“Award Agreement” means, with respect to each Award, the written or electronic agreement between the Company and the Participant setting forth the terms and conditions of the Award, which shall be in substantially a form (which need not be the same for each Participant) that the Board has from time to time approved, and will comply with and be subject to the terms and conditions of this Plan.

“Board” means the Board of Directors of the Company.

“Cause” means (a) in the case where there is no employment agreement, consulting agreement, change in control agreement or similar agreement in effect between the Company and the Participant at the time of the grant of the Award (or where there is such an agreement but it does not define “cause” (or words of like import), (i) Participant’s willful failure substantially to perform his or her duties and responsibilities to the Company or deliberate violation of a Company policy; (ii) Participant’s commission of any act of fraud, embezzlement, dishonesty or any other willful misconduct that has caused or is reasonably expected to result in material injury to the Company; (iii) unauthorized use or disclosure by Participant of any proprietary information or trade secrets of the Company or any other party to whom the Participant owes an obligation of nondisclosure as a result of his or her relationship with the Company; or (iv) Participant’s willful breach of any of his or her obligations under any written agreement or covenant with the Company; or (b) in the case where there is an employment agreement, consulting agreement, change in control agreement or similar agreement in effect between the Company and the Participant at the time of the grant of the Award that defines “cause” (or words of like import), “cause” as defined under such agreement. The determination as to whether a Participant is being terminated for Cause shall be made in good faith by the Company and shall be final and binding on the Participant. The foregoing definition does not in any way limit the Company’s ability to terminate a Participant’s employment or consulting relationship at any time as provided in Section 18 above, and the term “Company” will be interpreted to include any Subsidiary or Parent, as appropriate.

“Code” means the United States Internal Revenue Code of 1986, as amended, and the regulations promulgated thereunder.

“Common Stock” means the Company’s Common Stock, par value \$0.00001 per share.

“Company” means eXp World Holdings, Inc., a Delaware corporation, or any successor corporation.

“Consultant” means any natural person, including an advisor or independent contractor, engaged by the Company or a Parent or Subsidiary to render services to such entity other than in connection with the offer or sale of securities in a capital raising transaction.

“Director” means a member of the Board.

“Disability” means in the case of incentive stock options, total and permanent disability as defined in Section 22(e)(3) of the Code and in the case of other Awards, that the Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment that

can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.

“Effective Date” means the date on which the Plan has received approval by a vote of the majority of the votes of the Company’s stockholders required in accordance with the Company’s governing documents and applicable law, which date shall be included at the top of this Plan.

“Employee” means any person, including Officers and Directors, employed by the Company or any Parent or Subsidiary of the Company. Neither service as a Director nor payment of a director’s fee by the Company will be sufficient to constitute “employment” by the Company.

“Exchange Act” means the United States Securities Exchange Act of 1934, as amended.

“Exchange Program” means a program pursuant to which outstanding Awards are surrendered, cancelled or exchanged for cash, the same type of Award or a different Award (or combination thereof).

“Exercise Price” means the price at which a holder may purchase the Shares issuable upon exercise of an Option.

“Fair Market Value” means, as of any date, the value of a share of the Company’s Common Stock determined as follows: (i) If the Common Stock is traded on an established securities market, the closing price of a share of the Common Stock on such date on the composite transactions report of the principal securities market on which the Common Stock is so traded, or, if there is no sale of the Common Stock on such date, then on the last previous date on which there was a sale; or, (ii) if the Common Stock is not then traded on an established securities market, the fair market value of a share of the Common Stock determined by the Board in a manner it considers reasonable or appropriate under the circumstances, taking into account the requirements of Section 409A or 422 of the Code, as applicable.

“Insider” means an officer or director of the Company or any other person whose transactions in the Company’s Common Stock are subject to Section 16 of the Exchange Act.

“Option” means an award of an option to purchase Shares pursuant to Section 5.

“Other Stock-Based Award” means an Award under Section 8 that is valued in whole or part by reference to, or is payable in or otherwise based on, Common Stock.

“Parent” means any corporation (other than the Company) in an unbroken chain of corporations ending with the Company if each of such corporations other than the Company owns stock possessing fifty percent (50%) or more of the total combined voting power of all classes of stock in one of the other corporations in such chain.

“Participant” means a person who holds an Award under this Plan.

“Performance Factors” means any of the factors selected by the Board and specified in an Award Agreement, from among the following objective measures, either individually, alternatively or in any combination, applied to the Company as a whole or any business unit or Subsidiary, either individually, alternatively, or in any combination, on a GAAP or non-GAAP basis, and measured, to the extent applicable on an absolute basis or relative to a pre-established target, to determine whether the performance goals established by the Board with respect to applicable Awards have been satisfied:

- Profit Before Tax
- Gross Revenue
- Net Revenue

Earnings (which may include earnings before interest and taxes, earnings before taxes, and net earnings);

- Operating Income
- Operating Margin, or;
- Any other metric that is capable of measurement as determined by the Board.

The Board may, in recognition of unusual or non-recurring items such as acquisition-related activities or changes in applicable accounting rules, provide for one or more equitable adjustments (based on objective standards) to the Performance Factors to preserve the Board's original intent regarding the Performance Factors at the time of the initial award grant. It is within the sole discretion of the Board to make or not make any such equitable adjustments.

"Performance Period" means the period of service determined by the Board, during which years of service or performance is to be measured for the Award.

"Permitted Transferee" means any child, stepchild, grandchild, parent, stepparent, grandparent, spouse, former spouse, sibling, niece, nephew, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law (including adoptive relationships) of the Employee, any person sharing the Employee's household (other than a tenant or employee), a trust in which these persons (or the Employee) have more than 50% of the beneficial interest, a foundation in which these persons (or the Employee) control the management of assets, and any other entity in which these persons (or the Employee) own more than 50% of the voting interests.

"Plan" means this eXp World Holdings, Inc. 2015 Equity Incentive Plan.

"Purchase Price" means the price to be paid for Shares acquired under the Plan, other than Shares acquired upon exercise of an Option.

"Restricted Stock Award" means an award of Shares pursuant to Section 6 or Section 8 of the Plan, or issued pursuant to the early exercise of an Option.

"Restricted Stock Unit" means an Award granted pursuant to Section 7 or Section 8 of the Plan.

"SEC" means the United States Securities and Exchange Commission.

"Securities Act" means the United States Securities Act of 1933, as amended.

"Shares" means shares of the Company's Common Stock and the common stock of any successor security.

"Subsidiary" means any subsidiary corporation of the Company, as defined in Section 424(f) of the Code.

"Termination" or "Terminated" means, for purposes of this Plan with respect to a Participant, that the Participant has for any reason ceased to provide services as an employee, officer, director, consultant, independent contractor or advisor to the Company or a Parent or Subsidiary of the Company. An employee will not be deemed to have ceased to provide services in the case of (i) sick leave, (ii) military leave, or (iii) any other leave of absence approved by the Board; provided, that such leave is for a period of not more than 90 days, unless reemployment upon the expiration of such leave is guaranteed by contract or statute or unless provided otherwise pursuant to formal policy adopted from time to time by the Company and issued and promulgated to employees in writing. In the case of any employee on an approved leave of absence, the Board may make such provisions respecting suspension of vesting of the Award while on leave from the employ of the Company or a Parent or Subsidiary of the Company as it may deem appropriate, except that in no event may an Award be exercised after the expiration of the term set forth in

the applicable Award Agreement. In the event of military leave, if required by applicable laws, vesting shall continue for the longest period that vesting continues under any other statutory or Company approved leave of absence and, upon a Participant's returning from military leave (under conditions that would entitle him or her to protection upon such return under the Uniform Services Employment and Reemployment Rights Act), he or she shall be given vesting credit with respect to Awards to the same extent as would have applied had the Participant continued to provide services to the Company throughout the leave on the same terms as he or she was providing services immediately prior to such leave. An employee shall have terminated employment as of the date he or she ceases to be employed (regardless of whether the termination is in breach of local laws or is later found to be invalid) and employment shall not be extended by any notice period or garden leave mandated by local law. The Board will have sole discretion to determine whether a Participant has ceased to provide services for purposes of the Plan and the effective date on which the Participant ceased to provide services (the "Termination Date").

EXHIBIT II

2015 NON-U.S. AGENT EQUITY PROGRAM PARTICIPATION ELECTION FORM

2015 Non-U.S. Agent Equity Program Participation Election Form

eXp World Holdings, Inc. (“EXPI” or the “Company”) previously adopted the 2015 Equity Incentive Plan, as adopted on March 12, 2015 and amended August 28, 2017 (the “Plan”). Pursuant to the Plan, EXPI created the 2015 Agent Equity Program (the “Program”) to be administered at the board’s discretion, and may issue shares of EXPI’s common stock (“Shares”) to the Company’s agents and brokers who elect to participate (“Participant(s)”) as payment of five percent (5%) of the commission compensation earned by a Participant. Participation in the Program is subject to the terms and conditions contained in the Independent Contractor Agreement, in this Non-U.S. Agent Equity Program Participation Election Form, including the additional terms and conditions for certain countries set forth in the appendix attached hereto (the “Appendix” and, together, the “Enrollment Form”), in the Program and in the Plan.

Eligibility: All agents and brokers in Good Standing with the Company are eligible to participate in the Program.

Issuance of Shares As Payment of Commission: By submitting this Enrollment Form, Participant authorizes the Company to set aside five percent (5%) of Participant’s net payment (after splits, fees, and any other required withholdings) (“Shares for Payment”) on Transactions which close in Participant’s name, commencing with Transactions closing on or after Participant’s Join Date.

Price of Issued Shares: Effective January 1, 2020, the price for Shares issued under the Program shall be at a ten percent (10%) discount to the fair market value of EXPI’s common stock, as determined by the closing market price of EXPI’s common stock on the last trading day of the month.

Issuance Date: Shares under the Program shall be issued on the last trading day of the month during which the closing on the sales of any properties from which a Shares for Payment has been authorized results in an accumulated Shares for Payment of not less the purchase price of one whole Share (each a “Issue Date”).

Custody of Shares: All Shares issued under the Program shall initially be placed and held in an account created in Participant’s name with Shareworks by Morgan Stanley.

Associated Costs: Ownership of Shares issued under the Program may come with associated costs imposed by third parties, including but not limited to, fees that may be imposed by a stockbroker, financial services broker of Participant’s choosing, or others.

Cancellation of Participation: Any Participant may cancel his or her participation in the Program by completing a new Election Form.

Modification or Termination: The Program is subject to modification or termination at the discretion of the Company’s Board of Directors.

Responsibility for Taxes: Participant acknowledges that, regardless of any action taken by the Company or, if different, the Subsidiary for which Participant provides services (the “Service Recipient”), the ultimate liability for all income tax, social insurance, payroll tax, fringe benefits tax, payment on account or other tax-related items related to Participant’s participation in the Program and legally applicable or deemed applicable to Participant (“Tax-Related Items”) is and remains Participant’s responsibility. Furthermore, Participant acknowledges that the Company and/or the Service Recipient (a) make no representations or undertakings regarding the treatment of any Tax-Related Items in connection with any aspect of the Program, including the acquisition of Shares under the Program and/or the receipt of any dividends paid on such Shares, and (b) do not commit to and are under no obligation to structure the terms of the Program or any aspect of Participant's participation in the Program to reduce or eliminate Participant's

liability for Tax-Related Items or achieve any particular tax result. Further, if Participant is or becomes subject to tax in more than one jurisdiction, Participant acknowledges that the Company and/or the Service Recipient (or former Service Recipient, as applicable) may be required to account for Tax-Related Items in more than one jurisdiction.

Withholding: Prior to the relevant tax withholding event (if any), Participant agrees to make adequate arrangements satisfactory to the Company and/or the Service Recipient to satisfy all Tax-Related Items. In this regard, Participant authorizes the Company or the Service Recipient, or their respective agents, at their discretion, to satisfy the obligations with regard to all taxes by one or a combination of the following: (i) withholding from Participant's commissions (or other compensation) payable to Participant by the Company and/or the Service Recipient; (ii) withholding from proceeds of the sale of Shares acquired under the Program either through a voluntary sale or through a mandatory sale arranged by the Company (on Participant's behalf pursuant to this authorization and without further consent); (iii) withholding Shares to be issued upon purchase under the Program, provided the Company only withholds a number of Shares equal to the minimum statutory amount required to be withheld (unless otherwise permitted by the Plan); (iv) Participant's payment of a cash amount (including by check representing readily available funds or a wire transfer); or (v) any other arrangement approved by the Board and permitted under applicable law.

Withholding (if any) for Tax-Related Items will be made in accordance with the Plan and such rules and procedures as may be established by the Board, and in compliance with the insider trading policy of the Company, if applicable. In the event of over-withholding using one of the methods described above, Participant may receive a refund of any over-withheld amount in cash but will have no entitlement to the Shares sold or withheld, or if not refunded, Participant may seek a refund from the local tax authorities.

Nature of Grant: By enrolling and participating in the Program, Participant acknowledges, understands and agrees that:

- a. the Program is established voluntarily by the Company and it is discretionary in nature;
- b. participation in the Program is exceptional, voluntary and occasional and does not create any contractual or other right to receive future Shares, or benefits in lieu of Shares, even if participation in the Program has been granted in the past;
- c. all decisions with respect to future Shares or other grants, if any, will be at the sole discretion of the Company;
- d. Participant's participation in the Program does not change the at will nature of Participant's independent contractor relationship with the Company and shall not create a right to employment or be interpreted as forming or amending a service contract, if any, with the Company, the Service Recipient or any Subsidiary and shall not interfere with the ability of the Company, the Service Recipient or any Subsidiary to terminate Participant's independent contractor relationship with the Company;
- e. Participant is voluntarily participating in the Program;
- f. the future value of the Shares is unknown, indeterminable and cannot be predicted with certainty;
- g. the value of the Shares may increase or decrease in the future, even below the purchase price;
- h. unless otherwise provided in the Program, the Plan or by the Company in its discretion, participation in the Program and the benefits evidenced by this Enrollment Form do not create any entitlement to have the Program or any such benefits granted thereunder, transferred to, or assumed by, another

company nor to be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares;

- i. Participant acknowledges and agrees that neither the Company, the Service Recipient nor any Subsidiary, shall be liable for any foreign exchange rate fluctuation between Participant's local currency and the U.S. dollar that may affect the value of the Shares or any amounts due pursuant to the Shares or the subsequent sale of any Shares under the Program; and
- j. no claim or entitlement to compensation or damages shall arise when Participant withdraws from the Program due to Participant's termination of the service relationship (for any reason whatsoever, whether or not later found to be invalid or in breach of applicable laws in the jurisdiction where Participant is providing services or the terms of Participant's independent contractor agreement) and in consideration of participation in the Program and the acquisition of Shares under the Program, Participant agrees not to institute any claim against the Company, its Subsidiaries or the Service Recipient.

No Advice Regarding Grant: The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Participant's participation in the Program or acquisition or sale of the Shares. Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding Participant's participation in the Program before taking any action related to the Program.

Data Privacy: *The Company and the Service Recipient hold certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social insurance number or other identification number, nationality, job title, any Shares or directorships held in the Company, details of all rights to purchase Shares or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor ("Data").*

Participant hereby explicitly and unambiguously consents to the collection, use and transfer, in electronic or other form, of Participant's Data as described in this Enrollment Form and any other documents or materials by and among, as applicable, the Service Recipient, the Company and its other Subsidiaries for the exclusive purpose of implementing, administering and managing Participant's participation in the Program

Participant understands that Data will be transferred to Morgan Stanley, or such other stock plan service provider as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Program. Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country (e.g., the United States) may have different data privacy laws and protections than Participant's country. Participant understands that if Participant resides outside the United States, Participant may request a list with the names and addresses of any potential recipients of the Data by contacting the Company. Participant authorizes the Company, Morgan Stanley and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Program to receive, possess, use, retain and transfer the Data, in electronic or other form, for the sole purpose of implementing, administering and managing Participant's participation in the Program. Participant understands that Data will be held only as long as is necessary to implement, administer and manage Participant's participation in the Program. Participant understands that if Participant resides outside the United States, Participant may, at any time, view Data, request information about the storage and processing of Data, require any necessary amendments to Data or refuse or withdraw the consents herein, in any case without cost, by contacting in writing the Company. Further, Participant understands that Participant is providing the consents herein on a purely voluntary basis. If Participant does not consent, or if Participant later seeks to revoke his or her consent, Participant's service with the Service Recipient will not be affected; the only consequence of refusing or withdrawing Participant's consent is that the Company would not be able to grant participation in the

Program or other equity awards to Participant or administer or maintain such awards. Therefore, Participant understands that refusing or withdrawing his or her consent may affect Participant's ability to participate in the Program. For more information on the consequences of Participant's refusal to consent or withdrawal of consent, Participant understands that he or she may contact the Company.

Governing Law and Venue: Participation in the Program and the provisions of this Enrollment Form are governed by, and subject to, the laws of the State of Delaware, without regard to the conflict of law provisions. For purposes of litigating any dispute that arises under participation in the Program or this Enrollment Form, the parties hereby submit to and consent to the exclusive jurisdiction of the State of Delaware and agree that such litigation shall be conducted exclusively in the courts of the State of Delaware.

Language: Participant acknowledges that he or she is proficient in the English language, or has consulted with an advisor who is proficient in the English language, so as to enable Participant to understand the provisions of this Enrollment Form and the Program. If Participant has received this Enrollment Form or any other document related to the Program translated into a language other than English and if the meaning of the translated version is different from the English version, the English version will control.

Severability: The provisions of this Enrollment Form are severable and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

Appendix: Notwithstanding any provisions in this Enrollment Form, participation in the Program shall be subject to any additional terms and conditions set forth in any Appendix to this Enrollment Form for Participant's country. Moreover, if Participant relocates to one of the countries included in the Appendix, the additional terms and conditions for such country will apply to Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons.

Imposition of Other Requirements: The Company reserves the right to impose other requirements on Participant's participation in the Program and on any Shares acquired under the Program, to the extent the Company determines it is necessary or advisable for legal or administrative reasons, and to require Participant to sign any additional agreements or undertakings that may be necessary to accomplish the foregoing.

Waiver: Participant acknowledges that a waiver by the Company of breach of any provision of this Enrollment Form shall not operate or be construed as a waiver of any other provision of this Enrollment Form, or of any subsequent breach by Participant or any other participant.

Insider Trading/Market Abuse: Participant acknowledges that, depending on Participant's or Participant's broker's country or where the Shares are listed, Participant may be subject to insider trading restrictions and/or market abuse laws which may affect Participant's ability to accept, acquire, sell or otherwise dispose of Shares, rights to purchase shares or rights linked to the value of shares during such times Participant is considered to have "inside information" regarding the Company, as defined in the laws or regulations in the applicable jurisdictions). Local insider trading laws and regulations may prohibit the cancellation or amendment of orders Participant placed before Participant possessed inside information. Furthermore, Participant could be prohibited from (i) disclosing the inside information to any third party (other than on a "need to know" basis) and (ii) "tipping" third parties or causing them otherwise to buy or sell securities. Participant is responsible for complying with any restrictions and should speak to his or her personal advisor on this matter.

Exchange Control, Foreign Asset/Account and/or Tax Reporting: Depending upon the country to which laws Participant is subject, Participant may have certain foreign asset/account and/or tax reporting requirements that may affect Participant's ability to acquire or hold Shares under the Program or cash received from participating in the

Program (including from any dividends or dividend equivalents or sale proceeds arising from the sale of Shares) in a brokerage or bank account outside Participant's country of residence. Participant's country may require that Participant report such accounts, assets or transactions to the applicable authorities in Participant's country. Participant also may be required to repatriate cash received from participating in the Program to Participant's country within a certain period of time after receipt. Participant is responsible for knowledge of and compliance with any such regulations and should speak with his or her personal tax, legal and financial advisors regarding the same.

Acknowledgments: Participant understands that participation in this Program is subject to the terms and conditions contained in the Independent Contractor Agreement, in this Agent Equity Program Participation Election Form, in the Program itself, and in the Plan. Participant has read and fully understands both the Program and the Plan. By participating in the Plan, Participant agrees to be bound by the terms and conditions of the ICA, the Program and the Plan. By acceptance of this opportunity to receive Shares, Participant consents to the electronic delivery of all related documents, including the Program, the Plan, any account statements and Plan prospectuses, as applicable, and all other documents that EXPI is required to deliver to its security holders (including, without limitation, annual reports and proxy statements) or other communications or information related to an investment in EXPI's stock. Electronic delivery may include the delivery of a link to a Company intranet or the internet site of a third party, the delivery of the document via email or such other delivery determined at EXPI's discretion may include the delivery of a link to a Company intranet or the internet site of a third party, the delivery of the document via email or such other delivery determined at EXPI's discretion.

By signing this Enrollment Form, Participant certifies that he or she is of legal age in the state or country of his or her residence.

Participant, by signing this Enrollment Form, certifies that: Participant is receiving the Shares solely for Participant's own account, and not for the benefit of any other person. Participant is being issued the Shares solely for investment purposes and not with a view to distribution or resale, nor with the intention of selling, transferring or otherwise disposing of all or any part thereof for any particular price, or at any particular time, or upon the happening of any particular event or circumstance, except selling, transferring, or disposing of the shares, in full compliance with all applicable provisions of the Securities Act, the rules and regulations promulgated by the Securities and Exchange Commission thereunder, and applicable state and foreign country securities laws.

Participant confirms that she or he has had the opportunity to ask questions of, and receive answers from, EXPI or any authorized person acting on its behalf concerning EXPI and its business, and to obtain any additional information, to the extent possessed by EXPI (or to the extent it could have been acquired by EXPI without unreasonable effort or expense) necessary to verify the accuracy of the information received by Participant.

Participant has carefully considered and has discussed (or accepts the responsibility to discuss) with its own legal, tax, accounting and financial advisors, to the extent the Participant has deemed necessary, the suitability of this investment and the transactions contemplated by this Enrollment Form for the Participant's particular federal, state, provincial, local and foreign tax and financial situation and has independently determined that this investment and the transactions contemplated by this Enrollment Form are a suitable investment for the Participant.

NO AGENT, BROKER OR ELIGIBLE INDIVIDUAL SHALL BE DEEMED A PARTICIPANT UNLESS AND UNTIL SUBMITTING THIS COMPLETED FORM OF ELECTION.

Please check the appropriate choice below and sign:

- YES, I would like to participate in the Program
 NO, I do not wish to participate in the Program at this time.

Participant _____

Signature

Date

Appendix To

Non-U.S. Agent Equity Program Participation Election Form

TERMS AND CONDITIONS

This Appendix includes additional terms and conditions that govern Participant's participation in the Program if Participant provides services or resides in one of the countries listed below. If Participant is a citizen or resident of a country (or is considered as such for local law purposes) other than the one in which he or she is currently providing services or residing or if Participant relocates to another country after electing to participate in the Program, the Company will, in its discretion, determine the extent to which the terms and conditions contained herein will be applicable to Participant.

Certain capitalized terms used but not defined in this Appendix shall have the meanings set forth in the Plan, the Program and/or the Non-U.S. Agent Equity Program Participation Election Form to which this Appendix is attached.

NOTIFICATIONS

This Appendix also includes notifications relating to exchange control and other issues of which Participant should be aware with respect to his or her participation in the Program. The information is based on the exchange control, securities and other laws in effect in the countries listed in this Appendix, as of January 2021. Such laws are often complex and change frequently. As a result, the Company strongly recommends that Participant not rely on the notifications herein as the only source of information relating to the consequences of his or her participation in the Program because the information may be outdated when Participant elects to participate in the Program or acquires Shares (or when Participant subsequently sell Shares acquired under the Program).

In addition, the notifications are general in nature and may not apply to Participant's particular situation, and the Company is not in a position to assure Participant of any particular result. Accordingly, Participant is advised to seek appropriate professional advice as to how the relevant laws in Participant's country may apply to Participant's situation.

Finally, if Participant is a citizen or resident of a country other than the one in which Participant is currently providing services or residing (or is considered as such for local law purposes) or if Participant moves to another country after electing to participate in the Program, the information contained herein may not be applicable to Participant.

FRANCE

TERMS AND CONDITIONS

Issuance of Shares . The Issuance of Shares As Payment of Commission section of the Enrollment Form has been translated into French in order to expressly authorize the issuance of Shares as payment of commission under the Plan.

Émission d'actions en tant que paiement de la commission. En soumettant ce Formulaire d'inscription, le Participant autorise la Société à mettre de côté cinq pour cent (5 %) du paiement net du Participant (après divisions, frais et toute autre retenue requise) (« Actions contre Paiement ») relatif aux Transactions finalisées au nom du Participant, à compter de la finalisation des Transactions à la Date d'Adhésion du Participant ou après.

NOTIFICATIONS

Language Consent. By enrolling in the Program, Participant confirms having read and understood the documents relating to this offer of participation (in particular, the Enrollment Form, this Appendix and the Plan) which were provided to the French Participant in the English language. The French Participant accepts the terms of those documents accordingly.

Consentement relatif à la Langue. *En s'inscrivant au Programme, le Participant confirme avoir lu et compris les documents relatifs à cette offre de participation (en particulier, le Contrat d'Inscription, la présente Annexe et le Plan) qui ont été communiqués au Participant français en anglais. Le Participant français accepte les termes de ces documents en connaissance de cause.*

INDIA

NOTIFICATIONS

Exchange Control Information. Participant may purchase Shares under the Liberalized Remittance Scheme ("LRS"), which permits all India resident individuals to freely remit up to USD 250,000 per financial year (April – March) out of India for any permissible current or capital account transaction or a combination of both. Pursuant to the LRS, residents of India (who are not employees of the subsidiary of the Company in India) are permitted to acquire foreign securities if such securities represents full or partial consideration for professional services rendered to the Company by the resident individual. Participant understands, acknowledges and agrees that his or her purchase of Shares under the LRS (in combination with any other remittances in the applicable fiscal year) shall not exceed the LRS limit and that Participant will not be allowed to purchase Shares under the Plan if it does. *Participant should consult with his or her personal advisor for additional details on the requirements set forth in this notification.*

PUERTO RICO

There are no country-specific provisions.

UNITED KINGDOM

There are no country-specific provisions.

EXHIBIT III

**ANNUAL REPORT ON FORM 10-K FOR THE FISCAL YEAR ENDED DECEMBER 31, 2023,
FILED BY EXP WORLD HOLDINGS, INC. WITH THE SEC ON FEBRUARY 28, 2023**

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2022

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 001-38493



eXp World Holdings, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation or organization)

98-0681092

(I.R.S. Employer
Identification No.)

**2219 Rimland Drive, Suite 301
Bellingham, WA**

(Address of principal executive offices)

98226

(Zip Code)

Registrant's telephone number, including area code: (360) 685-4206

Securities registered pursuant to section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.00001 per share	EXPI	NASDAQ

Securities registered pursuant to section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.

Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Non-accelerated filer

Emerging growth company

Accelerated filer

Smaller reporting company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act).

Yes No

Based on the registrant's closing price of \$11.08 as quoted on the Nasdaq on December 31, 2022, the aggregate market value of the voting and nonvoting common equity held by non-affiliates of eXp World Holdings, Inc. was approximately \$716.6 million. The number of shares of the registrant's \$0.00001 par value common stock outstanding as of December 31, 2022 was 152,839,239.

DOCUMENTS INCORPORATED BY REFERENCE The registrant intends to file a definitive proxy statement pursuant to Regulation 14A within 120 days after the end of the fiscal year ended December 31, 2022. Portions of such proxy statement are incorporated by reference into Part III of this Form 10-K. Portions of the Registrant's Annual Report on Form 10-K for the fiscal year ended December 31, 2021 are incorporated into Part I, Item 1 and Part II, Item 7, of this Form 10-K.

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FORWARD-LOOKING STATEMENTS

This Annual Report and our other public filings contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not based on historical facts but rather represent current expectations and assumptions of future events. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

Many of these risks and other factors are beyond our ability to control or predict. Forward-looking statements can be identified by words such as "believe," "expect," "anticipate," "estimate," "project," "plan," "should," "intend," "may," "will," "could," "can," "would," "potential," "seek," "goal" and similar expressions. These risks and uncertainties, as well as other risks and uncertainties that could cause our actual results to differ significantly from management's expectations, are described in greater detail in Item 1A, "Risk Factors"; Item 3, "Legal Proceedings," Item 7, "Management's Discussion and Analysis of Financial Condition and Results of Operations." and Item 9A. "Controls and Procedures – Inherent Limitations on Effectiveness of Controls."

Forward-looking statements are based on currently available operating, financial and market information and are inherently uncertain. Investors should not place undue reliance on forward-looking statements, which speak only as of the date they are made and are not guarantees of future performance. Actual future results and trends may differ materially from such forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statements whether as a result of new information, future developments or otherwise, except as may be required by law.

PART I

Item 1. BUSINESS

General

eXp World Holdings, Inc. (“eXp,” or, collectively with its subsidiaries, the “Company,” “we,” “us,” or “our”) owns and operates a diversified portfolio of service-based businesses whose operations benefit substantially from utilizing our enabling technology platform. We strategically prioritize our efforts to grow our real estate brokerage by strengthening our agent value proposition, developing immersive and cloud-based technology to enable our model and providing affiliate and media services supporting those efforts.

The following are changes in our business in the most recent fiscal year:

Real Estate Brokerage Expansion – In addition to maintaining operations in all locations, in 2022 the Company continued its international growth with expansion into the Dominican Republic, Greece, New Zealand, Chile and Poland. In addition, in late 2022, we announced operations in Dubai, which is expected to be fully operational in 2023. Except for certain employees who hold active real estate licenses, virtually all our real estate professionals are independent contractors.

Recent Acquisition – On July 1, 2022, the Company acquired Zoocasa Realty Inc. –, an Ontario, Canada company (“Zoocasa”). Zoocasa’s key product is a consumer real estate research portal that offers proprietary home search tools, market insights and a connection to local real estate experts. Zoocasa has been included in the North American Realty segment since its key asset, Zoocasa.com, provides quality real estate referrals for the North American real estate markets.

New Programs and Services – During 2022, the Company launched various new ancillary programs and services to support the development and success of its agents, brokers and customers, including eXp Luxury™, Revenos™, SUCCESS® Health and SUCCESS® Coaching.

Details regarding the development of our businesses prior to 2022 are incorporated by reference herein from Part I of our Annual Report on Form 10-K dated February 25, 2022 (Commission File No. 001-38493).

Business Segments

Due to growth in international operations and changes to the North American markets, the Company began operating and managing the Company as four operating and reportable business segments beginning in December 2022, in order to increase our management effectiveness. The reportable segments are North American Realty, International Realty, Virbela and Other Affiliated Services. Our business segments bring together related eXp technologies and services to support the success and development of agents, entrepreneurs and businesses and provide them remote business solutions.

Both the North American Realty and the International Realty segments generate revenue primarily by serving as a licensed broker for the purpose of processing residential and commercial real estate transactions, from which we earn commissions. The Company in turn pays a portion of the commissions earned to the real estate agents and brokers. eXp offers an innovative cloud-based brokerage model, which reduces costs to our agents and brokers. The model features low entry fees, stock ownership opportunities for agents and brokers and a revenue sharing plan through which agents and brokers can earn commission from transactions conducted by agents and brokers they’ve attracted to eXp.

- *North American Realty:* Together with our other real estate brokerage subsidiaries, eXp Realty, LLC (“eXp Realty”) is a leading, rapidly growing, cloud-based real estate brokerage company in the United States and Canada. We disrupt the traditional real estate model within the markets in which we operate for the benefit of agents and brokers through innovation, use of cloud-based technology and development of world-class agent and broker attraction and retention practices. In 2022, we devoted significant efforts to the ongoing expansion of eXp Solutions™ for our agents, including the launch of Revenos™ and the development and improvement of proprietary software to source quality leads for agents. Our North American Realty segment also includes lead-generation and other real estate support services in North America and Canada. The United States and Canada operating segments are aggregated into one operating segment due to similarities in the markets, economics and management strategy.
- *International Realty:* We expanded our business into Australia and the United Kingdom in 2019, into South Africa, India, Mexico, Portugal and France, during 2020 and into Puerto Rico, Brazil, Italy, Hong Kong, Colombia, Spain, Israel, Panama and Germany in 2021. During 2022 we commenced operations in The Dominican Republic, Greece, New Zealand, Chile and Poland. In addition, in late 2022, we announced operations in Dubai, which are expected to be fully operational in 2023. Throughout our international operations, we disrupt the traditional real estate model for the benefit of agents and

brokers through innovation, use of cloud-based technology and development of world-class agent and broker attraction and retention practices.

- *Virbela*: We operate over the internet and rely on cloud-based technologies to provide our residential real estate brokerage services. Our brokers and agents leverage our technology, services, data, lead generation and marketing tools to represent residential real estate buyers and sellers. Among other technologies we use to operate our business, our proprietary 3D, fully-immersive, cloud office, has virtual conference rooms, training centers and individual offices in which our management, employees, agents and brokers all work on a daily basis learning from, sharing with, transacting business with and socializing with colleagues from different geographic regions by utilizing avatars in the Virbela platform. Virbela is an immersive technology company that specializes in building virtual worlds and environments for work, education and events. Its portfolio of metaverse and virtual reality (VR) offerings includes Virbela® and Frame™. eXp Realty created a virtual campus – called eXp World – using Virbela’s software which provides 24/7 access to collaboration tools, training and social communities for the company’s real estate agents and employees across our many locations.
- *Other Affiliated Services*: Includes key assets such as SUCCESS® magazine, SUCCESS® Coaching and SUCCESS® Health, which provide training, classes, resources, and tools to empower our agents, brokers, staff, and customers to excel and empower their professional development.

Markets and Customers

Real Estate Brokerage: Our clients are primarily residential homeowners and homebuyers in the markets in which we operate as serviced by our international network of independent agents and brokers. These customers are sellers or purchasers of new or existing homes and engage us to aid in the facilitation of the closing of the real estate transaction, including, but not limited to, searching, listing, application processing and other pre- and post-close support. Our experienced agents and brokers are well suited to support our customers’ needs with a high level of professionalism, knowledge and support as they endeavor on one of the largest transactions they will most likely experience.

Our North American Realty segment is comprised of operations in the U.S. and Canadian residential real estate markets. Through our network of independent agents and brokers, we have brokerages in all 50 states in the U.S. residential real estate market and residential real estate markets in most of the Canadian provinces. The U.S. residential real estate market for existing homes, seasonally adjusted, accounted for approximately 4.02 million homes sold with a median existing home sales price of \$0.4 million in 2022, based on data released by the National Association of Realtors.

Our International Realty segment operates in the U.K., Australia, South Africa, India, Mexico, Portugal, France, Puerto Rico, Brazil, Italy, Hong Kong, Colombia, Spain, Israel, Panama and Germany, the Dominican Republic, Greece, New Zealand, Chile and Poland. In late 2022, we announced operations in Dubai, which is expected to be fully operational in 2023. Our International Realty segment represented 0.8% of total consolidated revenues in 2022.

Virbela: Our innovative technologies are used primarily by our brokerage real estate agents and their clients within our U.S., Canadian and international markets. Additionally, eXp World Technologies, LLC (“World Tech”) has continued to innovate the Virbela portfolio, expanding the product offering to agents, teams and other global companies and organizations who can benefit from having their own, always-on virtual environment for workplace collaboration.

Other Affiliated Services: We provide affiliated services to our agents, brokers and customers that support their professional efforts and personal betterment. Under its ownership, the Company has built upon SUCCESS® magazine and its related media properties to develop a robust SUCCESS® brand of innovative personal and professional development tools, including SUCCESS® Health, SUCCESS® Coaching and SUCCESS® Space.

Competition

Our real estate brokerage competes with local, regional, national and international residential real estate brokerages with respect to the sale of homes and to attract and retain agents, teams of agents, brokers and consumers – both home sellers and buyers. We compete primarily on the basis of our service, culture, collaboration, utilization of cloud-based systems and technologies that reduce costs, while providing relevant and substantial professional development opportunities for our agents and brokers with an opportunity to generate more business and participate in the growth of our company.

Residential real estate brokerage companies typically realize revenues in the form of a commission based on a percentage of the price of each home purchased or sold, which can vary based on industry standards, geographical location and specific customer-agent negotiations, among other factors. Therefore, variability in the commissions earned in the real estate industry exists based on general economic and market factors, as well as price and volume of homes sold. When home prices and the volume of home sale transactions increase (decrease), commissions generally will also increase (decrease). However, we are positioned to earn

commissions on either – or both – of the buy side or sell side of residential real estate transactions, as well as the ability to receive other fees for complementary services provided during the close process.

We believe that we are the only international real estate brokerage presently using a 3D immersive office environment in place of physical brick-and-mortar offices. Additionally, this innovative operational structure coupled with our distribution model allows us to effectively enter new markets with speed and flexibility and without much of the investment and cost associated with establishing a traditional brokerage. We also believe our compensation and incentive programs to attract and retain highly productive agents is one of the most compelling in the industry. As such, we believe that we are well-positioned in our competitive landscape.

Resources

Software Development

Our Company continues to increase our investment in the development of our own cloud-based transaction processing platforms and further expand our products and service offerings. We continue to create process efficiencies and provide our agents and brokers with mobile applications designed to facilitate transactions in an efficient and consumer friendly way. To further expand our products and service offerings, we offer an on-demand, home tour mobile application that enables home shoppers to request immediate access to properties exclusive to eXp Realty agents in certain markets.

Our operational model and growth strategies necessitate the proprietary technologies used to support our operations now and in the future, as well as requiring us to, at times, consider existing and emerging technology companies for acquisition, partnerships and other collaborative relationships.

Intellectual Property

Our cloud-based real estate brokerage is highly dependent on the proprietary technology that we employ and the intellectual property that we create. “eXp Realty” is one of our registered trademarks in the United States. We have also placed the marks “3D MLS”, “3D Listing Service” and “RE Tech Campus” on the United States Patent and Trademark Office’s Supplemental Register, among others. We also own the rights to key domain names used by our domestic and international brokerages: (e.g., <https://exprealty.com> and <https://exprealty.ca>). Additionally, we own registered trademarks and the rights to domain names which are leveraged in our other business segments and in connection with services that complement our real estate brokerage, such as the “SUCCESS” registered trademark and <https://success.com>. Other proprietary brands key to our suite of services include Revenos, eXp Luxury, SUCCESS Coaching and SUCCESS Health. We have also engaged various third parties to extend enterprise licenses for critical transaction management, CRM and other proprietary software.

While there can be no assurance that registered trademarks and other intellectual property rights will protect our proprietary information, we intend to assert our intellectual property rights against any infringement. Although any assertion of our rights could result in a substantial cost and diversion of management effort, we believe the protection and defense against infringement of our intellectual property rights are essential to our business.

Seasonality of Business

Seasons and weather traditionally impact the real estate industry in the markets in which we operate. Spring and summer seasons historically reflect greater sales periods and, in turn, higher revenues and operating results in comparison to fall and winter seasons. The Company has historically experienced higher revenue during the second and third quarters of its fiscal year due in part to seasonal industry patterns. By contrast, our technology and affiliate services segments experience generally consistent revenue during the year, with some increased adoption around the Company’s spring and fall events.

Government Regulation

Real Estate Regulation

We primarily serve the residential real estate industry, which is regulated by federal, international, state, provincial and local authorities as well as private associations or state sponsored associations or organizations. We are required to comply with federal, state, provincial and local laws, as well as private governing bodies’ regulations, which combined results in a highly-regulated industry.

We are also subject to federal, international, state and provincial regulations relating to employment, contractor and compensation practices. Except for certain employees who have an active real estate license, virtually all real estate professionals in our brokerage operations have been retained as independent contractors, either directly or indirectly through third-party entities formed by these independent contractors for their business purposes. With respect to these independent contractors, like most brokerage firms, we are subject to the Internal Revenue Service regulations, foreign regulations and applicable state and provincial

law guidelines regarding independent contractor classification. These regulations and guidelines are subject to judicial and agency interpretation.

Environmental Regulation

The Company operates in a cloud-based model which, gives us an insignificant physical geographical footprint. Due to this, we are not materially impacted by any environmental regulation.

Other Regulation

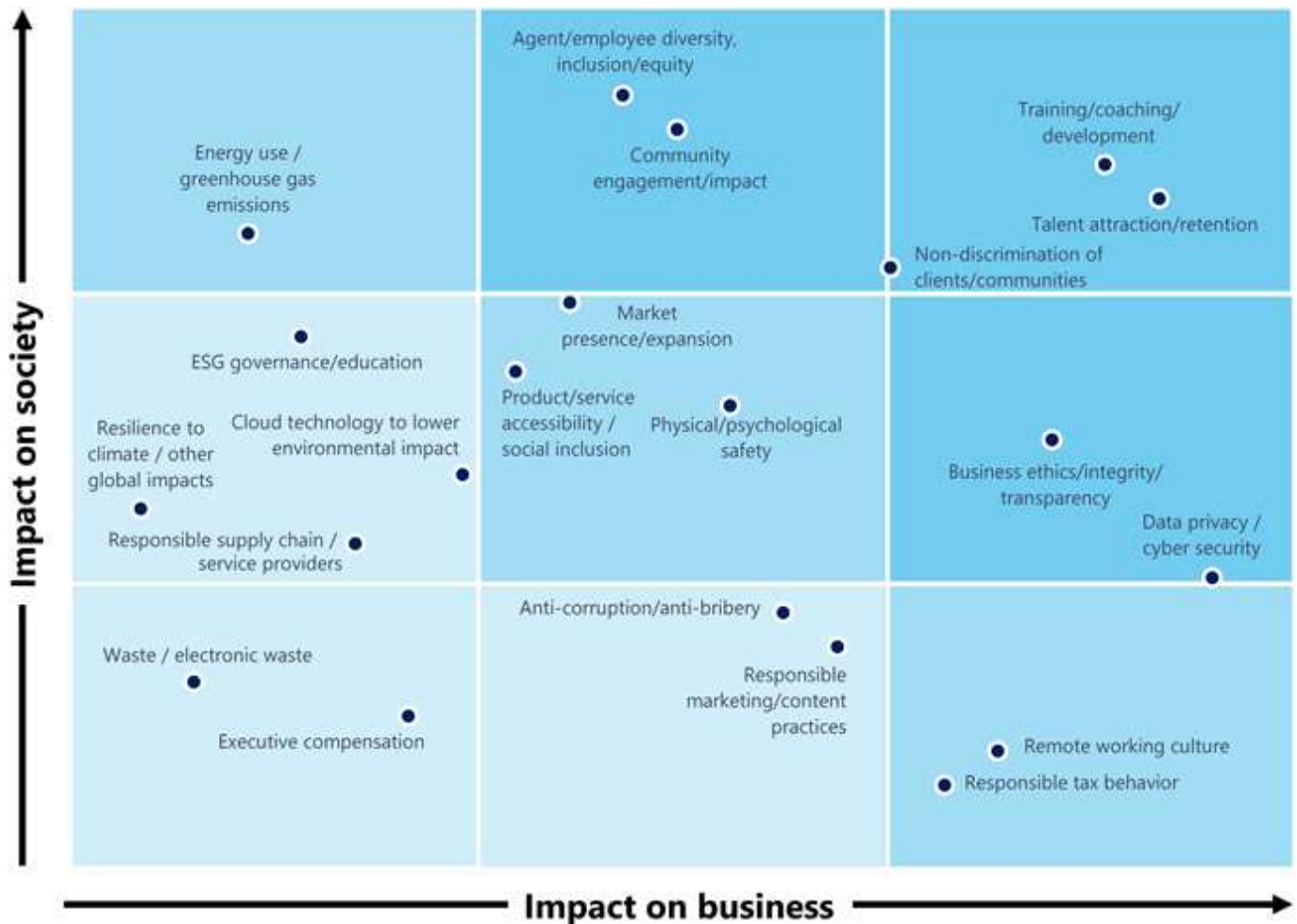
Our technology and affiliate services businesses operate in multiple geographies and industries which subject them to various governmental and non-governmental rules and regulations, including without limitation, franchising, fair trade, health and data privacy rules. As we expand into new businesses and markets, we assign and/or engage appropriate personnel to manage and comply with such requirements.

Environmental, Social and Governance Initiatives

As a company dedicated to disrupting the traditional industry model, eXp understands the importance of ingraining environmental, social and governance (ESG) best practices across the organization.

In 2022, we conducted an ESG materiality assessment with the assistance of an external consultant, GlobeScan, to identify the material ESG topics that have the greatest impact on the Company's success. Our approach included extensive desk research to identify the range of potential environmental, social, governance and economic issues that eXp might face. To refine and prioritize the issues, a series of 16 in-depth interviews were conducted with key internal and external stakeholders to understand their expectations and perceptions of eXp's business and environmental and social impacts. These interviews included a range of constituents such as eXp executives, agents, industry associations, investors, customers, academics and sustainability experts. Additionally, we conducted a data-driven analysis of issue areas through a structured online questionnaire. The company-wide survey was delivered in January 2023 to our leadership team, employees and agents. The objective of the survey was to assess and prioritize issues influencing eXp's business success.

The results of the materiality assessment were provided to the Company's Board and management to identify our key focus areas and to develop a strategy to address the material ESG topics identified in the assessment.



During 2022, the Company had various social initiatives, including the following:

- Community Involvement:** Our employees, agents and brokers are our best embodiment of the Company's commitment to community as a core value. Many of our employees, agents and brokers are involved in their own communities to support the betterment of lives. The Company also sponsors many community initiatives which are well attended by our employees, agents and brokers. The first week of October of each year is designated "I Heart eXp" week and employees, agents and brokers across the U.S. mobilize to take part in community charity initiatives. Beginning in May 2021, the Company entered into a joint initiative with New Story, an international nonprofit that pioneers solutions to end global homelessness, to build 100 homes in the Morelos region of Mexico after it suffered damages from a 7.1 magnitude earthquake. Many employees and agents donated directly to New Story as part of this effort and donations were matched by our founder and CEO Glenn Sanford up to \$300,000. Additionally, in 2021, eXp's affiliated nonprofit, eXtend-a-Hand, was granted 501(c)(3) status by the Internal Revenue Service. eXtend-a-Hand's mission is to provide financial assistance to independent agents of the Company who suffer catastrophic events, including, without limitation, natural disasters, illness and accidents and in the case of dependents or designated beneficiaries, the death of their independent agent family member. The Company is devoted to agent well-being and continued to expand the reach of eXtend-a-Hand during 2022.

- *Diversity and Inclusiveness:* We are committed to creating an equitable, diverse and inclusive culture for our employees, agents and brokers. Our Employee Experience team operates under the human resources department and supports this mission with diversity, equity and inclusion practices to support employee engagement and global collaboration. In 2019, we formed the ONE eXp initiative, which is an internal group available to our agents, brokers and employees to discuss, promote and propose business actions that encourage diversity, equity, belonging and inclusion. ONE eXp is also an important vehicle by which we connect diverse agents and brokers with clients identifying as and/or seeking out diverse representation in their home purchase or selling journey. Since its inception, ONE eXp has formed many dedicated subgroup networks, including networks for agents, brokers and employee promoting and/or identifying as Latino, South Asian, Asian, Middle Eastern, Black, LGBTQIA+, Women, senior, young professional and/or person with disabilities and new groups are being added regularly.

Human Capital

Our employees, including our brokers and our independent contractor real estate agents, represent the human capital investments imperative to our operations. As of December 31, 2022, the Company had approximately 2,016 full-time equivalent employees and 86,203 real estate agents. Our employees are not members of any labor union and we have never experienced business interruptions due to labor disputes. We also utilize part-time and temporary employees and consultants when necessary; in many of our foreign markets we rely on the use of indirect employment structures where personnel providing certain services to the foreign entities are employed by a contractor of the Company and are not employed by the Company.

Management: Our operations are overseen directly by management. Our management oversees all responsibilities in the areas of corporate administration, business development and technological research and development. We have successfully expanded our current management to retain skilled employees with experience relevant to our business and intend to continue with this initiative. Our management's relationships with agents, brokers, technology providers and customers will provide the foundation through which we expect to grow our business in the future. We believe the skill set of our management team will be a primary asset in the development of our brands and trademarks.

Talent and Culture: Our business is driven by nine core values of community, sustainability, integrity, service, collaboration, innovation, transparency, agility and fun. At eXp, these core values are manifested throughout everything we do and support the Company's overall vision and shape our culture. We believe that our ongoing success is attributable in large part to our eXp employees who work across the U.S. and internationally in the cloud environment to support our agent-centric business model and core values. Attracting and retaining employee talent is a high priority for us and we look to hire passionate and driven individuals who want to be a part of our mission to continue to grow the brokerage and our related suite of services. We also value transparency and are committed to an open and accountable workplace where employees are empowered to raise issues. The Company provides multiple channels to speak up, ask for guidance and report concerns. eXp has been named one of the Best Places to Work on Glassdoor for each of the years 2019 through 2022. In 2021 and 2022, we were named as one of the Top 100 Companies to Watch for Remote Jobs by FlexJobs.

Health & Safety: Our employees operate in a fully remote environment and are located across the U.S. and internationally. During 2022, our human resources department expanded on our existing health and safety benefit offerings to support the health and safety of our employees in their remote work environments.

Independent Agent and Broker Support: We provide entrepreneurial business opportunities and a competitive compensation structure to our agents and brokers. Additionally, our agents and brokers have a unique choice to attain a greater vested interest in eXp through the acceptance of equity awards in eXp stock as part of their compensation packages. These programs and our agent support platforms – including training, back-office support and communications – allow agents and brokers to successfully operate their own businesses that are aligned with our strategies and goals, creating synergies across our distribution network. We believe it is critical to our success that agent voices are heard at every level of the Company, including management, whose mission is supported by our Agent Advisory Council. Refer to our Agent Advisory Council section of our website at <https://expworldholdings.com/agent-advisory-council/> for information on agent participation in the management of eXp. Information contained on our website is not incorporated by reference into this report.

As the Company grows, management continually researches new directives and implementation efforts for the long-term success of the Company.

Available Information

The Company's Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (as amended, the "Exchange Act"), are filed with the U.S. Securities and Exchange Commission (the "SEC"). Such reports and information for the

previous twelve-months are available free of charge through our website at www.expworldholdings.com/investors/sec-filings/. Additionally, the SEC maintains an internet website that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC. The public can obtain any documents that we file with the SEC at www.sec.gov.

Our Company also uses the following channels as a means of disclosing information about the Company on a broad, non-exclusionary basis, including information about our brokerage, upcoming investor and industry conferences, our planned financial and other announcements and other matters and for complying with our disclosure obligations under Regulation FD:

eXp website (www.expworldholdings.com)
eXp Realty Twitter Account (<https://twitter.com/eXpRealty>)
eXp World Holdings Twitter Account (<https://twitter.com/eXpWorldIR>)
eXp Realty Facebook Page (<https://www.facebook.com/eXpRealty>)
eXp World Holdings Facebook Page (<https://www.facebook.com/eXpWorldHoldings>)
eXp Realty Instagram Page (https://www.instagram.com/eXpRealty_)
eXp World Holdings Instagram Page (<https://www.instagram.com/eXpWorldHoldings>)

Please note that this list may be updated from time to time. The contents of any website referred to in this Annual Report on Form 10-K are not intended to be incorporated into this Annual Report on Form 10-K or in any other report or document we file with the SEC and any references to our websites are intended to be inactive textual references only.

Item 1A. RISK FACTORS

In addition to the other information set forth in this report, you should carefully consider the following factors, which could materially affect our business, financial condition or results of operations in future periods. The risks described below are not the only risks facing our Company. Additional risks not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or results of operations in future periods. You should carefully consider the risk factors described below, together with all of the other information in this Annual Report on Form 10-K, including our consolidated financial statements and notes thereto and the "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of the Company's Annual Report on Form 10-K. Certain statements in this Annual Report on Form 10-K are forward-looking statements. See the section of this Annual Report on Form 10-K titled "Forward-Looking Statements."

Risks Related to Our Industries

Our profitability is tied to the strength of the residential real estate market, which is subject to a number of general business and macroeconomic conditions beyond our control.

Our profitability is closely related to the strength of the residential real estate market, which is cyclical in nature and typically is affected by changes in national, state and local economic conditions, which are beyond our control. Macroeconomic conditions that could adversely impact the growth of the real estate market and have a material adverse effect on our business include, but are not limited to, economic slowdown or recession, increased unemployment, increased energy costs, reductions in the availability of credit or higher interest rates, increased costs of obtaining mortgages, an increase in foreclosure activity, inflation, disruptions in capital markets, declines in the stock market, adverse tax policies or changes in other regulations, lower consumer confidence, lower wage and salary levels, war or terrorist attacks, natural disasters or adverse weather events, or the public perception that any of these events may occur. Unfavorable general economic conditions, such as a recession or economic slowdown, in the U.S., Canada, or other markets we enter and operate within, could negatively affect the affordability of and consumer demand for, our services, which could have a material adverse effect on our business and profitability. In addition, international, federal and state governments, agencies and government-sponsored entities such as Fannie Mae, Freddie Mac and Ginnie Mae could take actions that result in unforeseen consequences to the real estate market or that otherwise could negatively impact our business.

Monetary policies of the U.S. federal government and its agencies may have a material adverse impact on our operations.

The U.S. real estate market is substantially reliant on the monetary policies of the U.S. federal government and its agencies and is particularly affected by the policies of the Federal Reserve Board, which regulates the supply of money and credit in the U.S., which, in turn impacts interest rates. Our business could be negatively impacted by any rising interest rate environment. As mortgage rates rise, the number of home sale transactions may decrease as potential home sellers choose to stay with their lower mortgage rate rather than sell their home and pay a higher mortgage rate with the purchase of another home. Similarly, in higher interest rate environments, potential home-buyers may choose to rent rather than pay higher mortgage rates. Changes in the

interest rate environment and mortgage market are beyond our control and are difficult to predict and, as such, could have a material adverse effect on our business and profitability.

General changes in consumer attitudes and behaviors could negatively impact homesale transaction volume.

The real estate market is affected by changes in consumer attitudes and behaviors, including as a result of changing attitudes toward and behaviors related to home ownership. Certain real estate markets have or may experience a decline in homeownership based on changing social behaviors, including as a result of declining marriage and birth rates. Because of these changing attitudes and behaviors, consumers may be more or less likely to prefer renting a home versus purchasing a home. In the event consumer attitudes and behaviors in any of our markets cause a declining interest in home purchasing, it may adversely impact the volume of home sale transactions closed by our brokers and agents and, as such, could have a material adverse effect on our business and profitability.

Home inventory levels may result in excessive or insufficient supply, which could negatively impact home sale transaction growth.

Home inventory levels have been meaningfully declining or increasing in certain markets and price points in recent years. In both instances, homeowners are more likely to retain their homes for longer periods of time resulting in a negative impact on home sale volume growth. Insufficient home inventory levels can cause a reduction in housing affordability, which can result in potential home buyers deferring entry or reentry into the residential real estate market. Alternatively, excessive home inventory levels can contribute to a reduction in home values, which can result in some potential home sellers deferring entry into the residential real estate market. These inventory trends are caused by many pressures outside of our control, including slow or accelerated new housing construction, macroeconomic conditions, real estate industry models that purchase homes for long-term rental or corporate use and other market conditions and behavioral trends discussed herein. In January 2022, the U.S. reported a record low for home inventory levels, which remained low through the remainder of 2022. Continuing constraints on home inventory levels may adversely impact the volume of home sale transactions closed by our brokers and agents and, as such, could have a material adverse effect on our business and profitability.

Material decreases in the average brokerage commission rate, due to conditions beyond our control, could materially adversely affect our financial results.

There are many factors that contribute to average broker commission rates that are beyond our control. Factors that can contribute to a material decrease in brokerage commissions include regulation, a rise in discount brokers and agents, increased adoption of flat fees, commission models with more competitive rates, rebates or lower commission rates on transactions, as well as other competitive factors. The average broker commission rate for a real estate transaction is a key determinant of our profitability and a material decrease in brokerage commission rates could have a material adverse effect on our business and profitability.

Our operating results are subject to seasonality and vary significantly among quarters during each calendar year, making meaningful comparisons of successive quarters difficult.

Seasons and weather traditionally impact the real estate industry. Continuous poor weather or natural disasters negatively impact listings and sales. Spring and summer seasons historically reflect greater sales periods in comparison to fall and winter seasons. We have historically experienced lower revenues during the fall and winter seasons, as well as during periods of unseasonable weather, which reduces our operating income, net income, operating margins and cash flow.

Real estate listings precede sales and a period of poor listings activity will negatively impact revenue. Past performance in similar seasons or during similar weather events can provide no assurance of future or current performance and macroeconomic shifts in the markets we serve can conceal the impact of poor weather or seasonality.

Home sales in successive quarters can fluctuate widely due to a wide variety of factors, including holidays, national or international emergencies, the school year calendar's impact on timing of family relocations, interest rate changes, speculation of pending interest rate changes and the overall macroeconomic market. Our revenue and operating margins each quarter will remain subject to seasonal fluctuations, poor weather and natural disasters and macroeconomic market changes that may make it difficult to compare or analyze our financial performance effectively across successive quarters.

Homesale transaction volume can be impacted by natural disasters and other climate-related interruptions.

Natural disasters are occurring more frequently and/or with more intense effects and may impact general population trends. Areas afflicted by natural disasters may experience a decline in home sale transaction volume due to home destruction and/or general population movement out of the afflicted area. Such events can make it difficult or impossible for home owners and builders to sell their homes and result in slowdowns in home sale transaction volume. Because the real estate industry relies on

home sale transactions, climate crises can exacerbate negative financial results for real estate companies operating in particularly affected areas.

Risks Related to our General Business and Operations

We may be unable to effectively manage rapid growth in our business.

We may not be able to scale our business quickly enough to meet the growing needs of our affiliated real estate professionals and if we are not able to grow efficiently, our operating results could be harmed. As the Company adds new real estate professionals, it will need to devote additional financial and human resources to improving its internal systems, integrating with third-party systems and maintaining infrastructure performance. In addition, we will need to appropriately scale our internal business systems and our services organization, including support of our affiliated real estate professionals as our workforce and agent network expand over time. Any failure of or delay in these efforts could cause impaired system performance and reduced real estate professional satisfaction. These issues could reduce the attractiveness of our Company to existing real estate professionals who might leave the Company, as well as resulting in decreased attraction of new real estate professionals. Even if we are able to upgrade our systems and expand our employees, such expansion may be expensive, complex and place increasing demands on our management. We could also face inefficiencies or operational failures as a result of our efforts to scale our infrastructure and we may not be successful in maintaining adequate financial and operating systems and controls as we expand. Moreover, there are inherent risks associated with upgrading, improving and expanding our information technology systems. We cannot be sure that the expansion and improvements to our infrastructure and systems will be fully or effectively implemented on a timely basis, if at all. These efforts may reduce revenue and our margins and adversely impact our financial results.

We may be unable to attract and retain additional qualified personnel.

To execute our business strategy, we must attract and retain highly qualified personnel. In particular, we compete with many other real estate brokerages for qualified brokers who manage our operations in each state. We must also compete with technology companies for developers with high levels of experience in designing, developing and managing cloud-based software, as well as for skilled service and operations professionals and we may not be successful in attracting and retaining the professionals we need. Additionally, in order to realize the potential benefits of acquisitions, we may need to retain employees from the acquired businesses or hire additional personnel to fully capitalize on the opportunities that such acquisitions may offer and we may not be successful in retaining or attracting such individuals following an acquisition. From time to time in the past we have experienced and we expect to continue to experience in the future, difficulty in hiring and retaining highly skilled employees with appropriate qualifications. Many of the companies with which we compete for experienced personnel have greater resources than we do. In addition, in making employment decisions, particularly in the software industry, job candidates often consider the value of the stock options or other equity incentives they are to receive in connection with their employment. If the price of our stock declines or continues to experience significant volatility, our ability to attract or retain key employees may be adversely affected. If we fail to attract new personnel or fail to retain and motivate our current personnel, our growth prospects could be severely harmed.

We have experienced net losses in recent years and, because we have a limited operating history, our ability to fully and successfully develop our business is unknown.

We had a history of operating at losses since our inception in October 2009 until the fourth quarter of 2020 and have had consecutive periods of income since that time. Our ability to realize consistent, meaningful revenues and profit over a sustained period has not been established over the long term and cannot be assured in future periods.

While we believe that we have made significant progress in revenue growth and managing our overhead by implementing our cloud-based technology strategy, our services must achieve broad market acceptance by consumers and we must continue to grow our geographical reach, attract more agents and brokers and increase the volume of our residential real-estate transactions. If we are unsuccessful in continuing to gain market acceptance, we will not be able to generate sufficient revenue to continue our business operations and could recognize future operating and net losses.

Despite our ongoing efforts to build revenue growth, both organically and through acquisitions and to control the anticipated expenses associated with the continued development, marketing and provision of our services, we may not be able to consistently generate significant net income and cash flows from operations in the future.

We may not be able to utilize a portion of our net operating loss or research tax credit carryforwards, which may adversely affect our profitability.

As of December 31, 2022, we had federal, state and foreign net operating losses carryforward due to prior years' losses. The pre-fiscal 2018 federal, certain state and foreign net operating losses will carry forward for a limited number of years. Federal, as well as, some state and foreign net operating losses generated in and after fiscal 2018, do not expire and can be carried forward indefinitely. We also have recorded federal research tax credits for the years 2019, 2020, 2021 and 2022 which will carry forward for 20 years and are expected to be fully utilized before expiration. A nominal portion of our net operating loss may expire, increasing future income tax liabilities which may adversely affect our profitability.

In addition, under Section 382 of the Internal Revenue Code of 1986, as amended, our ability to utilize net operating loss carryforwards or other tax attributes, in any taxable year, may be limited if we experience an "ownership change." A Section 382 "ownership change" generally occurs if one or more stockholders or groups of stockholders who own at least 5% of our stock increase their ownership by more than 50 percentage points over their lowest ownership percentage within a rolling three-year period. Similar rules may apply under state tax laws. It is possible that an ownership change, or any future ownership change, could have a material effect on the use of our net operating loss carryforwards or other tax attributes, which could adversely affect our profitability.

We could be subject to changes in tax laws and regulations that may have a material adverse effect in our business.

We operate and are subject to taxes in the United States and numerous other jurisdictions throughout the world. Changes to federal, state, local, or international tax laws on income, sales, use, indirect, or other tax laws, statutes, rules or regulations may adversely affect our effective tax rate, operating results or cash flows.

Our effective tax rate could increase due to several factors, including: changes in the relative amounts of income before taxes in the various jurisdictions in which we operate that have differing statutory tax rates; changes in tax laws, tax treaties and regulations or the interpretation of them, including the Tax Cuts and Jobs Act of 2017 (the "Tax Act") which requires research and experimental expenditures attributable to research conducted in the United States to be capitalized as of January 1, 2022 and amortized over a five-year period or expenditures attributable to research conducted outside the United States to be amortized over a 15 year period; the Inflation Reduction Act of 2022 which imposes a 1% non-deductible excise tax on repurchase of stock that are made by U.S. publicly traded corporations after December 31, 2022; changes to our assessment about our ability to realize our deferred tax assets that are based on estimates of our future results, the prudence and feasibility of possible tax planning strategies and the economic and political environments in which we do business; the outcome of current and future tax audits, examinations or administrative appeals; and limitations or adverse findings regarding our ability to do business in some jurisdictions.

In particular, new income, sales and use or other tax laws or regulations could be enacted at any time, which could adversely affect our business operations and financial performance. Further, existing tax laws and regulations could be interpreted, modified or applied adversely to us. For example, the Tax Act enacted many significant changes to the U.S. tax laws. Future guidance from the Internal Revenue Service and other tax authorities with respect to the Tax Act may affect us and certain aspects of the Tax Act could be repealed or modified in future legislation. In addition, it is uncertain if and to what extent various states will conform to the Tax Act or any newly enacted federal tax legislation. Changes in corporate tax rates, the realization of net operating losses and other deferred tax assets relating to our operations, the taxation of foreign earnings and the deductibility of expenses under the Tax Act or future reform legislation could have a material impact on the value of our deferred tax assets and could increase our future U.S. tax expense.

We intend to evaluate acquisitions, mergers, joint ventures or investments in third-party technologies and businesses, but we may not realize the anticipated benefits from and may have to pay substantial costs related to, any acquisitions, mergers, joint ventures, or investments that we undertake.

As part of our business and growth strategy, we evaluate acquisitions of, or investments in, a wide array of potential strategic opportunities, including third-party technologies and businesses, as well as other real estate brokerages. If we are not able to effectively integrate acquired businesses and assets or successfully execute on joint venture strategies, our operating results and prospects could be harmed. Since 2019, we have acquired new technology and operations and entered into various joint venture arrangements. We will continue to look for opportunities to acquire technologies or operations that we believe will contribute to our growth and development, including our July 2022 acquisition of Zoocasa. The success of our future acquisition strategy will depend on our ability to identify, negotiate, complete and integrate acquisitions. The success of our future joint venture strategies will depend on our ability to identify, negotiate, complete and successfully manage and grow joint ventures with other parties. In addition, acquisitions and joint ventures could cause potentially dilutive issuances of equity securities or incurrence of debt.

Acquisitions and joint ventures are inherently risky and any we complete may not be successful. Any acquisitions and joint ventures we pursue would involve numerous risks, including the following:

- difficulties in integrating and managing the operations and technologies of the companies we acquire, including higher than expected integration costs and longer integration periods;
- diversion of our management's attention from normal daily operations of our business;
- our inability to maintain the customers, key employees, key business relationships and reputations of the businesses we acquire;
- our inability to generate sufficient revenue or business efficiencies from acquisitions or joint ventures to offset our increased expenses associated with acquisitions or joint ventures;
- our responsibility for the liabilities of the businesses we acquire or gain ownership in through joint ventures, including, without limitation, liabilities arising out of their failure to maintain effective data security, data integrity, disaster recovery and privacy controls prior to the acquisition, their infringement or alleged infringement of third-party intellectual property, contract or data access rights prior to the acquisition, or failure to comply with regulatory standards applicable to new business lines;
- difficulties in complying with new markets or regulatory standards to which we were not previously subject;
- delays in our ability to implement internal standards, controls, procedures and policies in the businesses we acquire or gain ownership in through joint ventures and increased risk that our internal controls will be ineffective;
- operations in a nascent state depend directly on utilization by eXp Realty agents and brokers and new and existing customers;
- adverse effects of acquisition and joint venture activity on the key performance indicators we use to monitor our performance as a business; and
- inability to fully realize intangible assets recognized through acquisitions or joint ventures and related non-cash impairment charges that may result if we are required to revalue such intangible assets.

Our failure to address these risks or any other challenges we encounter with our future acquisitions, joint ventures and investments could cause us to not realize all or any of the anticipated benefits of such acquisitions, mergers, joint ventures or investments, incur unanticipated liabilities and harm our business, which could negatively impact our operating results, financial condition and cash flows.

Our international operations are subject to risks not generally experienced by our U.S. operations.

In addition to operating in Canada, we expanded our business into Australia and the United Kingdom in 2019 and into South Africa, India, Mexico, Portugal and France, during 2020 and into Puerto Rico, Brazil, Italy, Hong Kong, Colombia, Spain, Israel, Panama and Germany in 2021. During 2022 we commenced operations in the Dominican Republic, Greece, New Zealand, Chile and Poland and announced the opening of the Dubai market, which is expected to be fully operational in 2023. Our international operations are subject to risks not generally experienced by our U.S. operations. The risks involved in our international operations and relationships that could result in losses against which we are not insured and, therefore, affect our profitability include:

- fluctuations in foreign currency exchange rates;
- exposure to local economic conditions and local laws and regulations;
- employment laws that are significantly different than U.S. laws;
- diminished ability to legally enforce our contractual rights and use of our trademarks in foreign countries;
- difficulties in registering, protecting or preserving trade names and trademarks in foreign countries;
- restrictions on the ability to obtain or retain licenses required for operations;
- withholding and other taxes on third-party cross-border transactions as well as remittances and other payments by subsidiaries;
- onerous requirements, subject to broad interpretation, for indirect taxes and income taxes that can result in audits with potentially significant financial outcomes;
- changes in foreign taxation structures;
- compliance with the Foreign Corrupt Practices Act, the U.K. Bribery Act, or similar laws of other countries;
- uncertainties and effects of the implementation of the United Kingdom's withdrawal of its membership from the European Union (referred to as Brexit), including financial, legal and tax implications; and
- regional and country specific data protection and privacy laws including the European Union's General Data Protection Regulation ("GDPR").

In addition, activities of agents and brokers outside of the U.S. are more difficult and more expensive to monitor and improper activities or mismanagement may be more difficult to detect. Negligent or improper activities involving our agents and brokers may result in reputational damage to us and may lead to direct claims against us based on theories of vicarious liability, negligence, joint operations and joint employer liability which, if determined adversely, could increase costs and subject us to incremental liability for their actions.

Loss of our current executive officers or other key management could significantly harm our business.

We depend on the industry experience and talent of our current executives. We believe that our future results will depend in part upon our ability to retain and attract highly skilled and qualified management. The loss of our executive officers could have a material adverse effect on our operations because other officers may not have the experience and expertise to readily replace these individuals. To the extent that one or more of our top executives or other key management personnel depart from the Company, our operations and business prospects may be adversely affected. In addition, changes in executives and key personnel could be disruptive to our business.

Failure to protect intellectual property rights could adversely affect our business.

Our intellectual property rights, including existing and future trademarks, trade secrets, patents and copyrights, are important assets of the business. We have taken measures to protect our intellectual property, but these measures may not be sufficient or effective. We may bring lawsuits to protect against the potential infringement of our intellectual property rights and other companies, including our competitors, could make claims against us alleging our infringement of their intellectual property rights. There can be no assurance that we would prevail in such lawsuits. Any significant impairment of our intellectual property rights could harm our business.

Our business could be adversely affected if we are unable to expand, maintain and improve the systems and technologies which we rely on to operate.

As the number of agents and brokers in our company grows, our success will depend on our ability to expand, maintain and improve the technology that supports our business operations, including, but not limited to, our cloud office platform. Loss of key personnel or the lack of adequate staffing with the requisite expertise and training could impede our efforts in this regard. If our systems and technologies lack capacity or quality sufficient to service agents and their clients, then the number of agents who wish to use our products could decrease, the level of client service and transaction volume afforded by our systems could suffer and our costs could increase. In addition, if our systems, procedures or controls are not adequate to provide reliable, accurate and timely financial and other reporting, we may not be able to satisfy regulatory scrutiny or contractual obligations with third parties and may suffer a loss of reputation. Any of these events could negatively affect our financial position.

Our business, financial condition and reputation may be substantially harmed by security breaches, interruptions, delays and failures in our systems and operations.

The performance and reliability of our systems and operations are critical to our reputation and ability to attract agents, teams of agents and brokers into our company as well as our ability to service home-buyers and sellers. Our systems and operations are vulnerable to security breaches, interruption or malfunction due to events beyond our control, including natural disasters, such as earthquakes, fire and flood, power loss, telecommunication failures, break-ins, sabotage, computer viruses, intentional acts of vandalism and similar events. In addition, we rely on third-party vendors to provide the cloud office platform and to provide additional systems and related support. If we cannot continue to retain these services on acceptable terms, our access to these systems and services could be interrupted. Any security breach, interruption, delay or failure in our systems and operations could substantially reduce the transaction volume that can be processed with our systems, impair quality of service, increase costs, prompt litigation and other consumer claims and damage our reputation, any of which could substantially harm our financial condition.

Cybersecurity incidents could disrupt our business operations, result in the loss of critical and confidential information, adversely impact our reputation and harm our business.

Cybersecurity threats and incidents directed at us could range from uncoordinated individual attempts to gain unauthorized access to information technology systems to sophisticated and targeted measures aimed at disrupting business or gathering personal data of customers. In the ordinary course of our business, we and our agents and brokers collect and store sensitive data, including proprietary business information and personal information about our clients and customers. Our business and particularly our cloud-based platform, is reliant on the uninterrupted functioning of our information technology systems. The secure processing, maintenance and transmission of information are critical to our operations, especially the processing and closing of real estate transactions. Although we employ measures designed to prevent, detect, address and mitigate these threats (including access controls, data encryption, vulnerability assessments and maintenance of backup and protective systems), cybersecurity incidents, depending on their nature and scope, could potentially result in the misappropriation, destruction,

corruption, or unavailability of critical data and confidential or proprietary information (our own or that of third parties, including potentially sensitive personal information of our clients and customers) and the disruption of business operations. Any such compromises to our security could cause harm to our reputation, which could cause customers to lose trust and confidence in us or could cause agents and brokers to stop working for us. In addition, we may incur significant costs for remediation that may include liability for stolen assets or information, repair of system damage and compensation to clients, customers and business partners. We may also be subject to legal claims, government investigation and additional state and federal statutory requirements.

The potential consequences of a material cybersecurity incident include regulatory violations of applicable U.S. and foreign privacy and other laws, reputational damage, loss of market value, litigation with third parties (which could result in our exposure to material civil or criminal liability), diminution in the value of the services we provide to our customers and increased cybersecurity protection and remediation costs (that may include liability for stolen assets or information), which in turn could have a material adverse effect on our competitiveness and results of operations.

We are actively and intend to continue, developing new products and services complementary to our brokerage business and our failure to accurately predict their demand or growth could have an adverse effect on our business.

We are actively and intend in the future to continue, investing resources in developing new technology, services, products and other offerings complementary to our brokerage business. New business initiatives are inherently risky and may involve unproven business strategies and markets with which we have limited or no prior development or operating experience. Risks from these new initiatives include those associated with potential defects in the design, ongoing development and maintenance of technologies, reliance on data or user inputs that may prove inadequate or unavailable, failure to design products and services in a way that is more effective or affordable than competing third-party products and services and failure to scale businesses as they grow, among others. As a result of these risks, we could experience increased legal claims, reputational damage, financial loss or other adverse effects, which could be material. We can provide no assurance that we will be able to efficiently or effectively develop, commercialize and achieve market acceptance of new products and services. Additionally, the human and financial capital committed to develop new products and services may either be insufficient or result in expenses that exceed the revenue actually originated from these new products and services. In addition, our efforts to develop new products and services could distract management from current operations and could divert capital and other resources from our existing business, including our brokerage business. Failure to achieve the expected benefits of our investments may occur and could harm our business.

Risks Related to our Real Estate Business

We may be unable to maintain our agent growth rate, which would adversely affect our revenue growth and results of operations.

We have experienced rapid and accelerating growth in our real estate broker and agent base. During the year ended December 31, 2022, our agent and broker base grew to 86,203 agents and brokers, or by 21%, from 71,137 agents and brokers as of December 31, 2021. Because we derive revenue from real estate transactions in which our brokers and agents receive commissions, the amount and rate of growth of our revenue typically correlate to the amount and rate of growth of our agent and broker base, respectively. The rate of growth of our agent and broker base cannot be predicted and is subject to many factors outside of our control, including actions taken by our competitors and macroeconomic factors affecting the real estate industry in general. We cannot assure that we will be able to maintain our recent agent growth rate or that our agent and broker base will continue to expand in future periods. A slowdown in our agent growth rate would have a material adverse effect on revenue growth and could adversely affect our business, results of operations, financial condition and cash flows.

Inflation and rising interest rates have and may continue to contribute to declining real estate transaction volumes, which have and may continue to materially impact operating results, profits and cash flows.

Inflation and rising interest rates have generally impacted real estate transaction volumes in the U.S., Canada and other international markets. During 2022, the Company has experienced declining transaction volume, which has had an impact on operating results in the last few months of 2022. If we are not able to organically grow our market share, to offset the declining transactions, our operating results, profits and cash flow may be materially impacted in the event interest rates stay level or continue to rise. The Company believes that it continues to be well positioned for growth in the current economic climate, due to our strong base of agent support, along with our efficient operating model, with lower fixed costs and no brick-and-mortar locations.

If we fail to grow in the various local markets that we serve or are unsuccessful in identifying and pursuing new business opportunities our long-term prospects and profitability will be harmed.

To capture and retain market share in the various local markets that we serve, we must compete successfully against other brokerages for agents and brokers and for the consumer relationships that they bring. Our competitors could lower the fees that they charge to agents and brokers or could raise the compensation structure for those agents. Our competitors may have access

to greater financial resources than us, allowing them to undertake expensive local advertising or marketing efforts. In addition, our competitors may be able to leverage local relationships, referral sources and strong local brand and name recognition that we have not established. Our competitors could, as a result, have greater leverage in attracting new and established agents in the market and in generating business among local consumers. Our ability to grow in the local markets that we serve will depend on our ability to compete with these local brokerages.

We may implement changes to our business model and operations to improve revenues that cause a disproportionate increase in our expenses or reduce profit margins. For example, we may allocate resources to acquiring lower margin brokerage models and have invested in the development of a mortgage servicing division, a commercial real estate division, a title and escrow company, a mortgage lending company, a personal development company and a continuing education division. Expanding our service offerings could involve significant up-front costs that may only be recovered after lengthy periods of time. The barrier to entry in new real estate markets is low given our cloud-based operating model; however, attempts to pursue new business opportunities could result in a disproportionate increase in our expenses and in reduced profit margins. In addition, expansion into new markets and business lines, including internationally, could expose us to additional compliance obligations and regulatory risks. If we fail to continue to grow in the local markets we serve or if we fail to successfully identify and pursue new business opportunities, our long-term prospects, financial condition and results of operations may be harmed and our stock price may decline.

Our value proposition for agents and brokers includes allowing them to participate in the revenues of our Company and is not typical in the real estate industry. If agents and brokers do not understand our value proposition, we may not be able to attract, retain and incentivize agents.

Participation in our revenue sharing plan represents a key component of our agent and broker value proposition. Agents and brokers may not understand or appreciate its value due to the intricacies of our programs. In addition, agents may not appreciate other components of our value proposition, including the cloud office platform, the mobility it affords, the systems and tools that we provide to agents and brokers and the professional development opportunities we create and deliver. If agents and brokers do not understand the elements of our agent value proposition, or do not perceive it to be more valuable than the models used by most competitors, we may not be able to attract, retain and incentivize new and existing agents and brokers to grow our revenues.

Risks Related to our Virbela Business

The utilization of a 3D cloud-based immersive office as a suitable substitute for a physical brick-and-mortar location is a new and unproven strategy and we cannot guarantee that we will be able to operate and grow within its confines.

Currently, our cloud office adequately supports the needs of our agent population located across the markets we serve. We cannot guarantee that our cloud office platform will continue to support our agent population and meet our business needs as we grow. The effectiveness of our cloud office platform is tied to a number of variables at any given time, including server capacity and concurrent users. In addition, the use of the cloud office platform and the use generally of 3D immersive office environments as an acceptable substitute among agents and brokers for physical office locations is unproven. We cannot guarantee that industry rank and file will adopt or accept cloud-based 3D office environments as a substitute for a physical office environment in a sustainable, long-term manner.

If we do not remain an innovative leader in the real estate industry, we may not be able to grow our business and leverage our costs to achieve profitability.

Innovation has been critical to our ability to compete against other brokerages for clients and agents. For example, we have pioneered the utilization of a 3D immersive online office environment in the real estate market, which reduces our need for office space and facilitates the transaction of business away from an office. If competitors follow our practices or develop innovative practices, our ability to achieve profitability may diminish or erode. For example, certain other brokerages could develop or license cloud-based office platforms that are equal to or superior to ours. If we do not remain on the forefront of innovation, we may not be able to achieve or sustain profitability.

The market for internet products and services including, without limitation, 3D immersive experiences, virtual reality and augmented reality is characterized by rapid technological developments, evolving industry standards and consumer demands and frequent new product introductions and enhancements. The Company's future success will depend in significant part on its ability to continually improve the performance, features and reliability of its internet-based virtual environment, its tools and other properties in response to both evolving demands of the marketplace and competitive product offerings and there can be no assurance that the Company will be successful in doing so. In addition, the widespread adoption of new virtual reality and augmented reality applications through new technology developments could require fundamental changes in the Company's services.

Risks Related to Legal and Regulatory Matters

We offer our independent agents the opportunity to earn additional commissions through our revenue sharing plan, which pays under a multi-tiered compensation structure similar in some respects to network marketing. Network marketing is subject to intense government scrutiny and regulation and changes in the law, or the interpretation and enforcement of the law, might adversely affect our business.

Various laws and regulations in the United States and other countries regulate network marketing. These laws and regulations exist at many levels of government in many different forms, including statutes, rules, regulations, judicial decisions and administrative orders. Network marketing regulations are inherently fact-based and often do not include "bright line" rules. Additionally, we are subject to the risk that the regulations, or a regulator's interpretation and enforcement of the regulations, could change. From time to time, we have received requests to supply information regarding our revenue sharing plan to regulatory agencies. We could potentially in the future be required to modify our revenue sharing plan in certain jurisdictions in order to comply with the interpretation of the regulations by local authorities.

In the United States, the Federal Trade Commission ("FTC") has entered into several highly publicized settlements with network marketing companies that required those companies to modify their compensation plans and business models. Those settlements resulted from actions brought by the FTC involving a variety of alleged violations of consumer protection laws, including misleading earnings representations by the companies' independent distributors, as well as the legal validity of the companies' business model and distributor compensation plans. FTC determinations such as these have created an ambiguity regarding the proper interpretation of the law and regulations applicable to network marketing companies in the U.S. Although a consent decree between the FTC and a specific company does not represent judicial precedent, FTC officials have indicated that the network marketing industry should look to these consent decrees and the principles contained therein, for guidance. Additionally, following the issuance of these consent decrees, the FTC issued non-binding guidance to the network marketing industry, suggesting it was intending to reinforce the principles contained in the consent decrees and provide other operational guidance to the network marketing industry.

While we strive to ensure that our overall business model and revenue sharing plan, are regulatory compliant in each of our markets, we cannot assure you that a regulator, if it were to review our business, would agree with our assessment and would not require us to change one or more aspects of our operations. Any action against us in the future by the FTC or another regulator could materially and adversely affect our operations.

We cannot predict the nature of any future law, regulation, or guidance, nor can we predict what effect additional governmental regulations, judicial decisions, or administrative orders, when and if promulgated, would have on our business. Failure by us, or our independent agents, to comply with these laws, could adversely affect our business.

We face significant risk to our brand and revenue if we fail to maintain compliance with the law and regulations of federal, state, county and foreign governmental authorities, or private associations and governing boards.

We operate in a heavily regulated industry subject to complex, federal, state, provincial and local laws and regulations within the markets in which we operate and third-party organizations' regulations, policies and bylaws governing the real estate business.

In general, the laws, rules and regulations that apply to our business practices include, without limitation, the Real Estate Settlement Procedures Act ("RESPA"), the federal Fair Housing Act, the Dodd-Frank Act, the Exchange Act and federal advertising and other laws, as well as comparable state statutes; rules of trade organizations such as NAR, local MLSs and state and local AORs; licensing requirements and related obligations that could arise from our business practices relating to the provision of services other than real estate brokerage services, including without limitation, our mortgage lending services; privacy regulations relating to our use of personal information collected from the registered users of our websites; laws relating to the use and publication of information through the internet; and state real estate brokerage and mortgage lending licensing requirements, as well as statutory due diligence, disclosure, record keeping and standard-of-care obligations relating to these licenses.

Additionally, the Dodd-Frank Act contains the Mortgage Reform and Anti-Predatory Lending Act ("Mortgage Act"), which imposes a number of additional requirements on lenders and servicers of residential mortgage loans, by amending certain existing provisions and adding new sections to RESPA and other federal laws. It also broadly prohibits unfair, deceptive or abusive acts or practices and knowingly or recklessly providing substantial assistance to a covered person in violation of that prohibition. The penalties for noncompliance with these laws are also significantly increased by the Mortgage Act, which could lead to an increase in lawsuits against mortgage lenders and servicers.

As we expand our business into new international markets, including our existing international markets, we are subject to additional foreign governmental regulation. Ensuring compliance with these newly applicable laws could substantially increase our operating expenses. In addition, entry into these new markets exposes us to increased risk and liability. A violation of any of these applicable laws could have a material adverse effect on our business.

Maintaining legal compliance is challenging and increases our costs due to resources required to continually monitor business practices for compliance with applicable laws, rules and regulations and to monitor changes in the applicable laws themselves.

We may not become aware of all the laws, rules and regulations that govern our business, or be able to comply with all of them, given the rate of regulatory changes, ambiguities in regulations, contradictions in regulations between jurisdictions and the difficulties in achieving both company-wide and region-specific knowledge and compliance.

If we fail, or we have alleged to have failed, to comply with any existing or future applicable laws, rules and regulations, we could be subject to lawsuits and administrative complaints and proceedings, as well as criminal proceedings. Our noncompliance could result in significant defense costs, settlement costs, damages and penalties.

Our business licenses could be suspended or revoked, our business practices enjoined, or we could be required to modify our business practices, which could materially impair, or even prevent, our ability to conduct all or any portion of our business. Any such events could also damage our reputation and impair our ability to attract and service home-buyers, home sellers, agents, clients and customers as well our ability to attract brokerages, brokers, teams of agents and agents to our company, without increasing our costs.

Further, if we lose our ability to obtain and maintain all of the regulatory approvals and licenses necessary to conduct business as we currently operate, our ability to conduct business may be harmed. Lastly, any lobbying or related activities we undertake in response to mitigate liability of current or new regulations could substantially increase our operating expenses.

We may suffer significant financial harm and loss of reputation if we do not comply, cannot comply, or are alleged to have not complied with applicable laws, rules and regulations concerning our classification and compensation practices for the agents in our owned-and-operated brokerage.

Except for our employed state brokers and commission only employees, all real estate professionals in our brokerage operations have been retained as independent contractors, either directly or indirectly through third-party entities formed by these independent contractors for their business purposes. With respect to these independent contractors, like most brokerage firms, we are subject to the taxing authorities' regulations and applicable laws regarding independent contractor classification. These regulations and guidelines are subject to judicial and agency interpretation and it might be determined that the independent contractor classification is inapplicable to any of our affiliated real estate professionals. Further, if legal standards for classification of real estate professionals as independent contractors change or appear to be changing, it may be necessary to modify our compensation and benefits structure for our affiliated real estate professionals in some or all of our markets, including by paying additional compensation or reimbursing expenses.

In the future we could incur substantial costs, penalties and damages, including back pay, unpaid benefits, taxes, expense reimbursement and attorneys' fees, in defending future challenges by our affiliated real estate professionals to our employment classification or compensation practices.

We are subject to certain risks related to legal proceedings filed by or against us and adverse results may harm our business and financial condition.

We are subject to risk of and are from time to time involved in, or may in the future be subject to, claims, suits, government investigations and proceedings arising from our business, including actions with respect to securities, intellectual property, privacy, information security, data protection or law enforcement matters, tax matters, labor and employment, including claims challenging the classification of our agents and brokers as independent contractors and compliance with wage and hour regulations and claims alleging violations of RESPA or state consumer fraud statutes and commercial arrangements. We are also subject to risk related to shareholder derivative actions, standard brokerage disputes like the failure to disclose hidden defects in a property such as mold, vicarious liability based upon conduct of individuals or entities outside of our control, including our agents, brokers, third-party service or product providers and purported class action lawsuits.

We cannot predict with certainty the cost of defense, the cost of prosecution, insurance coverage or the ultimate outcome of litigation and other proceedings filed by or against us, including remedies or damage awards. Adverse results in such litigation and other proceedings may harm our business and financial condition. Class action lawsuits can often be particularly burdensome given the breadth of claims, large potential damages and significant costs of defense. In the case of intellectual property litigation and proceedings, adverse outcomes could include the cancellation, invalidation or other loss of material intellectual property rights used in our business and injunctions prohibiting our use of business processes or technology that is subject to third-party patents or other third-party intellectual property rights. In addition, we may be required to enter into licensing agreements (if available on acceptable terms) and be required to pay royalties. In the case of securities litigation and proceedings, adverse outcomes could include the cancellation, invalidation, or modification of our existing equity incentive program.

From time to time, we may become involved in lawsuits and legal proceedings which arise in the ordinary course of business. At present, we are not involved in any material pending legal proceedings and there are no proceedings in which any of our directors, officers or affiliates is an adverse party or has a material interest adverse to our interest.

We are and may, in the future, be blocked from or limited in providing our agent compensation plans in certain jurisdictions and may be required to modify our business model in those jurisdictions as a result.

Our agent compensation plans represent a key lever in our strategy to attract and retain independent agents and brokers and are subject to various international, federal, state, territorial and local laws, rules and regulations which differ in each of our existing and future markets. As a result, we are and may, in the future, be blocked from or limited in providing each of our agent compensation plans in certain markets. In addition, these laws, rules and regulations are subject to judicial and agency interpretation and it might be determined that our agent compensation plans are not permitted to be offered to independent contractors. In response to such limitations, we have and may, in the future, be required to modify our agent compensation practices in such markets. Failure to comply with applicable law, rules and regulations or failure to subsequently modify our business model in certain jurisdictions to effectively attract and retain agents and brokers could negatively affect our business, results of operations or financial condition. The costs attributable to developing compliant agent compensation plans can be significant and could adversely affect our financial condition.

If we fail to protect the privacy and personal information of our customers, agents or employees, we may be subject to legal claims, government action and damage to our reputation.

Hundreds of thousands of consumers, independent contractors and employees have shared personal information with us during the normal course of our business processing real estate transactions. This includes, but is not limited to, Social Security numbers, annual income amounts and sources, consumer names, addresses, telephone and cell phone numbers and email addresses. To run our business, it is essential for us to store and transmit this sensitive information in our systems and networks. At the same time, we are subject to numerous laws, regulations and other requirements that require businesses like ours to protect the security of personal information, notify customers and other individuals about our privacy practices and limit the use, disclosure, or transfer of personal data across country borders. Regulators in the U.S. and abroad continue to enact comprehensive new laws or legislative reforms imposing significant privacy and cybersecurity restrictions. The result is that we are subject to increased regulatory scrutiny, additional contractual requirements from corporate customers and heightened compliance costs. These ongoing changes to privacy and cybersecurity laws also may make it more difficult for us to operate our business and may have a material adverse effect on our operations. For example, the European Union's GDPR conferred new and significant privacy rights on individuals (including employees and independent agents) and materially increased penalties for violations. In the U.S., California enacted the California Consumer Privacy Act – which went into full effect in 2021 – imposing new and comprehensive requirements on organizations that collect and disclose personal information about California residents. In March 2017, the New York Department of Financial Services' cybersecurity regulation went into effect, requiring regulated financial institutions to establish a detailed cybersecurity program. Program requirements include corporate governance, incident planning, data management, system testing, vendor oversight and regulator notification rules. Now, other state regulatory agencies are expected to enact similar requirements following the adoption of the Insurance Data Security Model Law by the National Association of Insurance Commissioners that is consistent with the New York regulation.

Any significant violations of privacy and cybersecurity could result in the loss of new or existing business, litigation, regulatory investigations, the payment of fines, damages and penalties and damage to our reputation, which could have a material adverse effect on our business, financial condition and results of operations.

We could also be adversely affected if legislation or regulations are expanded to require changes in our business practices or if governing jurisdictions interpret or implement their legislation or regulations in ways that negatively affect our business, results of operations or financial condition.

In addition, while we disclose our information collection and dissemination practices in a published privacy statement on our websites, which we may modify from time to time, we may be subject to legal claims, government action and damage to our reputation if we act or are perceived to be acting inconsistently with the terms of our privacy statement, customer expectations or state, national and international regulations. Our policy and safeguards could be deemed insufficient if third parties with whom we have shared personal information fail to protect the privacy of that information.

The occurrence of a significant claim in excess of our insurance coverage or which is not covered by our insurance in any given period could have a material adverse effect on our financial condition and results of operations during the period. In the event we or the vendors with which we contract to provide services on behalf of our customers were to suffer a breach of personal information, our customers and independent agents could terminate their business with us. Further, we may be subject to claims to the extent individual employees or independent contractors breach or fail to adhere to Company policies and practices and such actions jeopardize any personal information. Our legal liability could include significant defense costs, settlement costs,

damages and penalties, plus, damage our reputation with consumers, which could significantly damage our ability to attract customers. Any or all of these consequences would result in a meaningful unfavorable impact on our brand, business model, revenue, expenses, income and margins.

In addition, concern among potential home-buyers or sellers about our privacy practices could result in regulatory investigations, especially in the European Union as related to the GDPR. Additionally, concern among potential home-buyers or sellers could keep them from using our services or require us to incur significant expense to alter our business practices or educate them about how we use personal information.

SUCCESS Lending and SUCCESS Franchising are new business initiatives with regulatory and compliance risks, many of which are beyond our control.

The SUCCESS Lending and SUCCESS Franchising businesses, both launched in 2021, have limited operating histories and have encountered and will continue to encounter risks, uncertainties, difficulties and expenses, including, without limitation, ongoing compliance with a complex and evolving regulatory environment. If we are not able to timely and effectively respond to these requirements, or if risks arise outside our reasonable ability to respond effectively, our business and financial condition may be harmed.

Additionally, SUCCESS Lending relies on third-party sources, including credit bureaus, for credit, identification, employment and other relevant information in order to review and select qualified borrowers. If this information becomes unavailable, becomes more expensive to access or is incorrect, our business may be harmed.

Risks Related to Our Stock

Glenn Sanford, our Chairman and Chief Executive Officer, together with Penny Sanford, a significant shareholder, Jason Gesing, a director and our Chief Industry Relations Officer and Gene Frederick, a director and agent, own a significant percentage of our stock and have agreed to act as a group on any matter submitted to a vote of our stockholders. As a result, the trading price for our shares may be depressed and they can take actions that may be adverse to the interests of our other stockholders.

On November 2, 2022, Glenn Sanford, Penny Sanford, Jason Gesing and Gene Frederick filed an amended Schedule 13D with the Securities and Exchange Commission, which disclosed that they beneficially owned approximately 51.73% of our outstanding common stock as of September 30, 2022 and that they had agreed to vote their shares as a group with respect to the election of directors and any other matter on which our shares of common stock are entitled to vote. This significant concentration of share ownership may adversely affect the trading price for our common stock because investors may perceive disadvantages in owning stock in a company with a controlling stockholder group. The group can significantly influence all matters requiring approval by our stockholders, including the election and removal of directors and any proposed merger, consolidation or sale of all or substantially all of our assets. In addition, due to his significant ownership stake and his service as our Principal Executive Officer and Chairman of the Board of Directors, Mr. Sanford controls the management of our business and affairs. Together, Messrs. Sanford, Gesing and Frederick hold three of our seven board seats. This concentration of ownership and control could have the effect of delaying, deferring, or preventing a change in control, or impeding a merger or consolidation, takeover or other business combination that could be favorable to our other stockholders.

We are a “controlled company” within the meaning of Nasdaq rules and, as a result, we qualify for and intend to rely on, exemptions from certain corporate governance requirements.

As of September 30, 2022, Glenn Sanford, Penny Sanford, Jason Gesing and Gene Frederick beneficially owned approximately 51.73% of the total combined voting power of our outstanding common stock. Accordingly, we qualify as a “controlled company” within the meaning of Nasdaq corporate governance standards.

Under Nasdaq rules, a company of which more than 50% of the voting power Nasdaq is held by an individual, group, or another company is a “controlled company” and may elect not to comply with certain Nasdaq corporate governance standards, including:

- the requirement that a majority of the members of our board of directors be independent directors;
- the requirement that our nominating and corporate governance committee be composed entirely of independent directors with a written charter addressing the committee’s purpose and responsibilities;
- the requirement that we have a compensation committee that is composed entirely of independent directors with a written charter for addressing the committee’s purpose and responsibilities; and
- the requirement for an annual performance evaluation of the nominating and corporate governance and compensation committees.

We intend to use these exemptions. As a result, we will not have a majority of independent directors, our compensation and our nominating and corporate governance committees will not consist entirely of independent directors and such committees may not be subject to annual performance evaluations. Consequently, our stockholders will not have the same protections afforded to stockholders of companies that are subject to all of the Nasdaq corporate governance rules and requirements. Our status as a controlled company could make our common stock less attractive to some investors or otherwise harm our stock price.

Because we can issue additional shares of common stock and because we issue stock under Equity Incentive Plans, our stockholders may experience dilution in the future.

We are authorized to issue up to 900,000,000 shares of common stock, of which 171,656,030 shares were issued and 152,839,239 shares were outstanding as of December 31, 2022. Additionally, the Company maintains a 2015 Equity Incentive Plan from which employees, agents, brokers and certain service providers of the Company and its affiliates can receive awards of the Company's common stock. As of December 31, 2022, there were 84,011,043 shares registered and authorized under the 2015 Equity Incentive Plan, of which 28,125,785 are available for future issuance. Our Board of Directors has the authority to cause us to issue additional shares of common stock without consent of any of our stockholders. Consequently, current stockholders may experience more dilution in their ownership of our common stock in the future.

The stock price of our common stock has been and likely will continue to be volatile and may decline in value regardless of our performance.

The market price for our common stock could fluctuate significantly for various reasons, many of which are outside our control, including those described above and the following:

- our operating and financial performance and prospects;
- future sales of substantial amounts of our common stock in the public market, including but not limited to shares we may issue as consideration for acquisitions or investments;
- housing and mortgage finance markets;
- our quarterly or annual earnings or those of other companies in our industry;
- the public's reaction to our press releases, other public announcements and filings with the SEC;
- changes in recommendations or analysis of our prospects by securities analysts who track our common stock;
- market and industry perception of our success, or lack thereof, in pursuing our growth strategy;
- strategic actions by us or our competitors, such as acquisitions or restructurings;
- actual or potential changes in laws, regulations and regulatory interpretations;
- changes in interest rates;
- changes in demographics relating to housing such as household formation or other consumer preferences toward home ownership;
- changes in accounting standards, policies, guidance, interpretations or principles;
- arrival and departure of key personnel;
- adverse resolution of new or pending litigation or regulatory proceedings against us; and
- changes in general market, economic and political conditions in the United States and global economies.

In addition, the stock markets have experienced periods of high price and volume fluctuations that have affected and continue to affect the market prices of the equity securities of many companies, including technology companies and real estate brokerages. Such price fluctuations can be unrelated or disproportionate to the operating performance of those companies. In the past, stockholders have instituted securities class action litigation following periods of market volatility. If we were to become involved in securities litigation, it could subject us to substantial costs, divert resources and the attention of management from our business and harm our business.

Because we may not pay any cash dividends on our shares of common stock in the near future, our stockholders may not be able to receive a return on their shares unless they sell them.

On August 4, 2021, the Company's Board of Directors declared and subsequently paid its first cash dividend. The Company then declared and paid subsequent dividends during each quarter of the fiscal year ended December 31, 2022. There is no assurance that future dividends will be paid and if dividends are paid, there is no assurance with respect to the amount of any such dividend. The declaration, payment and amount of any future dividends will be made at the discretion of the Board of Directors and will depend upon, among other things, the results of operations, cash flows and financial condition, operating and capital requirements

and other factors as the board of directors considers relevant. Unless we pay dividends, our stockholders will not be able to receive a return on their shares unless they sell them.

Delaware law and our organizational documents may impede or discourage a takeover, which could deprive our investors of the opportunity to receive a premium for their shares.

We are a Delaware corporation and the anti-takeover provisions of Delaware law impose various impediments to the ability of a third party to acquire control of us, even if a change of control would be beneficial to our existing stockholders. In addition, provisions of our amended and restated certificate of incorporation and amended and restated bylaws may make it more difficult for, or prevent a third party from, acquiring control of us without the approval of our Board of Directors. Among other things, these provisions:

- do not permit cumulative voting in the election of directors, which would otherwise allow less than a majority of stockholders to elect director candidates;
- delegate the sole power to a majority of the Board of Directors to fix the number of directors;
- provide the power to our Board of Directors to fill any vacancy on our Board of Directors, whether such vacancy occurs as a result of an increase in the number of directors or otherwise;
- eliminate the ability of stockholders to call special meetings of stockholders; and
- establish advance notice requirements for nominations for election to our Board of Directors or for proposing matters that can be acted on by stockholders at stockholder meetings.

The foregoing factors could impede a merger, takeover or other business combination or discourage a potential investor from making a tender offer for our common stock which, under certain circumstances, could reduce the market value of our common stock and our investors' ability to realize any potential change-in-control premium.

Item 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

Item 2. PROPERTIES

Our principal corporate office is located at 2219 Rimland Drive, Suite 301, Bellingham, WA and is leased office space. We also lease small office spaces in a number of regions in which we operate, in order to comply with regulatory and licensing requirements within those jurisdictions and, in certain instances, to provide office space to our managing brokers and drop-in space for our agents. In some of these instances, the managing brokers are financially responsible for a significant portion of the rental expense associated with a leased office space. We generally do not provide office space for the agents other than for drop-in service. We do not own any real property. We believe that leased facilities are adequate to meet current needs and that additional facilities will be available for lease to meet future needs.

Item 3. LEGAL PROCEEDINGS

Refer to Item 1A. – Risk Factors” and Part II, Item 8. Financial Statements and Supplementary Data, *Note 13 – Commitments and Contingencies* to the consolidated financial statements included elsewhere within this report for additional information on the Company's legal proceedings.

The Company believes that it has adequately and appropriately accrued for legal matters. We recognize expenses for legal claims when payments associated with the claims become probable and can be reasonably estimated.

Litigation and other legal matters are inherently unpredictable and subject to substantial uncertainties and adverse resolutions could occur. In addition, litigation and other legal matters, including class-action lawsuits, government investigations and regulatory proceedings can be costly to defend and, depending on the class size and claims, could be costly to settle. As such, the Company could incur judgments, penalties, sanctions, fines or enter into settlements of claims with liability that are materially in excess of amounts accrued and these settlements could have a material adverse effect on the Company's financial condition, results of operations or cash flows in any particular period.

Item 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

The common stock of eXp World Holdings, Inc. ("eXp", or, collectively with its subsidiaries, the "Company", "we", "us", or "our") is traded on the Nasdaq Global Market operated by Nasdaq, Inc. under the trading symbol "EXPI".

Trading in our common stock quoted on the Nasdaq Global Market is characterized by wide fluctuations in trading prices due to many factors, some of which may have little to do with our Company's operations or business prospects. We cannot assure investors that there will be a market for our common stock in the future.

Holders of Record

As of February 17, 2023, we had approximately 116,394 shareholders of record which hold shares of the Company's common stock. This does not include persons whose stock is in nominee or "street name" accounts through brokers.

Dividends

During 2022, the Company's Board of Directors declared the following dividends on its common stock:

<u>Declaration Date</u>	<u>Record Date</u>	<u>Payable Date</u>	<u>Per Share</u>
February 17, 2022	March 11, 2022	March 31, 2022	\$0.040
April 29, 2022	May 16, 2022	May 31, 2022	\$0.040
July 29, 2022	August 12, 2022	August 29, 2022	\$0.045
October 27, 2022	November 14, 2022	November 28, 2022	\$0.045

Payment of cash dividends is at the discretion of the Company's Board of Directors in accordance with applicable law after taking into account various factors, including our financial condition, operating results, current and anticipated cash needs and plans for growth. Under Delaware law, we can only pay dividends either out of surplus or out of the current or the immediately preceding year's earnings. Therefore, no assurance is given that we will pay any future dividends to our common stockholders, or as to the amount of any such dividends.

Purchases of Equity Securities by the Issuer and Affiliated Purchasers

We may repurchase shares of our common stock from time to time at prevailing market prices, depending on market conditions, through open market, privately negotiated transactions, or through a 10b5-1 plan. No date has been established for the completion of the share repurchase program and we are not obligated to repurchase any shares. Subject to applicable corporate securities laws, repurchases may be made at such times and in such amounts as management deems appropriate. Repurchases under the program can be discontinued at any time management feels additional repurchases are not warranted. Any shares repurchased under the program are returned to the status of authorized but unissued shares of common stock until retired.

Refer to *Note 10 – Stockholders' Equity* to the consolidated financial statements herein for more details regarding our stock repurchase program.

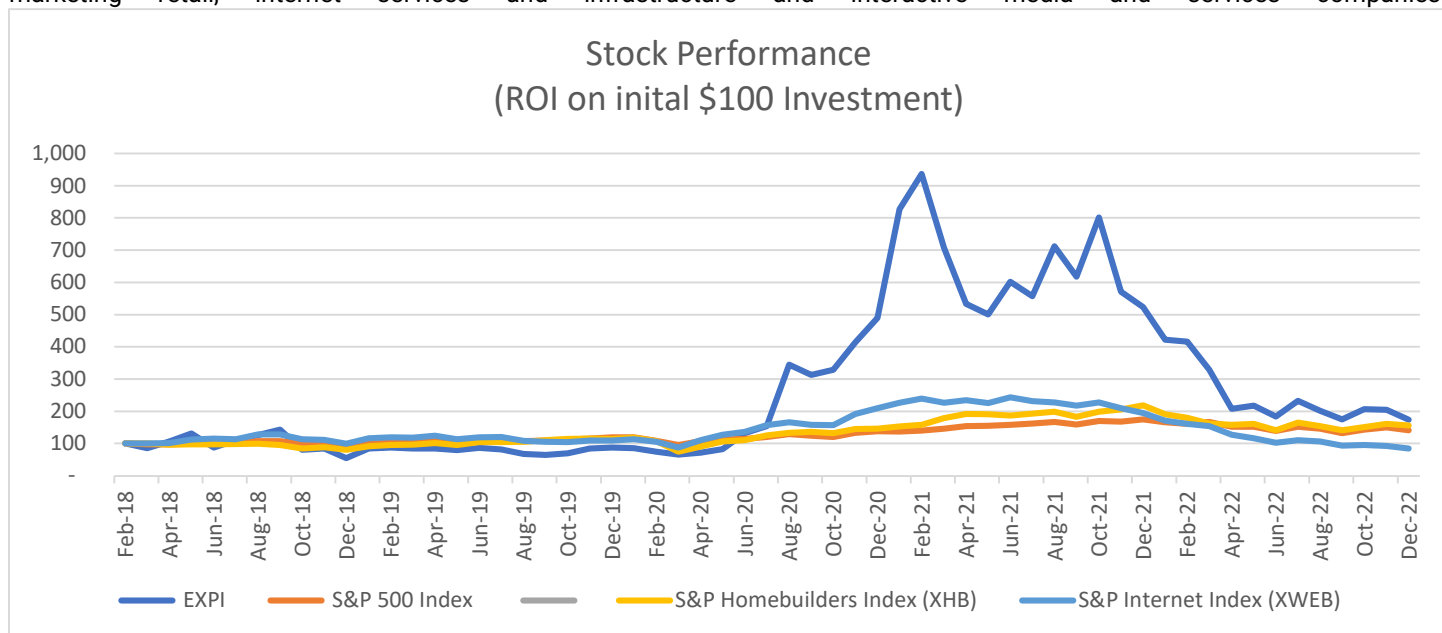
The following table provides information about repurchases of our common stock during the quarter ended December 31, 2022:

Period	Total number of shares purchased	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs ⁽¹⁾	Approximate dollar value of shares that may yet be purchased under the plans or programs
10/1/2022-10/31/2022	1,072,024	\$ 12.39	1,072,024	\$ 118,094,465
11/1/2022-11/30/2022	1,102,290	12.07	1,102,290	104,797,279
12/1/2022-12/31/2022	1,125,422	11.90	1,125,422	91,497,289
Total	3,299,736	\$ 12.12	3,299,736	

⁽¹⁾ In December 2018, the Company's board of directors approved a stock repurchase program authorizing the Company to purchase its common stock. In November 2019, the Board amended the repurchase program, increasing the total amount authorized to be purchased from \$25.0 million to \$75.0 million. In December 2020, the Board approved another amendment to the repurchase program, increasing the total amount authorized to be purchased from \$75.0 million to \$400.0 million. In May 2022, the Board approved an increase to the total amount of its buyback program from \$400.0 million to \$500.0 million. The stock repurchase program is more fully disclosed in Note 10 – Stockholders' Equity to the consolidated financial statements.

Company Stock Performance

The following graph compares the performance of our common stock to the Standard & Poor's ("S&P") 500 Index, the S&P Homebuilders Select Industry Index and the S&P Internet Select Industry Index by assuming \$100 was invested in each investment option as of February 28, 2018, which represents the month our common stock began trading on the Nasdaq. The S&P 500 Index is a capitalization-weighted index of domestic equities of the largest companies traded on the NYSE and Nasdaq. The S&P Homebuilders Select Industry Index is a diversified group of holdings representing home building, building products, home furnishings and home appliances. The S&P Internet Select Industry Index is comprised of U.S. equities of internet and direct marketing retail, internet services and infrastructure and interactive media and services companies.



Year	2018	2019	2020	2021	2022
EXPI	\$ 100.00	\$ 88.00	\$ 490.00	\$ 524.00	\$ 174.00
S&P 500 Index	100.00	119.00	138.00	176.00	141.00
S&P Homebuilders Index (XHB)	100.00	114.00	146.00	219.00	156.00
S&P Internet Index (XWEB)	100.00	109.00	209.00	195.00	85.00

Item 6. [RESERVED]

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS AND RESULTS OF OPERATIONS

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to inform the reader about material information relevant to an assessment of the financial condition and results of operations of eXp World Holdings, Inc. and its subsidiaries for the three-year period ended December 31, 2022. The following discussion should be read together with our consolidated financial statements and related notes included elsewhere within this report. This discussion contains forward-looking statements that constitute our estimates, plans and beliefs. Our actual results could differ materially from those anticipated in these forward-looking statements. See "Forward-Looking Statements" and "Item 1A. – Risk Factors" included elsewhere within this Annual Report on Form 10-K for a discussion of certain risks, uncertainties and assumptions associated with these statements.

This section generally discusses items pertaining to and comparisons of financial results between 2022 and 2021. Discussions of 2020 items and comparisons between 2021 and 2020 financial results can be found in "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2021 (the "2021 MD&A"). The 2021 MD&A is incorporated by reference herein from Part II, Item 7 of our Annual Report on Form 10-K dated February 25, 2022 (Commission File No. [001-38493](#)).

This MD&A is divided into the following sections:

- Overview
- Market Conditions and Industry Trends
- Segments
- Key Business Metrics
- Recent Business Developments
- Results of Operations
- Business Segment Disclosures
- Liquidity and Capital Resources
- Critical Accounting Policies and Estimates
- Non-U.S. GAAP Financial Measures

All dollar amounts are in USD thousands except share amounts and per share data and as otherwise noted.

OVERVIEW

eXp is a diversified portfolio of service-based businesses whose operations benefit substantially from utilizing our enabling technology platform. Effective in December 2022, the Chief Operating Decision Maker ("CODM") began managing the business and allocating resources as four separate operating segments. The change to business segments aligns with how the CODM assesses performance and allocates resources for the Company's business segments. Information provided herein reflects the impact of this change for all periods presented. See additional information in *Note 14 – Segment Information*.

eXp manages its operations in four operating business segments: North American Realty; International Realty; Virbela; and Other Affiliated Services.

While we do not consider acquisitions a critical element of our ongoing business, we seek opportunities to expand and enhance our portfolio of solutions.

Strategy

Our strategy is to grow organically in the North American and certain international markets by increasing our independent agent and broker network. Through our cloud-based operations and technology platform, we strive to achieve customer-focused efficiencies that allow us to increase market share and attain strong returns as we scale our business within the markets in which we operate. By building partnerships and strategically deploying capital, we seek to grow the business and enter attractive vertical and adjacent markets.

During 2022, we believe that we made progress towards achieving our strategic goals, including a 21% increase in our agent base year over year and an increase of 15% of real estate transactions year over year, as well as opening new business operations in six countries. The expected outcome of these activities will be to better position us to deliver on our full potential, to provide a platform for future growth opportunities and to achieve our long-term financial goals.

MARKET CONDITIONS AND INDUSTRY TRENDS

Our business is dependent on the economic conditions within the markets for which we operate. Changes in these conditions can have a positive or negative impact on our business. The economic conditions influencing the housing markets primarily include economic growth, interest rates, unemployment, consumer confidence, mortgage availability and supply and demand.

In periods of economic growth, demand typically increases resulting in higher home sales transactions and home sales prices. Similarly, a decline in economic growth, increasing interest rates and declining consumer confidence generally decreases demand. Additionally, regulations imposed by local, state and federal government agencies and geopolitical instability, can also negatively impact the housing markets for which we operate.

In 2022, the existing home sales market declined 16%, according to the National Association of Realtors ("NAR"), which is the lowest the market has been since 2014. Due to the increasing interest rates and increasing inflation, the market began a contraction trend beginning in the second quarter of 2022. According to NAR housing statistics, existing home sales continued to decline for the 11th straight month to a seasonally adjusted rate of 4.02 million in 2022, down 34.0% from the same period in 2021. NAR reported that pending home sales increased by 2.5% in December 2022 compared to November 2022, after six consecutive months of decreases. The pending home sales index measures housing contract activity and is based on signed real estate contracts for existing single-family homes and condos.

The Company believes that it continues to be well positioned for growth in the current economic climate. We have a strong base of agent support, which should drive organic market share growth, retention and productivity. Additionally, we have an efficient operating model with lower fixed costs driven by our cloud-based model, with no brick-and-mortar locations.

Regardless of whether the housing market continues to slow or grow, we continue to believe that we are positioned to leverage our low-cost, high-engagement model, affording agents and brokers increased income and ownership opportunities while offering a scalable solution to brokerage owners looking to prosper in a series of fluctuations in economic activity.

National Housing Inventory

Throughout 2022, increased mortgage interest rates and higher home prices have caused inventory levels, as measured in months of supply, to rise. Construction of new homes continues to slow also due to rising mortgage rates and the strained availability of labor and materials. According to NAR, inventory of existing homes for sale in the U.S. was 970,000 at the end of December 2022 compared to 910,000 at the end of December 2021.

Mortgage Rates

The sharp increase in mortgage rates is negatively impacting the demand for homebuying. Based on Freddie Mac data, the average rate for a 30-year, conventional fixed rate mortgage was 6.42% in December 2022 compared to 3.1% in 2021. As inflation continues to moderate into 2023, mortgage rates are expected to decline, which we expect to boost homebuyer demand and homebuilder sentiment.

Housing Affordability Index

According to NAR, the composite housing affordability index decreased to 95.5 for December 2022 (preliminary) from 142.2 for December 2021. As home prices and interest rates have increased, the housing affordability index has become unfavorable. When the index is above 100, it indicates that a family earning the median income has sufficient income to purchase a median-priced home, assuming a 20 percent down payment and ability to qualify for a mortgage. The unfavorable housing affordability index is due to increased mortgage rate conditions and low inventory levels, driving increases in the average home price.

Existing Home Sales Transactions and Prices

According to NAR, seasonally adjusted existing home sale transactions for the year ended December 2022 (preliminary) decreased to 4.02 million compared to 6.09 million for the year ended December 2021. NAR anticipates transactions to decrease slightly in 2023 due to higher mortgage rates.

According to NAR, nationwide existing home sales average price for December 2022 (preliminary) was \$366,900, up 2.3% from \$358,000 December 2021.

SEGMENTS

Historically, management made operating decisions and assessed performance based on product lines with three operating segments and one single reportable segment. Effective in December of 2022, as a result of the growth in international operations and changes in the North American markets, the Company revised the presentation of segment information to align with changes to how the CODM manages the business and allocates resources as four operating segments. The Company determines an

operating segment if a component (i) engages in business activities from which it earns revenues and incurs expenses, (ii) has discrete financial information and is (iii) regularly reviewed by the CODM, who is Glenn Sanford, Chief Executive Officer, eXp World Holdings and eXp Realty, to make decisions regarding resource allocation for the segment and assess its performance. Once operating segments are identified, the Company performs an analysis to determine if aggregation of operating segments is applicable. This determination is based upon a quantitative analysis of the current and historic revenues and profitability for each operating segment, together with a qualitative assessment to determine if operating segments have similar operating characteristics. Based on this analysis, in December 2022, we determined that there are four operating segments and three reportable segments.

The CODM uses Adjusted Segment EBITDA as a key metric to evaluate the operating and financial performance of a segment, identify trends affecting the segments, develop projections and make strategic business decisions.

The Company has four reportable segments as follows: North American Realty, International Realty and Virbela and Other Affiliated Services. We report corporate expenses, as further detailed below, as "Corporate expenses and other." All segments follow the same basis of presentation and accounting policies. See Note 2 of the Notes included herein for the Company's significant accounting policies.

Corporate expenses include costs incurred to operate the corporate parent of eXp, including expenses incurred in connection with strategic resources provided to the agents, as well as certain other centrally managed expenses that are not allocated to the operating segments, including administrative, brokerage operations and legal functions.

The following discussion focuses on the operating performance of the Company for the years ended December 31, 2022 and 2021 and the financial condition of the Company as of December 31, 2022.

KEY BUSINESS METRICS

Management uses our results of operations, financial condition, cash flows and key business metrics related to our business and industry to evaluate our performance and make strategic decisions.

The following table outlines the key business metrics that we periodically review to track the Company's performance:

	Year Ended December 31,		
	2022	2021	2020
Performance:			
Agent count	86,203	71,137	41,313
Transactions	511,859	444,367	238,981
Volume	\$ 187,252,204	\$ 156,101,836	\$ 72,206,457
Revenue	\$ 4,598,161	\$ 3,771,170	\$ 1,798,285
Gross profit	\$ 366,899	\$ 296,031	\$ 159,611
Gross margin (%)	8.0%	7.8%	8.9%
Adjusted EBITDA ⁽¹⁾	\$ 60,549	\$ 77,995	\$ 57,841

⁽¹⁾ Adjusted EBITDA is not a measurement of our financial performance under U.S. GAAP and should not be considered as an alternative to net income, operating income, or any other measures derived in accordance with U.S. GAAP. For a definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to net income, see "Non-U.S. GAAP Financial Measures".

Our strength is attracting real estate agent and broker professionals that contribute to our growth. Brokerage real estate transactions are recorded when our agents and brokers represent buyers and/or sellers in the purchase or sale, respectively, of a home. The number of real estate transactions are key drivers of our revenue and profitability. Real estate transaction volume represents the total sales value for all homes bought and sold by our agents and brokers and is influenced by several market factors, including, but not limited to, the pricing and quality of our services and market conditions that affect home sales, such as macroeconomic factors, local inventory levels, mortgage interest rates and seasonality. Real estate transaction revenue represents the commission revenue earned by the Company for closed brokerage real estate transactions.

We continue to increase our agents and brokers significantly in the United States and Canada through the execution of our growth strategies. We are continuing to expand our agent base internationally, as well. The rate of growth of our agent and broker base is difficult to predict and is subject to many factors outside of our control, including actions taken by our competitors and macroeconomic factors affecting the real estate industry in general.

Settled home purchases and sales transactions and volume resulted from closed real estate transactions and typically change directionally with changes in the market's existing home sales transactions as reported by NAR, as disproportionate variances are representative of company-specific improvements or shortfalls. Our home sale transaction growth was directly related to the growth of our agent base over the prior comparative period.

We utilize gross profit and gross margin, financial statement measures based on generally accepted accounting principles in the U.S. ("U.S. GAAP"), to assess eXp's financial performance from period to period.

Gross profit is calculated from U.S. GAAP reported amounts and equals the difference between revenue and cost of sales. Gross margin is the calculation of gross profit as a percentage of total revenue. Commissions and other agent-related costs represent the cost of sales for the Company. The cost of sales does not include depreciation or amortization expenses as the Company's assets are not directly used in the production of revenue. Gross profit is based on the information provided in our results of operations on our consolidated statements of comprehensive income and is an important measure of our potential profitability and brokerage performance. For the years ended December 31, 2022, 2021 and 2020, gross profit was \$366.9 million, \$296.0 million and \$159.6 million, respectively. Gross profit increased year-over-year primarily due to growth in agent base, an increase of real estate transactions and increased home sales prices compared to 2021. For the years ended December 31, 2022, 2021 and 2020, gross margin was 8.0%, 7.8% and 8.9%, respectively. Gross margin in 2022 increased narrowly from 2021 was primarily due to a slightly more favorable company commission of real estate transactions. Gross margin decreased from 2020 to 2021 primarily due to rising home prices and increased demand which resulted in agents reaching their transactions capping requirements sooner, entitling them to a higher percentage of the home sale commission.

Management also reviews Adjusted EBITDA, which is a non-U.S. GAAP financial measure, to understand and evaluate our core operating performance. For the year ended December 31, 2022, Adjusted EBITDA declined due to increased general and administrative costs resulting from the Company's increase in employee count to continue to support our agent growth strategy and increased costs related to entering international markets. Adjusted EBITDA has grown significantly for the years ended December 31, 2021 and 2020 due to our revenue growth and higher leverage of our cost structure.

RECENT BUSINESS DEVELOPMENTS

North American Realty Initiatives

The Company continues to also focus on growth in the United States and in Canada. On July 1, 2022, the Company acquired Zoocasa. Zoocasa is a consumer real estate research portal that offers proprietary home search tools, market insights and a connection to local real estate experts. This acquisition enables eXp to further its presence in Canadian markets. The United States and Canada operations are aggregated together to be reported as the North American Realty segment, due to similarities in markets and management strategies.

International Realty Initiatives

Throughout 2022, we commenced operations in the Dominican Republic, Greece, New Zealand, Chile and Poland. In addition, in 2022 we announced operations in Dubai, which is expected to be fully operational in 2023. In previous years, the Company expanded internationally into France, India, Mexico, Portugal, South Africa, Puerto Rico, Brazil, Italy, Hong Kong, Colombia, Spain, Israel, Panama and Germany. The Company continues to pursue growth opportunities and increase market share in the countries where operations began in recent years.

Virbela

We continue developing the core Virbela enterprise metaverse technology through our subsidiary, eXp World Technologies, LLC ("World Tech"), to accommodate for the increasing use and scale required to support all eXp subsidiaries and a growing number of enterprise customers worldwide. Upon Facebook's announcement to shift its name to Meta, Virbela has seen increased interest from Fortune 2000 enterprises looking to become both customers and partners as they invest in metaverse technologies and build out their own strategies. In 2021, we enhanced scale, reliability, security and privacy of our core product to improve the Enterprise readiness. In 2021, Virbela also released a new product called Frame into beta. Frame is a metaverse collaboration technology that is accessible from any device with a browser such as mobile, personal computer, virtual reality device and tablet. We expect to continue to service existing and new business-to-business enterprise level contracts, solidify channel partnerships and bring the Frame product out of beta.

Other Affiliated Services

On December 4, 2020, the Company acquired the equity ownership interests in SUCCESS Enterprises LLC ("Success") and its related media properties, including SUCCESS® print magazine, SUCCESS.com, SUCCESS® newsletters, podcasts, digital training courses and affiliated social media accounts across platforms, for cash consideration. With the addition of Success, the Company

intends to blend its technology and content to enhance the personal development platform for entrepreneurs and sales professionals. The Company continues to invest in Success to create a better experience for our agents and other entrepreneurs.

Acquisitions and partnerships have allowed us to begin offering to customers more products and services complementary to our real estate brokerage business. These affiliate and media services include mortgage origination, escrow and settlement services, which we can now provide as a more inclusive offering in addition to our brokerage services. We anticipate continued growth and investment in these service offerings through 2023; however, actual performance will depend directly on utilization by eXp Realty agents.

Company-Wide Initiatives

Agent and Employee Experience

The Company has embarked on an initiative to better understand both its agents and employee experience. In doing so, we have adopted many of the principles of the Net Promoter Score® (NPS) across many aspects of our organization. NPS is a measure of customer satisfaction and is measured on a scale between -100 and 100. A NPS above 50 is considered excellent. The Company's agent NPS was 73 in the fourth quarter of 2022. Whether it be the overall question "How likely are you to recommend eXp to your colleagues, friends, or family?" or more granular inquiries as to specific workflows or service offerings, we believe this will ensure we are delivering on the most important values to our agents and employees. In turn, this often leads to enthusiastic fans of eXp who will promote our Company and continue leading us through strong organic growth.

The NPS measure is an important vehicle for delivering on our core values of transparency. While we strive for high satisfaction, it is equally important to investigate a low or unfavorable trending of NPS. As NPS scores are often leading indicators to agents and employees' future actions, we are able to learn quickly what may be a 'pain point' or product that is not meeting its desired objective. We then take that information and translate it into action with an effort to remediate the specific root cause(s) driving the lower score. This fast and iterative approach has already led to improvements in parts of our business such as agent onboarding, commission transaction processing and employee benefits.

Agent Ownership

The Company maintains an equity incentive program whereby agents and brokers of eXp Realty can become eligible for awards of the Company's common stock through the achievement of production and agent attraction benchmarks. Under our equity incentive program, agents and brokers who qualify are issued shares of the Company's common stock and it continues to be another element in creating a culture of agent-ownership.

Our agent compensation plans represent a key lever in our strategy to attract and retain independent agents and brokers. The costs attributable to these plans are also a significant component of our commission structure and results of operations. Agents and brokers can elect to receive 5% of their commission payable in the form of Company common stock. Effective January 1, 2020, we issued share-based compensation to our agents and brokers at a 10% discount to the market price of our common stock. Our operational strategy and the importance of the agent compensation plans to our strategy have not changed. Our stock repurchase program and agent growth incentive program are more fully disclosed in *Note 10 – Stockholders' Equity* to the consolidated financial statements.

RESULTS OF OPERATIONS

Year ended December 31, 2022 vs. Year ended December 31, 2021

	Year Ended		Year Ended		Change	
	December 31, 2022	% of Revenue	December 31, 2021	% of Revenue	\$	%
<i>(In thousands, except share amounts and per share data)</i>						
Statement of Operations Data:						
Revenues	\$ 4,598,161	100%	\$ 3,771,170	100%	\$ 826,991	22%
Operating expenses						
Commissions and other agent-related costs	4,231,262	92%	3,475,139	92%	756,123	22%
General and administrative expenses	346,132	8%	249,699	7%	96,433	39%
Sales and marketing expenses	15,359	-%	12,180	-%	3,179	26%
Total operating expenses	4,592,753	100%	3,737,018	99%	855,735	23%
Operating income	5,408	-%	34,152	1%	(28,744)	(84)%
Other (income) expense						
Other (income) expense, net	(804)	-%	292	-%	(1,096)	(375)%
Equity in losses of unconsolidated subsidiaries	1,624	-%	188	-%	1,436	764%
Total other (income) expense, net	820	-%	480	-%	340	71%
Income before income tax expense	4,588	-%	33,672	1%	(29,084)	(86)%
Income tax (benefit) expense	(10,836)	-%	(47,487)	(1)%	36,651	(77)%
Net income	15,424	-%	81,159	2%	(65,735)	(81)%
Add back: Net loss attributable to noncontrolling interest	18	-%	61	-%	(43)	(70)%
Net income attributable to eXp World Holdings, Inc.	\$ 15,442	-%	\$ 81,220	2%	(65,778)	(81)%
Adjusted EBITDA ⁽¹⁾	\$ 60,549	1%	\$ 77,995	2%	(\$ 17,446)	(22)%
Earnings per share						
Basic	\$ 0.10		\$ 0.56		(\$ 0.46)	(82)%
Diluted	\$ 0.10		\$ 0.51		(\$ 0.41)	(80)%
Weighted average shares outstanding						
Basic	151,036,110		146,170,871			
Diluted	156,220,165		157,729,374			

⁽¹⁾ Adjusted EBITDA is not a measurement of our financial performance under U.S. GAAP and should not be considered as an alternative to net income, operating income, or any other measures derived in accordance with U.S. GAAP. For a definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to net income, see "Non-U.S. GAAP Financial Measures".

Revenue

Our total revenues were \$4.6 billion in 2022 compared to \$3.8 billion in 2021, an increase of \$827.0 million, or 22%. Total revenues increased primarily as a result of higher volume of real estate brokerage commissions, which is attributable to growth in our agent base, an increase of real estate transactions and increased home sales prices compared to 2021.

Commission and Other Agent-Related Costs

Commission and other agent-related costs were \$4.2 billion in 2022 compared to \$3.5 billion in 2021, an increase of \$756.1 million, or 22%. Commission and other agent-related costs include sales commissions paid and are reduced by agent-related fees. Commission and other agent-related costs increased primarily as a result of growth in agent base, increased real estate transactions and increased home sales prices compared to 2021.

General and Administrative Expense

General and administrative expenses were \$346.1 million in 2022 compared to \$249.7 million in 2021, an increase of \$96.4 million, or 39%. General and administrative expenses include costs related to wages, including stock compensation and other general overhead expenses. General and administrative expenses increased primarily as a result of an increase of \$66.3 million in compensation related expenses including salaries, contract labor, employee benefits and payroll taxes and processing. The Company had an increase in stock compensation expense of \$7.7 million. These increases are a direct result of the Company's increase in employee count to continue to support our agent growth strategy. Employees increased from 1,669 in 2021 to 2,016 in 2022, representing an increase in headcount of 21%. The Company's agent base increased by 21%. Also, in support of the Company's business operations, computer and software costs increased \$9.4 million compared to prior year, mostly consisting of online subscriptions. Finally, \$5.2 million of the increase in general and administrative expenses is related to increased agent-related seminars and conferences. These increased costs are a result of the Company's growth in agent count and real estate transaction volumes, international expansion and the investment in employees and technology.

Sales and Marketing

Sales and marketing expenses were \$15.4 million in 2022 compared to \$12.2 million in 2021, an increase of \$3.2 million, or 26%. Sales and marketing costs include lead capture costs and promotional materials. Sales and marketing expenses increased primarily as a result of an increase in lead costs of \$1.7 million and advertising costs of \$1.7 million.

Other (Income) Expense, Net

Other (income) expense in 2022 and 2021 includes interest income, equity in losses of unconsolidated subsidiaries, start-up costs and, amortization expense of the present value adjustment to our stock payable in 2021. There were no significant changes in other (income) expense in 2022 compared to 2021.

Income Tax Benefit (Expense)

The Company's provision for income taxes amounted to a benefit of (\$10.8) million, a benefit decrease of \$36.7 million for the year ended December 31, 2022. The decrease in income tax benefit was primarily attributable to the release of the valuation allowance in prior year and lower deductible share-based compensation expenses.

Refer to Critical Accounting Policies and Estimates within the MD&A and Note 12 - Income Taxes to the consolidated financial statement for further information.

BUSINESS SEGMENT DISCLOSURES

See Note 14 – Segment Information to the consolidated financial statements for additional information regarding our business segments. The following table reflects the results of each of our reportable segments during the years ended December 31, 2022, 2021 and 2020:

	Year Ended December 31,		% Change	Year Ended December 31,		% Change
	2022	2021		2021	2020	
	(In thousands)			(In thousands)		
Statement of Operations Data:						
Revenues						
North American Realty	\$ 4,552,938	\$ 3,745,354	22%	\$ 3,745,354	\$ 1,791,446	109%
International Realty	35,924	17,804	102%	17,804	2,004	788%
Virbela	8,485	8,615	(2)%	8,615	5,736	50%
Other Affiliated Services	5,084	2,896	76%	2,896	327	786%
Segment eliminations	(4,270)	(3,499)	22%	(3,499)	(1,228)	185%
Total Consolidated Revenues	\$ 4,598,161	\$ 3,771,170	22%	\$ 3,771,170	\$ 1,798,285	110%
Adjusted Segment EBITDA ⁽¹⁾						
North American Realty	103,255	116,800	(12)%	116,800	73,649	59%
International Realty	(13,708)	(9,138)	50%	(9,138)	(1,615)	466%
Virbela	(9,642)	(12,637)	(24)%	(12,637)	(5,017)	152%
Other Affiliated Services	(2,600)	(3,322)	(22)%	(3,322)	(380)	774%
Corporate expenses and other	(16,756)	(13,708)	22%	(13,708)	(8,796)	56%
Total Reported Adjusted EBITDA	\$ 60,549	\$ 77,995	(22)%	\$ 77,995	\$ 57,841	35%

- (1) Adjusted Segment EBITDA is not a measurement of our financial performance under U.S. GAAP and should not be considered as an alternative to net income, operating income, or any other measures derived in accordance with U.S. GAAP. For a definition of Adjusted Segment EBITDA and a reconciliation of Adjusted Segment EBITDA to net income, see "Non-U.S. GAAP Financial Measures". Management evaluates the operating results of each of its reportable segments based upon revenue and Adjusted Segment EBITDA. Adjusted Segment EBITDA is defined by us as net income before depreciation and amortization, interest expense, net, income taxes and other items that are not core to the operating activities of the Company. The Company's presentation of Adjusted Segment EBITDA may not be comparable to similar measures used by other companies.

2022 Compared to 2021

North American Realty revenue increased 22% in 2022 compared to 2021 primarily due to increased real estate transactions driven by higher agent count. Adjusted EBITDA decreased (12)% due to increases in selling, general and administrative expenses related to the continued expansion of the business, partially offset by an increase in gross profit.

International Realty revenue increased 102% in 2022 vs 2021 primarily due to increased real estate transactions driven by a higher agent count and increased productivity in previously launched markets. Adjusted EBITDA (loss) increased 50% in 2022 vs 2021 due to continued expansion efforts in new markets and growing selling, general and administrative expenses to support the incremental production in existing operations.

Virbela revenue decreased (2)% due to the post-COVID 19 work environment of return to the office and hybrid work initiatives globally. Management shifted focus from small- to-medium sized business ("SMB") market and one-time events to long-term enterprise monthly recurring revenue ("MRR"). MRR revenue increased 13% from 2021 to 2022. Adjusted EBITDA (loss) decreased (24)% primarily due to workforce reductions and decrease in marketing and advertising expenses, as we shift our focus to technology improvements and expanding our Software as a Service ("SaaS") customers.

Other Affiliated Services revenue increased 76% due to expansion of SUCCESS[®] Coaching and SUCCESS[®] Media, primarily SUCCESS[®] magazine. The increases in revenue directly contributed to Adjusted EBITDA (loss) decrease of (22)%.

Corporate expenses and other contain the costs incurred to operate the corporate parent of eXp Realty. The increase in these costs (increase in Adjusted EBITDA (loss) of 22% in 2022 compared to 2021) reflect increased insurance costs as we expand our business globally and software investments.

2021 Compared to 2020

North American Realty revenue increased 109% in 2021 compared to 2020 primarily due to increased real estate transactions driven by higher agent count. Adjusted EBITDA increased 59% due to increases in gross profit, partially offset by increases in selling, general and administrative expenses related to the continued expansion of the business.

International Realty revenue increased 788% in 2021 vs 2020 primarily due to the entrance into nine new markets as well as previously launched markets gaining traction. Adjusted EBITDA (loss) increased 466% in 2021 vs 2020 due to the continued expansion efforts in these new markets as well as growing selling, general and administrative expenses to support the incremental production in existing operations.

Virbela revenue increased 50% due to the COVID 19 pandemic remote work expansion changes around the world. Both one-time events and long-term enterprise monthly recurring revenue ("MRR") grew as a result of the global pandemic. MRR revenue increased 50% from 2020 to 2021. Adjusted EBITDA (loss) increased 152% directly related to increased personnel as we support the expansion of our Software as a Service ("SaaS") customers.

Other Affiliated Services revenue increased 786% due to the acquisition of SUCCESS Enterprises and expansion of the SUCCESS[®] Coaching and SUCCESS[®] Media, primarily SUCCESS[®] magazine. Increased personnel costs to grow the business to scale directly contributed to Adjusted EBITDA (loss) increase of 774%.

Corporate expenses and other contain the costs incurred to operate the corporate parent of eXp Realty. The increase in these costs (increase in Adjusted EBITDA (loss) of 56% in 2021 compared to 2020) reflect additional executive compensation & travel related to the expansion of the business along with legal expenses.

LIQUIDITY AND CAPITAL RESOURCES

Our primary sources of liquidity are our cash and cash equivalents on hand and cash flows generated from our business operations. Our ability to generate sufficient cash flow from operations or to access certain capital markets, including banks, is necessary to fund our operations and capital expenditures, repurchase our common stock and meet obligations as they become due. At present, our cash and cash equivalents balances and cash flows from operations have strengthened primarily due to transaction volume growth and improved cost leverage over the prior five years, especially during 2020 and 2021, attributable to the expansion of our independent agent and broker network and, to a lesser extent, increased average prices of home sales.

Currently, our primary use of cash on hand is to sustain and grow our business operations, including, but not limited to, commission and revenue share payments to agents and brokers and cash outflows for operating expenses. Our current capital deployment strategy for 2022 is to utilize excess cash on hand to support our growth initiatives into select markets and enhance our technology platforms and for repurchases of our common stock.

For information regarding the Company's expected cash requirement related to settlement costs, see *Note 13 – Commitments and Contingencies*.

We believe that our existing balances of cash and cash equivalents and cash flows expected to be generated from our operations will be sufficient to satisfy our operating requirements for at least the next 12 months. Our future capital requirements will depend on many factors, including our level of investment in technology, our rate of growth into new markets and cash used to repurchase shares of the Company's common stock. Our capital requirements may be affected by factors which we cannot control such as the changes in the residential real estate market, interest rates and other monetary and fiscal policy changes to the manner in which we currently operate. In order to support and achieve our future growth plans, we may need or seek advantageously to obtain additional funding through equity or debt financing. We believe that our current operating structure will facilitate sufficient cash flows from operations to satisfy our expected long-term liquidity requirements beyond the next 12 months.

We currently do not hold any bank debt, nor have we issued any debt instruments through public offerings or private placements. If we are unable to raise additional capital when desired, our business, results of operations and financial condition would likely suffer. As of December 31, 2022, our cash and cash equivalents totaled \$121.6 million. Cash equivalents are comprised of financial instruments with an original maturity of 90 days or less from the date of purchase, primarily money market funds. We currently do not possess any marketable securities.

During 2022, our unconsolidated joint venture, SUCCESS Lending, obtained \$25 million in revolving warehouse credit lines from each of Flagstar Bank FSB and Texas Capital Bank, which represent off-balance sheet arrangements for the Company. The Company's capital liability under the warehouse credit lines is limited to \$3.25 million in the aggregate. We do not believe these off-balance sheet arrangements have or are reasonably likely to have a current or future material effect on our financial condition, results of operations, liquidity, capital expenditures, or capital resources. For information regarding the warehouse credit agreements, see *Note 13 – Commitments and Contingencies*.

Net Working Capital

Net working capital is calculated as the Company's total current assets less its total current liabilities. The following table presents our net working capital for the periods presented:

	<u>December 31, 2022</u>	<u>December 31, 2021</u>
Current assets	\$ 255,113	\$ 319,315
Current liabilities	(127,299)	(186,814)
Net working capital	<u>\$ 127,814</u>	<u>\$ 132,501</u>

As of December 31, 2022, net working capital decreased (\$4.7) million, or (4)%, compared to the prior year, primarily due to a decrease in accounts receivable of (\$46.2) million, partially offset by an decrease in accrued liabilities of (\$32.7) million and an increase in cash and cash equivalents of \$13.4 million. The decrease of accounts receivable and accrued liabilities was due to lower real estate transactions in the fourth quarter 2022 compared to the fourth quarter 2021.

Cash Flows

The following table presents our cash flows for the periods presented:

	Year Ended December 31,	
	2022	2021
Cash provided by operating activities	\$ 210,535	\$ 246,892
Cash used in investment activities	(22,461)	(18,923)
Cash used in financing activities	(204,514)	(179,924)
Effect of changes in exchange rates on cash, cash equivalents and restricted cash	(87)	(59)
Net change in cash, cash equivalents and restricted cash	<u>(\$ 16,527)</u>	<u>\$ 47,986</u>

For the year ended December 31, 2022, cash provided by operating activities decreased (\$36.4) million compared to the same period in 2021. The change resulted primarily from increased general and administrative expenses and investment in international markets, partially offset by increased gross profit and favorable working capital.

For the year ended December 31, 2022, cash used in our investing activities decreased primarily due a decrease of (\$1.4) million in capital expenditures and a decrease of \$2.5 million invested in unconsolidated subsidiaries in the current year offset by an increase in payment for business acquisitions (Zoocasa in 2022) by \$7.4 million from prior year.

For the year ended December 31, 2022, cash used in financing activities primarily related to higher repurchases of our common stock of \$7.5 million compared to the prior year period and increased dividends paid of \$13.7 million compared to 2021.

Outlook

As we continue to scale our Company by investing in people, systems and processes, we expect to increase market share, agent base and real estate transactions volume in the U.S. and Canada and selectively grow in the international markets.

These operating ambitions are not forecasts and do not reflect our expectations, but rather are aspirational targets for future performance that may never be realized. These statements involve risks, uncertainties, assumptions and other factors that are difficult to predict and that could cause actual results to vary materially from those expressed in them. Factors include, among others, (i) changes in demand for the Company's services and changes in consumer behavior; (ii) macroeconomic conditions beyond our control; (iii) the Company's ability to effectively maintain its infrastructure to support its operations and initiatives; (iv) the impact of governmental regulations related to the Company's operations; and (v) other factors, as described in this Annual Report on Form 10-K in Part II, Item 1A, "Risk Factors."

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of financial statements in accordance with U.S. GAAP requires us to make certain judgments and assumptions, based on information available at the time of our preparation of the financial statements, in determining accounting estimates used in the preparation of the statements. Our significant accounting policies are described in *Note 2 – Summary of Significant Accounting Policies* to the consolidated financial statements.

Accounting estimates are considered critical if the estimate requires us to use judgments and/or make assumptions about matters that were uncertain at the time the accounting estimate was made and if different accounting estimates could have been used in the reporting period or changes in the accounting estimates are likely to occur that would have a material impact on our financial condition, results of operations or cash flows.

Stock-based compensation

Our stock-based compensation is comprised of agent growth incentive programs, agent equity program and stock option awards. The Company accounts for stock-based compensation granted to employees and non-employees using a fair value method. Stock-based compensation awards are measured at the grant date fair value and the stock-based compensation cost is recognized over the requisite service period of the awards, usually the vesting period, on a straight-line basis, net of forfeitures. The Company reduces recorded stock-based compensation for forfeitures when they occur.

Recognition of compensation cost for an award with a performance condition is based on the probable outcome of that performance condition being met. The Company estimates the share-based liability based on estimated performance probabilities based on our most recent estimates on probable achievement of the performance measures established under our agent growth incentive program. These estimates are calculated based on the agent's historical performance for each award type. Also, the requisite service period at the grant date of performance awards is estimated based on the probability of the period of time it will take an agent to meet the performance metric. The value of the stock award is amortized over this period and recognized as stock compensation expense starting on the grant date.

If factors change causing different assumptions to be made in future periods, estimated compensation expense may differ significantly from that recorded in the current period. See *Note 10 – Stockholders' Equity* to the consolidated financial statements for more information regarding the assumptions used in estimating the fair value of our awards.

Revenue recognition

The Company generates substantially all of its revenue from North American Realty and International Realty and generates a de minimis portion of its revenues from software subscription and professional services.

North American Realty and International Realty

The Company serves as a licensed broker in the areas in which it operates for the purpose of processing real estate transactions. The Company is contractually obligated to provide services for the fulfillment of transfers of real estate between buyers and sellers. The Company provides these services itself and controls the services necessary to legally represent the transfer of real estate. Correspondingly, the Company is defined as the principal. The Company, as principal, satisfies its obligation upon the closing of a real estate transaction. As principal and upon satisfaction of our obligation, the Company recognizes revenue in the gross amount of consideration to which we expect to be entitled to.

Revenue is derived from assisting home-buyers and sellers in listing, marketing, selling and finding real estate. Commissions earned on real estate transactions are recognized at the completion of a real estate transaction once we have satisfied our performance obligation. Agent-related fees are currently recorded as a reduction to commissions and other agent-related costs.

At each reporting period, we estimate revenue for closed transactions for which we have not yet received the closing documents due to timing of when a transaction settles. Additionally, provisions for anticipated differences between consideration due and amounts expected to be received are estimated and recorded to revenue. The accrual for estimated revenue was immaterial for the years ended December 31, 2022 and 2021.

Business combinations

The Company accounts for business combinations using the acquisition method of accounting, under which the consideration for the acquisition is allocated to the assets acquired and liabilities assumed. The Company recognizes identifiable assets acquired and liabilities assumed at the fair values as of the acquisition date. Acquisition-related costs, such as due diligence, legal and accounting fees, are expensed as incurred and not considered in determining the fair value of the acquired assets.

Fair value determinations require considerable judgment and are sensitive to changes in underlying assumptions, estimates and market factors. These assumptions and estimates include projected revenues and income growth rates, terminal growth rates,

competitive and consumer trends, market-based discount rates and other market factors. Significant assumptions used in determining the allocation of fair value include the following valuation techniques: the cost approach, the income approach and the market approach, which are determined based on cash flow projections and related discount rates, industry indices, market prices regarding replacement cost and comparable market transactions.

At the acquisition date, the Company recognizes the identifiable acquired assets, liabilities assumed and contingent liabilities (identifiable net assets) of the acquired company on the basis of fair value. Recognized assets and liabilities assumed may be adjusted during a maximum of one year from the acquisition date (the "measurement period"), depending on new information obtained about the facts and circumstances in existence at the acquisition date.

If current expectations of future growth rates are not met or market factors outside of our control change significantly, then our goodwill or intangible assets may become impaired. Additionally, as goodwill and intangible assets associated with recently acquired businesses are recorded on the balance sheet at their estimated acquisition date fair values, those amounts are more susceptible to impairment risk if business operating results or macroeconomic conditions deteriorate.

Goodwill impairment

Goodwill is not amortized but is subject to impairment testing. We review goodwill for impairment on an annual basis in the fiscal fourth quarter or on an interim basis if an event occurs or circumstances change that indicate goodwill may be impaired. We assess goodwill for possible impairment by performing a qualitative assessment to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying amount. No additional impairment steps are necessary if we qualitatively determine that it is more likely than not that the fair value of the reporting unit is less than its carrying amount. An impairment loss for goodwill would be recognized based on the difference between the carrying value and its estimated fair value, which would be determined based on either discounted future cash flows or another appropriate fair value method.

The evaluation of goodwill for impairment requires management to use significant judgments and estimates in accordance with U.S. GAAP, including, but not limited to, economic, industry and company-specific qualitative factors, projected future net sales, operating results and cash flows. Although we currently believe the estimates used in the evaluation of goodwill are reasonable, differences between actual and expected net sales, operating results and cash flows and/or changes in the discount rates used could cause these assets to be deemed impaired. If this were to occur, we would be required to record a non-cash charge to earnings for the write-down in the value of the goodwill, which could have a material adverse effect on our results of operations and financial position but not on our cash flows from operations.

During the fourth quarter of 2022, we performed an assessment of goodwill. Management did not identify any new events or changes in circumstances that would more likely than not indicate that the fair value of the goodwill is below its carrying value. To perform these assessments, we identified and analyzed macroeconomic conditions, industry and market conditions and company-specific factors. As a result of the analysis performed, management believes the estimated fair value of the reporting units continue to exceed their carrying values and does not represent a more likely than not possibility of potential impairment. The goodwill analysis did not result in an impairment charge.

Income taxes

We recognize deferred tax assets and liabilities based on the differences between the financial statement carrying amounts and the tax basis of assets and liabilities. A valuation allowance against deferred tax assets would be established if, based on the weight of available evidence, it is more likely than not (a likelihood of more than 50%) that some or all of the deferred tax assets are not expected to be realized. Our assumptions, judgments and estimates relative to the value of our deferred tax assets take into account predictions of the amount and category of future taxable income. As of December 31, 2022, based on our assessment of the realizability of the net deferred tax assets, we reached the conclusion that our net deferred tax assets will most likely be fully realized and therefore no valuation allowance was recorded.

Although management believes that the judgment and estimates involved are reasonable and that the necessary provisions related to income taxes have been recorded, changes in circumstances or unexpected events could adversely affect our financial position, results of operations and cash flows.

See *Note 12 – Income Taxes* to the consolidated financial statements for further information related to our income tax positions.

Litigation

We recognize expenses for legal claims when payments associated with the claims become probable and can be reasonably estimated. Due to the difficulty in estimating costs of resolving legal claims, actual costs could have a material adverse impact on our results of operations and cash flow, if we were to become a party to a material legal action.

See *Note 13 – Commitments and Contingencies* to the consolidated financial statements for further information related to our litigation.

NON-U.S. GAAP FINANCIAL MEASURES

To supplement our consolidated financial statements, which are prepared and presented in accordance with U.S. GAAP, we use Adjusted EBITDA, a non-U.S. GAAP financial measure, to understand and evaluate our 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 our financial performance and should not be considered a substitute for, or superior to, the financial information prepared and presented in accordance with U.S. GAAP.

We define the non-U.S. GAAP financial measure of Consolidated Adjusted EBITDA to mean net income, excluding other income (expense), income tax benefit (expense), depreciation, amortization, impairment charges, stock-based compensation expense and stock option expense. Adjusted Segment EBITDA is defined as operating profit plus depreciation and amortization and stock-based compensation expenses. We believe that Consolidated Adjusted EBITDA and Adjusted Segment EBITDA provides useful information about our 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 our management for financial and operational decision-making. We believe that Adjusted Segment EBITDA helps identify underlying trends in our business that otherwise could be masked by the effect of the expenses that we exclude in Adjusted Segment EBITDA. In particular, we believe the exclusion of stock and stock option expenses, provides a useful supplemental measure in evaluating the performance of our underlying operations and provides better transparency into our results of operations.

We are presenting the non-U.S. GAAP measure of Adjusted EBITDA to assist investors in seeing our financial performance through the eyes of management and because we believe this measure provides an additional tool for investors to use in comparing our core financial performance over multiple periods with other companies in our industry.

Adjusted EBITDA should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with U.S. GAAP. There are a number of limitations related to the use of Adjusted EBITDA compared to net income, the closest comparable U.S. GAAP measure. Some of these limitations are that:

- Adjusted EBITDA excludes stock-based compensation expense related to our agent growth incentive program and stock option expense, which have been and will continue to be for the foreseeable future, significant recurring expenses in our business and an important part of our compensation strategy; and
- Adjusted EBITDA excludes certain recurring, non-cash charges such as depreciation of fixed assets, amortization of intangible assets and impairment charges related to these long-lived assets and, although these are non-cash charges, the assets being depreciated, amortized, or impaired may have to be replaced in the future.

The following tables present a reconciliation of Adjusted EBITDA to net income, the most comparable U.S. GAAP financial measure, for each of the periods presented:

	Year Ended December 31,	
	2022	2021
Net income	\$ 15,424	\$ 81,159
Other expense, net	820	480
Income tax benefit	(10,836)	(47,487)
Depreciation and amortization ⁽¹⁾	9,838	6,248
Stock compensation expense ⁽²⁾	30,861	24,493
Stock option expense	14,442	13,102
Adjusted EBITDA	<u>\$ 60,549</u>	<u>\$ 77,995</u>

The primary driver for the changes in Adjusted EBITDA was lower net income attributable to the increased general and administrative costs resulting from the Company's increase in employee count to continue to support our agent growth strategy and increased costs related to entering international markets and investments in Virbela.

Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Market risk relates to the risk of the loss of fair value resulting from adverse changes in market rates and prices, such as interest rates and foreign currency exchange rates. Market risk is directly influenced by the volatility and liquidity in the markets in which the related underlying financial instruments are traded. Sensitivity analysis measures the impact of hypothetical changes in interest rates, foreign exchange rates and other market rates or prices on the profitability of market-sensitive financial instruments and our results of operations. While we are exposed to market risk from foreign currency and exchange rate fluctuation, we do not have significant exposures to interest rate changes or commodity prices nor do we expect to have significant exposure to interest rate changes or commodity prices in the foreseeable future.

Foreign Currency Risk

The majority of our net sales, expenses and capital purchases were transacted in U.S. dollars. However, exposure with respect to foreign exchange rate fluctuation existed due to our operations in Canada, the United Kingdom (U.K.), Australia, South Africa, India, Mexico, Portugal, France, Puerto Rico, Brazil, Italy, Hong Kong, Colombia, Spain, Israel, Panama and Germany. Throughout 2022, we commenced operations in the Dominican Republic, Greece, New Zealand, Chile and Poland, albeit each individually and in the aggregate to a small extent. As of December 31, 2022, our largest international operations were in Canada. Based on fiscal 2022 performance, a hypothetical appreciation or decline in the value of the Canadian dollar in relation to the U.S. dollar of 10% would have an immaterial impact on operating income. The individual impacts to the operating income of hypothetical currency fluctuations in the Canadian dollar have been calculated in isolation from any potential responses to address such exchange rate changes in our other foreign markets. Our exposures to foreign currency risk related to our other operations in our other international locations were immaterial and have been excluded from this analysis.

Our investments in the net assets of our international operations were also subject to currency risk. As of December 31, 2022, the impacts of translations of foreign-denominated net assets of our international operations were immaterial to the Company's consolidated financial statements. The translation impacts related to the net assets of our international operations are recorded within accumulated other comprehensive income. Historically, we have not hedged this exposure, although we may elect to do so in future periods.

Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA
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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of eXp World Holdings, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of eXp World Holdings, Inc. and subsidiaries (the "Company") as of December 31, 2022 and 2021, the related consolidated statements of comprehensive income, equity, and cash flows, for each of the three years in the period ended December 31, 2022, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated February 28, 2023, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Commissions and Other Agent-Related Costs – Revenue share expenses – Refer to Note 2 to the financial statements

Critical Audit Matter Description

The Company has a revenue sharing plan where agents and brokers may receive a commission from real estate transactions consummated by agents and brokers they have attracted to the Company. Agents and brokers are eligible for revenue share based on the number of Front-Line Qualifying Active (FLQA) agents they have attracted to the Company. An FLQA agent is an agent or broker that an agent or broker has personally attracted to the Company who has met specific sales transaction volume requirements. These additional commissions are earned on a multitiered basis by FLQA agents and brokers for real estate transactions within their downstream brokerage network. For the year ended

December 31, 2022, the Company incurred \$4.2 billion of commissions and other agent-related costs, which includes commissions paid to agents and brokers under the revenue sharing plan.

We identified the revenue sharing plan as a critical audit matter because the plan has a complex multi-tiered compensation structure involving highly automated system calculations to determine the commissions paid to agents and brokers. This required an increased extent of audit effort to audit and evaluate the accuracy of commissions paid under the revenue share plan.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures performed related to the testing of the accuracy of expenses under the revenue sharing plan included the following, among others:

- We tested the effectiveness of controls over the revenue share expenses, including management's controls over the calculation of commissions under the revenue sharing plan.
- With the assistance of our IT specialists, we:
 - Identified the significant system used to process revenue share transactions and tested the general IT controls over the system, including testing of user access controls, change management controls, and IT operations controls.
 - Performed testing of automated controls for the system calculation of revenue share and the system determination of number of FLQA agents.
- We selected samples of commissions paid to agents and brokers under the revenue sharing plan and recalculated the commissions amount based on the terms of the respective independent contractor agreements.
- For the samples selected:
 - We tested the mathematical accuracy of the recorded commissions by recalculating the revenue sharing allocation in accordance with the independent contractor agreements and traced the underlying transactions to third party documents including settlement statements, purchase agreements and bank statements.
 - We tested the accuracy of the FLQA count for agents and brokers by reading independent contractor agreements and obtained evidence of agents and brokers reaching the required sales transaction volume, including settlement statements.

/s/ Deloitte & Touche LLP

San Francisco, California

February 28, 2023

We have served as the Company's auditor since 2019.

EXP WORLD HOLDINGS, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except share amounts)

	December 31, 2022	December 31, 2021
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 121,594	\$ 108,237
Restricted cash	37,789	67,673
Accounts receivable, net of allowance for credit losses of \$4,014 and \$2,198, respectively	87,262	133,489
Prepays and other assets	8,468	9,916
TOTAL CURRENT ASSETS	255,113	319,315
Property, plant and equipment, net	18,151	15,902
Operating lease right-of-use assets	2,127	2,482
Other noncurrent assets	1,703	2,827
Intangible assets, net	8,700	7,528
Deferred tax assets	68,676	52,827
Goodwill	27,212	12,945
TOTAL ASSETS	\$ 381,682	\$ 413,826
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 10,391	\$ 7,158
Customer deposits	37,789	67,673
Accrued expenses	78,944	111,672
Current portion of lease obligation - operating lease	175	311
TOTAL CURRENT LIABILITIES	127,299	186,814
Long-term payable	4,697	2,714
Long-term lease obligation - operating lease, net of current portion	694	765
TOTAL LIABILITIES	132,690	190,293
EQUITY		
Common Stock, \$0.00001 par value 900,000,000 shares authorized; 171,656,030 issued and 152,839,239 outstanding at December 31, 2022; 155,516,284 issued and 148,764,592 outstanding at December 31, 2021	2	1
Additional paid-in capital	611,872	401,479
Treasury stock, at cost: 18,816,791 and 6,751,692 shares held, respectively	(385,010)	(210,009)
Accumulated earnings	20,723	30,510
Accumulated other comprehensive income	236	188
Total eXp World Holdings, Inc. stockholders' equity	247,823	222,169
Equity attributable to noncontrolling interest	1,169	1,364
TOTAL EQUITY	248,992	223,533
TOTAL LIABILITIES AND EQUITY	\$ 381,682	\$ 413,826

The accompanying notes are an integral part of these consolidated financial statements.

EXP WORLD HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands, except share amounts and per share data)

	Year Ended December 31,		
	2022	2021	2020
Revenues	\$ 4,598,161	\$ 3,771,170	\$ 1,798,285
Operating expenses			
Commissions and other agent-related costs	4,231,262	3,475,139	1,638,674
General and administrative expenses	346,132	249,699	122,801
Sales and marketing expenses	15,359	12,180	5,223
Total operating expenses	4,592,753	3,737,018	1,766,698
Operating income	5,408	34,152	31,587
Other (income) expense			
Other (income) expense, net	(804)	292	133
Equity in losses of unconsolidated affiliates	1,624	188	51
Total other expense, net	820	480	184
Income before income tax expense	4,588	33,672	31,403
Income tax (benefit) expense	(10,836)	(47,487)	413
Net income	15,424	81,159	30,990
Net income attributable to noncontrolling interest	18	61	141
Net income attributable to eXp World Holdings, Inc.	\$ 15,442	\$ 81,220	\$ 31,131
Earnings per share			
Basic	\$ 0.10	\$ 0.56	\$ 0.22
Diluted	\$ 0.10	\$ 0.51	\$ 0.21
Weighted average shares outstanding			
Basic	151,036,110	146,170,871	138,572,358
Diluted	156,220,165	157,729,374	151,550,075
Comprehensive income:			
Net income	\$ 15,424	\$ 81,159	\$ 30,990
Comprehensive loss attributable to noncontrolling interests	18	61	141
Net income attributable to eXp World Holdings, Inc.	15,442	81,220	31,131
Other comprehensive income:			
Foreign currency translation gain (loss), net of tax	48	(59)	47
Comprehensive income attributable to eXp World Holdings, Inc.	\$ 15,490	\$ 81,161	\$ 31,178

The accompanying notes are an integral part of these consolidated financial statements.

EXP WORLD HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF EQUITY
(In thousands)

	Year Ended December 31,		
	2022	2021	2020
Common stock:			
Balance, beginning of period	\$ 1	\$ 1	\$ 1
Agent equity stock compensation	1	-	-
Balance, end of period	2	1	1
Treasury stock:			
Balance, beginning of period	(210,009)	(37,994)	(8,623)
Repurchases of common stock	(179,473)	(172,015)	(29,371)
Issuance of treasury stock	4,472	-	-
Balance, end of period	(385,010)	(210,009)	(37,994)
Additional paid-in capital:			
Balance, beginning of period	401,479	218,492	130,683
Shares issued for stock options exercised	612	3,620	6,946
Agent growth incentive stock compensation	31,235	21,828	13,094
Agent equity stock compensation	164,104	144,437	60,968
Stock option compensation	14,442	13,102	6,801
Balance, end of period	611,872	401,479	218,492
Accumulated earnings (deficit):			
Balance, beginning of period	30,510	(39,162)	(70,293)
Net income	15,442	81,220	31,131
Dividends declared and paid	(25,229)	(11,548)	-
Balance, end of period	20,723	30,510	(39,162)
Accumulated other comprehensive income:			
Balance, beginning of period	188	247	200
Foreign currency translation gain (loss)	48	(59)	47
Balance, end of period	236	188	247
Noncontrolling interest:			
Balance, beginning of period	1,364	1,003	160
Net loss	(18)	(61)	(141)
Stock compensation	-	403	451
Transactions with noncontrolling interests	(177)	19	533
Balance, end of period	1,169	1,364	1,003
Total equity	<u>\$ 248,992</u>	<u>\$ 223,533</u>	<u>\$ 142,587</u>

The accompanying notes are an integral part of these consolidated financial statements.

EXP WORLD HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended December 31,		
	2022	2021	2020
OPERATING ACTIVITIES			
Net income	\$ 15,424	\$ 81,159	\$ 30,990
Reconciliation of net income to net cash provided by operating activities:			
Depreciation expense	7,934	4,974	3,360
Amortization expense - intangible assets	1,904	1,274	629
Amortization expense - long-term payable	-	94	157
Asset impairments	-	-	225
Loss on dissolution of consolidated affiliates	361	-	-
Allowance for credit losses on receivables/bad debt on receivables	1,816	319	1,742
Equity in loss of unconsolidated affiliates	1,624	188	51
Agent growth incentive stock compensation expense	30,861	24,493	15,239
Stock option compensation	14,442	13,102	6,801
Agent equity stock compensation expense	164,104	144,437	60,968
Deferred income taxes, net	(15,848)	(52,827)	-
Changes in operating assets and liabilities:			
Accounts receivable	44,935	(56,857)	(50,193)
Prepays and other assets	1,652	(2,623)	(3,534)
Customer deposits	(30,998)	39,892	20,794
Accounts payable	2,432	3,173	1,364
Accrued expenses	(32,239)	46,673	30,017
Long term payable	1,983	828	1,048
Other operating activities	148	(1,407)	1
NET CASH PROVIDED BY OPERATING ACTIVITIES	210,535	246,892	119,659
INVESTING ACTIVITIES			
Purchases of property, plant and equipment	(12,051)	(13,423)	(6,436)
Acquisition of businesses, net of cash acquired	(9,910)	(2,500)	(10,502)
Investments in unconsolidated affiliates	(500)	(3,000)	(25)
NET CASH USED IN INVESTING ACTIVITIES	(22,461)	(18,923)	(16,963)
FINANCING ACTIVITIES			
Repurchase of common stock	(179,473)	(172,015)	(29,371)
Proceeds from exercise of options	612	3,620	6,946
Transactions with noncontrolling interests	(424)	19	532
Dividends declared and paid	(25,229)	(11,548)	-
NET CASH USED IN FINANCING ACTIVITIES	(204,514)	(179,924)	(21,893)
Effect of changes in exchange rates on cash, cash equivalents and restricted cash	(87)	(59)	47
Net change in cash, cash equivalents and restricted cash	(16,527)	47,986	80,850
Cash, cash equivalents and restricted cash, beginning balance	175,910	127,924	47,074
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, ENDING BALANCE	\$ 159,383	\$ 175,910	\$ 127,924
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION:			
Cash paid for income taxes	\$ 3,406	\$ 1,331	\$ 754
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:			
Termination of lease liabilities	\$ -	\$ 375	\$ 204
Issuance of treasury stock	4,554	-	-
Lease liabilities arising from obtaining right-of-use assets	-	2,370	138
Property, plant and equipment purchases in accounts payable	63	174	117
Liabilities incurred associated with a business acquisition	-	-	1,500
Liabilities assumed in business acquisition	-	-	140

The accompanying notes are an integral part of these consolidated financial statements.

eXp World Holdings, Inc.
Notes to Consolidated Financial Statements
(Amounts in thousands, except share and per share amounts, unless otherwise noted)

1. DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

eXp World Holdings, Inc. (collectively with its subsidiaries, the “Company” or “eXp”) was incorporated in the State of Delaware on July 30, 2008. eXp owns and operates a diversified portfolio of service-based businesses whose operations benefit substantially from utilizing our enabling technology platform. Specifically, we operate a cloud-based real estate brokerage (in North America and other international locations), a Virbela business and related affiliated services that support the development and success of agents, entrepreneurs and businesses by leveraging innovative technologies and integrated services. Our North American and international real estate brokerage is now one of the largest and fastest-growing real estate brokerage companies, operating throughout the United States, most of the Canadian provinces, the United Kingdom (U.K.), Australia, South Africa, India, Mexico, Portugal, France, Puerto Rico, Brazil, Italy, Hong Kong, Colombia, Spain, Israel, Panama, Germany, the Dominican Republic, Greece, New Zealand, Chile and Poland. In addition, in late 2022, we announced operations in Dubai, which is expected to be fully operational in 2023.

The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles and are expressed in U.S. dollars. The Company’s fiscal year end is December 31.

Effective in December 2022, the Company revised the presentation of segment information to reflect changes in the way the Company manages and evaluates the business. As such, we now report operating results through four reportable segments: North American Realty, International Realty, Virbela and Other Affiliated Services, as further discussed in *Note 14 – Segment Information*. Accordingly, certain amounts in the prior years’ consolidated financial statements have been revised to conform to the current year presentation. See additional information in *Note 14 – Segment Information*.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of consolidation

The accompanying consolidated financial statements include the accounts of eXp World Holdings, Inc., its wholly-owned subsidiaries and entities in which we have a variable interest of which we are the primary beneficiary. If the Company has a variable interest in an entity but it is not the primary beneficiary of the entity or exercises control over the operations and has less than 50% ownership, it will use the equity or cost method of accounting for investments. Entities in which the Company has less than a 20% investment and where the Company does not exercise significant influence are accounted for under the cost method. Intercompany transactions and balances are eliminated upon consolidation.

Variable interest entities and noncontrolling interests

A company is deemed to be the primary beneficiary of a VIE and must consolidate the entity if the company has both: (i) the power to direct a VIE’s activities that most significantly impact the VIE’s economic performance and (ii) the obligation to absorb losses of the VIE that could potentially be significant to the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE.

In 2019, the Company made capital contributions in consideration for an ownership interest in First Cloud Investment Group, LLC (“First Cloud”), a Nevada limited liability company providing mortgage origination for end-consumers, with the remaining ownership interests held by certain independent agents and brokers. Under the terms of the operating agreement, the Company maintains at least a 50% equity ownership interest in First Cloud.

The Company determined that First Cloud is a variable interest entity (“VIE”), as the Company is the primary beneficiary that has both the power to direct the activities that most significantly impact the VIE and a variable interest that potentially could be significant to the VIE. The Company treats the interest in First Cloud that it does not own as a noncontrolling interest. The noncontrolling interest balance is adjusted each period to reflect the allocation of net income and other comprehensive income attributable to the noncontrolling interest, as shown in the consolidated statements of comprehensive income. The noncontrolling interest balance in the consolidated balance sheets represents the proportional share of the equity of the joint venture entity, which is attributable to the noncontrolling shareholders.

As of December 31, 2022, First Cloud’s operations have ceased and are not material to the Company’s financial position or results of operations.

Joint ventures

A joint venture is a contractual arrangement whereby the Company and other parties undertake an economic activity through a jointly controlled entity. Joint control exists when strategic, financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control. Joint ventures are accounted for using the equity method and are recognized initially at cost. Joint ventures are typically included in the Other Affiliated Services, unless the joint venture specifically supports one of the reportable segments.

The Company has investments in a joint venture, Silverline Title & Escrow, LLC (“Silverline”), which operates and manages a title agency that performs, among other functions, core title agent services (for which liabilities arises), including the evaluation of searches to determine the insurability of title, the clearance of underwriting objections, the actual issuance of policies on behalf of insurance companies and, where customary, the issuance of title commitments and the conducting of title searches. As of December 31, 2022, Silverline’s operations were wound down in preparation for dissolution in 2023.

In July 2021, the Company entered into a joint venture with Kind Partners, LLC, a subsidiary of Kind Lending, LLC, forming SUCCESS Lending, LLC (“SUCCESS Lending”), a residential mortgage service company.

None of these joint venture investments are consolidated and the Company recognizes its share of income and expenses and equity movement in the joint ventures in proportion to their percentage of ownership.

As of December 31, 2022, Silverline and SUCCESS Lending’s operations are not material to the Company’s financial position or results of operations.

Use of estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (“U.S. GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company regularly evaluates estimates and assumptions related to allowance for credit losses, legal contingencies, income taxes, revenue recognition, stock-based compensation, goodwill and deferred income tax asset valuation allowances. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company’s estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

Reclassifications

When necessary, the Company will reclassify certain amounts in prior-period financial statements to conform to the current period’s presentation. No material reclassifications occurred during the current period.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, money market instruments and all other highly liquid investments purchased with an original or remaining maturity of three months or less at the date of acquisition.

Restricted cash

Restricted cash consists of cash held in escrow by the Company’s brokers and agents on behalf of real estate buyers. The Company recognizes a corresponding customer deposit liability until the funds are released. Once the cash is transferred from escrow, the Company reduces the respective customers’ deposit liability.

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the consolidated balance sheet that sum to the total of the same such amounts shown on the statement of cash flows.

	December 31, 2021	December 31, 2020
Cash and cash equivalents	\$ 108,237	\$ 100,143
Restricted cash	67,673	27,781
Total cash, cash equivalents and restricted cash, beginning balance	<u>\$ 175,910</u>	<u>\$ 127,924</u>
	December 31, 2022	December 31, 2021
Cash and cash equivalents	\$ 121,594	\$ 108,237
Restricted cash	37,789	67,673
Total cash, cash equivalents and restricted cash, ending balance	<u>\$ 159,383</u>	<u>\$ 175,910</u>

Fair value measurements

The fair value of a financial instrument is the amount that could be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Financial assets are marked to bid prices and financial liabilities are marked to offer prices. Fair value measurements do not include transaction costs. The fair value hierarchy prioritizes the quality and reliability of the information used to determine fair values. Categorization within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The fair value hierarchy is defined into the following three categories:

Input Level	Definitions
Level 1	Inputs are quoted market prices in active markets for identical assets or liabilities (these are observable market inputs).
Level 2	Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability (includes quoted market prices for similar assets or identical or similar assets in markets in which there are few transactions, prices that are not current or prices that vary substantially).
Level 3	Inputs are unobservable inputs that reflect the entity's own assumptions in pricing the asset or liability (used when little or no market data is available).

The Company holds funds in a money market account. The Company values its money market funds at fair value on a recurring basis.

Accounts receivable and allowance for expected credit losses

The Company is exposed to credit losses primarily through trade and other financing receivables arising from revenue transactions. The Company uses the aging schedule method to estimate current expected credit losses ("CECL") based on days of delinquency, including information about past events and current economic conditions. The Company's accounts receivable is separated into three categories to evaluate an allowance under the CECL impairment model. The three categories include agent non-commission based fees, agent short-term advances and commissions receivable for real estate property settlements.

The Company increases the allowance for expected credits losses when the Company determines all or a portion of a receivable is uncollectable. The Company recognizes recoveries as a decrease to the allowance for expected credit losses. During 2022, given the changes in the real estate markets, the Company increased its allowances for expected credit losses, for real estate transactions, to better reflect the collection rates on certain of the aging receivable balances in 2022.

As of December 31, 2022 and 2021, receivables from real estate property settlements totaled \$79,135 and \$128,499, respectively, of which the Company recognized expected credit losses of \$3,127 and \$0 as of December 31, 2022 and 2021, respectively. As of December 31, 2022 and 2021 agent non-commission based fees receivable and short-term advances totaled \$12,141 and \$7,188, respectively of which the Company recognized expected credit losses of \$887 and \$2,198, respectively.

Foreign currency translation

The Company's functional and reporting currency is the United States dollar and the functional currency of the Company's foreign subsidiaries is the local currency of their country of domicile. Monetary assets and liabilities denominated in foreign currencies are translated using the exchange rate prevailing at the balance sheet date. Non-monetary assets and liabilities denominated in foreign currencies are translated at rates of exchange in effect at the date of the transaction. Average monthly rates are used to translate revenues and expenses. Gains and losses arising on translation or settlement of foreign currency denominated transactions or balances are included in the consolidated statements of operations in other (income) expense, net. The Company does not employ a hedging strategy to manage the impact of foreign currency fluctuations.

Fixed assets

Fixed assets are stated at historical cost and are depreciated on the straight-line method over the estimated useful lives. Useful lives are:

Computer hardware and software: 3 to 5 years

Furniture, fixtures and equipment: 5 to 7 years

Maintenance and repairs are expensed as incurred. Expenditures that substantially increase an asset's useful life or improve an asset's functionality are capitalized.

The Company capitalizes the costs associated with developing its internal-use cloud-based residential real-estate transaction system. Capitalized costs are primarily related to costs incurred in relation to internally created software during the application development stage including costs for upgrades and enhancements that result in additional functionality.

Leases

Leases are agreements, or terms within agreements, that convey the right to control the use of and receive substantially all of the economic benefit from an identified asset for a period of time in exchange for consideration. The Company currently only possesses office space leases.

Right-of-use assets

The Company recognizes right-of-use ("ROU") assets at the commencement date of the lease. ROU assets are measured at cost, less accumulated depreciation and impairment losses and are adjusted concurrently with the remeasurement of corresponding lease liabilities resulting from a change in future lease payments or a change in the assessment of whether any purchase, extension, or termination options will be exercised.

The cost of ROU assets includes the amount of lease liabilities recognized, initial direct costs incurred and lease payments made at or before the commencement date less any lease incentives received, if any. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the ROU assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Lease liabilities

At the commencement date of a lease, the Company recognizes a lease liability measured at the present value of the lease payments to be made over the lease term. Variable lease payments are recognized as expenses in the period in which the event or condition that triggers the payment occurs. In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the implicit interest rate in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced by the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to leases that have a lease term of 12 months or less from the commencement date and which do not contain a purchase option. The Company does not capitalize leases with a present value of below its minimum capitalization threshold as it would not materially affect the Company's financial position or results of operations. Lease payments on short-term leases and low-value leases are recognized as expenses on a straight-line basis over the lease term.

Refer to *Note 10 – Leases* for more information.

Goodwill

Goodwill represents the excess of the consideration paid over the estimated fair value of assets acquired and liabilities assumed in a business combination. The Company evaluates goodwill for impairment on an annual basis in the fiscal fourth quarter or on an interim basis if an event occurs or circumstances change that would more likely than not indicate that the fair value of the reporting unit is less than its carrying amount. Generally, this evaluation begins with a qualitative assessment to determine if the fair value of the reporting unit is more likely than not less than its carrying value. The test for impairment requires management to make judgments relating to future cash flows, growth rates and economic and market conditions. In addition to the annual impairment evaluation, the Company evaluates at least quarterly whether events or circumstances have occurred in the period subsequent to the annual impairment testing which indicate that it is more likely than not an impairment loss has occurred.

The Company did not recognize any impairments for either of the years ended December 31, 2022 and 2021.

Intangible assets

The Company's intangible assets are finite lived and consist primarily of trade name, technology and customer relationships. Each intangible asset is amortized on a straight-line basis over its useful life, ranging from 3 to 10 years. The Company evaluates its intangible assets for recoverability and potential impairment, or as events or changes in circumstances indicate the carrying value may be impaired.

The Company recognized no impairment for the year ended December 31, 2022 and 2021.

Software development costs

The Company capitalizes software development costs related to products to be sold, leased, or marketed to external users and internal-use software.

Business combinations

The Company accounts for business combinations using the acquisition method of accounting, under which the consideration for the acquisition is allocated to the assets acquired and liabilities assumed. The Company recognizes identifiable assets acquired and liabilities assumed at the acquisition date fair values as determined by management as of the acquisition date. Fair value determinations require considerable judgment and are sensitive to changes in underlying assumptions, estimates and market factors. These assumptions and estimates include projected revenues and income growth rates, terminal growth rates, competitive and consumer trends, market-based discount rates and other market factors. If current expectations of future growth rates are not met or market factors outside of the Company's control change significantly, then goodwill or intangible assets may become impaired. Additionally, as goodwill and intangible assets associated with recently acquired businesses are recorded on the balance sheet at their estimated acquisition date fair values, those amounts are more susceptible to impairment risk if business operating results or macroeconomic conditions deteriorate.

Acquisition-related costs, such as due diligence, legal and accounting fees, are expensed as incurred and not considered in determining the fair value of the acquired assets.

Impairment of long-lived assets

The Company periodically evaluates the carrying value of long-lived assets to be held and used when events and circumstances warrant such a review. The carrying value of a long-lived asset is considered impaired when the anticipated undiscounted cash flow from such asset is less than its carrying value. When assets are considered impaired, a loss is recognized based on the amount by which the carrying value exceeds the fair value of the long-lived asset. Fair value is determined primarily using the anticipated cash flows discounted at a rate commensurate with the risk involved.

Stock-based compensation

Our stock-based compensation is comprised of employee equity incentives, agent growth incentive programs, agent equity program and stock option awards. Stock-based compensation is more fully disclosed in Note 10 – Stockholders' Equity. The Company accounts for stock-based compensation granted to employees and non-employees using a fair value method. Stock-based compensation awards are measured at the grant date fair value and are recognized over the requisite service period of the awards, usually the vesting period, on a straight-line basis, net of forfeitures. The Company reduces stock-based compensation for forfeitures when they occur.

Recognition of compensation cost for an award with a performance condition is based on the probable outcome of that performance condition being met.

Revenue recognition

The Company generates substantially all of its revenue from North American Realty and International Realty segments and generates a de minimis portion of its revenues from software subscription (Virbela segment) and professional services. The Company does not have contracts with customers that provide variable consideration.

North American Realty and International Realty

The Company serves as a licensed broker in the areas in which it operates for the purpose of processing residential real estate transactions. The Company is contractually obligated to provide services for the fulfillment of transfers of residential real estate between buyers and sellers. The Company provides these services itself and controls the services necessary to legally transfer the residential real estate. Correspondingly, the Company is defined as the principal. The Company, as principal, satisfies its obligation upon the closing of a residential real estate transaction. As principal and upon satisfaction of the performance obligation, the Company recognizes revenue in the gross amount of consideration to which the Company expects to be entitled. The Company estimates and accrues revenue to which it is entitled to for closed transactions but has yet to receive all the necessary closing documents.

Revenue is derived from assisting home-buyers and sellers in listing, marketing, selling and finding residential real estate. Commissions earned on real estate transactions are recognized at the completion of a residential real estate transaction once the Company has satisfied the performance obligation. Agent-related fees charged by the Company are recorded as a reduction to commissions and other agent-related costs.

Software Subscription and Professional Services

Subscription revenue is derived from fees from customers to access the Company's virtual reality software platform. The terms of subscriptions do not provide customers the right to take possession of the software. Subscription revenue is generally recognized ratably over the contract term.

Professional services revenue is derived from implementation and consulting services. Professional services revenue is typically recognized over time as the services are rendered, using an efforts-expended (labor hours) input method.

Disaggregated revenue

The Company primarily operates as a real estate brokerage firm and discloses disaggregated revenue from services to customers across its four reportable segments to provide additional insight into the future recognition of revenue and cash flows. The vast majority of the Company's revenue is derived from providing real estate brokerage services, to purchasers and sellers of homes in the U.S., Canada and internationally. See *Note 14 – Segment Information* for details regarding segment and geographic information.

Management provides disaggregation of revenue from its services to customers to provide additional insight into the future recognition of revenue and cash flows.

Revenue share expenses

The Company has a revenue sharing plan where its agents and brokers can receive additional commission income from real estate transactions consummated by agents and brokers they have attracted to the Company. Agents and brokers are eligible for revenue share based on the number of frontline qualifying active ("FLQA") agents they have attracted to the Company. An FLQA agent is an agent or broker that an agent has personally attracted to the Company who has met specific real estate transaction volume requirements. These additional commissions are earned on a multitiered basis by FLQA agents and brokers for real estate transactions within their downstream brokerage network. Commissions to agents and brokers under the revenue sharing plan are included as part of commissions and other agent-related costs in the consolidated statements of comprehensive income.

Advertising and marketing costs

Advertising and marketing costs are generally expensed in the period incurred. Advertising and marketing expenses are included in the sales and marketing expense line item on the accompanying consolidated statements of comprehensive income. For the years ended December 31, 2022, 2021 and 2020, the Company incurred advertising and marketing expenses of \$15,359, \$12,180 and \$5,223, respectively.

Income taxes

The Company records income taxes using the asset and liability method. Under this method, deferred income tax assets and liabilities are recorded based on the estimated future tax effects of differences between the financial statement and income tax basis of existing assets and liabilities. These differences are measured using the enacted statutory tax rates that are expected to apply to taxable income for the years in which differences are expected to reverse. The Company recognizes the effect on deferred income taxes of a change in tax rates in income in the period that includes the enactment date.

The Company recognizes deferred tax assets to the extent that it believes that these assets are more likely than not to be realized. In making such a determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies and results of recent operations. If the Company determines that it would be able to realize its deferred tax assets in the future in excess of their net recorded amount, the Company would make an adjustment to the deferred tax asset valuation allowance, which would reduce the provision for income taxes.

The Company records uncertain tax positions on the basis of a two-step process whereby: (i) it determines whether it is more likely than not that the tax positions will be sustained on the basis of the technical merits of the position and (ii) for those tax positions that meet the more-likely-than-not recognition threshold, it recognizes the largest amount of tax benefit that is more than 50% likely to be realized upon ultimate settlement with the related tax authority.

Comprehensive income

The Company's only components of comprehensive income are net income and foreign currency translation adjustments.

Earnings per share

Basic earnings (loss) per share is computed by dividing the net income for the period by the weighted average number of shares of common stock outstanding during the period. Diluted earnings (loss) per share is computed by dividing net income for the

period by the weighted average number of shares of common stock outstanding plus, if potentially dilutive common shares outstanding during the period. The Company has paid dividends in 2022 and 2021. The Company does not have participating shares outstanding.

Accounting pronouncements

The Company has implemented all new accounting pronouncements that are in effect and that may impact its financial statements and does not believe that there are any other new accounting standards that have been issued that might have a material impact on its financial position and results of operations.

3. ACQUISITIONS

The following discussion relates to acquisitions completed during the year ended December 31, 2022. There were no acquisitions completed during the fiscal year ended December 31, 2021. None of these business combinations were deemed material to the Company's financial condition, results of operations, or cash flows.

Zoocasa Realty, Inc.

On July 1, 2022, the Company acquired Zoocasa Realty Inc. in a stock purchase transaction. The total consideration paid was \$17,155 including net cash of \$9,910 (net of cash acquired of \$2,772), stock issued from treasury of \$4,554 and the working capital adjustment. The Zoocasa acquisition has been accounted for using the acquisition method of accounting. Under the acquisition method of accounting, the Company allocated the total purchase price to the tangible and identifiable intangible assets acquired and assumed liabilities based on their estimated fair values as of the acquisition date, as determined by management. The excess of the purchase price over the aggregate fair values of the identifiable assets was recorded as goodwill of \$14,156, which is not deductible for tax purposes. Goodwill generated from the acquisition includes an assembled workforce. Zoocasa is a consumer real estate research portal that offers proprietary home search tools, market insights and a connection to local real estate experts and has been included in the North American Realty segment.

The following table outlines the fair value of the acquired assets and liabilities assumed from the Zoocasa acquisition:

Identifiable assets acquired and goodwill	
Cash	\$ 2,772
Accounts receivable, net	677
Prepaid & other current assets	94
Fixed assets, net	39
Zoocasa tradename	585
Existing technology	363
Non-compete	333
Goodwill	14,156
Liabilities assumed	
Deferred liabilities & other current liabilities	1,864
Total purchase price	<u>\$ 17,155</u>

4. FAIR VALUE MEASUREMENT

The Company holds funds in a money market account, which are considered Level 1 assets. The Company values its money market funds at fair value on a recurring basis.

As of December 31, 2022 and 2021, the fair value of the Company's money market funds was \$44,062 and \$43,386, respectively.

There have been no transfers between Level 1, Level 2 and Level 3 in the periods presented. The Company did not have any Level 2 or Level 3 financial assets or liabilities in the periods presented.

5. PREPAIDS AND OTHER ASSETS

Prepays and other assets consisted of the following:

	December 31, 2022	December 31, 2021
Prepaid expenses	\$ 5,580	\$ 5,834
Prepaid insurance	2,293	3,465
Rent deposits	15	136
Other assets (includes inventory)	580	481
Total prepaid expenses	<u>\$ 8,468</u>	<u>\$ 9,916</u>

6. PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment, net consisted of the following:

	December 31, 2022	December 31, 2021
Computer hardware and software	\$ 34,206	\$ 20,824
Furniture, fixture and equipment	20	26
Total depreciable property and equipment	34,226	20,850
Less: accumulated depreciation	(19,282)	(11,711)
Depreciable property, net	14,944	9,139
Assets under development	3,207	6,763
Property, plant and equipment, net	<u>\$ 18,151</u>	<u>\$ 15,902</u>

For the years ended December 31, 2022, 2021 and 2020, depreciation expense was \$7,934, \$4,974 and \$3,360, respectively.

7. GOODWILL AND INTANGIBLE ASSETS

Changes in the carrying amount of goodwill were:

	December 31, 2022	December 31, 2021
Goodwill	\$ 12,945	\$ 12,945
Acquisitions	14,156	-
Currency translation impact	111	-
Total goodwill	<u>\$ 27,212</u>	<u>\$ 12,945</u>

Goodwill was recorded in connection with the acquisitions of Zoocasa in July 2022, Showcase in July 2020 and SUCCESS in December 2020 and represents fair value as of the acquisition dates. Each acquisition was accounted for using the acquisition method of accounting. Under the acquisition method of accounting, the Company allocated the total purchase price to the tangible and identifiable intangible assets acquired and assumed liabilities based on their estimated fair values as of the acquisition date, as determined by management. The excess of the purchase price over the aggregate fair values of the identifiable assets was recorded as goodwill.

The Company has a risk of future impairment to the extent that individual reporting unit performance does not meet projections. Additionally, if current assumptions and estimates, including projected revenues and income growth rates, terminal growth rates, competitive and consumer trends, market-based discount rates and other market factors, are not met, or if valuation factors outside of the Company's control change unfavorably, the estimated fair value of goodwill could be adversely affected, leading to a potential impairment in the future. No events occurred that indicated it was more likely than not that goodwill was impaired.

Definite-lived intangible assets were as follows:

	December 31, 2022			December 31, 2021		
	Gross Amount	Accumulated Amortization	Net Carrying Amount	Gross Amount	Accumulated Amortization	Net Carrying Amount
Trade name	\$ 3,459	(\$ 841)	\$ 2,618	\$ 2,868	(\$ 554)	\$ 2,314
Existing technology	3,995	(2,458)	1,537	1,846	(1,102)	744
Non-competition agreements	461	(125)	336	125	(125)	-
Customer relationships	1,895	(551)	1,344	1,895	(361)	1,534
Licensing agreement	210	(181)	29	210	(110)	100
Intellectual property	2,836	-	2,836	2,836	-	2,836
Total intangible assets	\$ 12,856	(\$ 4,156)	\$ 8,700	\$ 9,780	(\$ 2,252)	\$ 7,528

For the years ended December 31, 2022, 2021 and 2020, amortization expense for definite-lived intangible assets was \$1,904, \$1,274 and \$629, respectively.

As of December 31, 2022, expected amortization related to definite-lived intangible assets will be:

Expected amortization	
2023	\$ 2,185
2024	1,439
2025	1,013
2026	849
2027 and thereafter	3,214
Total	<u>\$ 8,700</u>

8. ACCRUED EXPENSES

Accrued expenses consisted of the following:

	December 31, 2022	December 31, 2021
Commissions payable	\$ 56,786	\$ 81,563
Payroll payable	6,236	5,642
Taxes payable	2,124	2,553
Stock liability awards	3,885	4,341
Other accrued expenses	9,913	17,573
	<u>\$ 78,944</u>	<u>\$ 111,672</u>

9. LEASES

Operating leases

The Company's lease portfolio consists of office leases with lease terms ranging from less than one year to seven years, with the weighted average lease term being seven years.

Certain leases provide for increases in future lease payments once the term of the lease has expired, as defined in the lease agreements. These leases generally also include real estate taxes.

As of December 31, 2022, maturities of the operating lease liabilities by fiscal year were as follows:

Period Ending December 31,	
2023	\$ 172
2024	104
2025	93
2026	93
2027	93
2028 and thereafter	323
Total lease payments	<u>878</u>
Less: interest	(9)
Total operating lease liabilities	<u>\$ 869</u>

Included below is other information regarding leases for the year ended December 31, 2022:

Other information	Year Ended December 31,	
	2022	2021
Operating lease expense	\$ 409	\$ 448
Short-term lease expense	542	70
Cash paid for operating leases	258	1,828
Weighted-average remaining lease term (years) – operating leases ⁽¹⁾	7.7	7.0
Weighted-average discount rate – operating leases	5.165%	5.043%

⁽¹⁾ The Company's lease terms include options to extend the lease when it is reasonably certain the Company will exercise its option. Additionally, the Company considered any historical and economic factors in determining if a lease renewal or termination option would be exercised.

Rent expense is recorded in general and administrative expense in the consolidated statements of comprehensive income.

10. STOCKHOLDERS' EQUITY

Common Stock – As of December 31, 2022, our restated certificate of incorporation authorized us to issue 900,000,000 shares of common stock with a par value of \$0.00001 per share.

The following table represents a reconciliation of the Company's issued common stock for the periods presented:

(Shares of Common Stock)	Year Ended December 31,		
	2022	2021	2020
Common stock:			
Balance, beginning of year	155,516,284	146,677,786	132,398,616
Shares issued for stock options exercised	2,105,237	3,155,170	6,538,628
Agent growth incentive stock compensation	2,571,569	2,037,942	1,978,072
Agent equity stock compensation	11,462,940	3,645,386	5,762,470
Balance, end of year	171,656,030	155,516,284	146,677,786

The Company's shareholder approved equity programs described below are administered under the 2015 Equity Incentive Plan. The purpose of the equity plan is to retain the services of valued employees, directors, officers, agents and consultants and to incentivize such persons to make contributions to the Company and motivate excellent performance.

Agent Equity Program

The Company provides agents and brokers the opportunity to elect to receive 5% of commissions earned from each completed residential real estate transaction in the form of common stock (the "Agent Equity Program" or "AEP"). If agents and brokers elect to receive portions of their commissions in common stock, they are entitled to receive the equivalent number of shares of common stock, based on the fixed monetary value of the commission payable. Prior to January 1, 2020, the Company recognized a 20% discount on these issuances as an additional cost of sales charge during the periods presented. Effective in January 2020, the Company amended the AEP and adjusted the discount on issued shares from 20% to 10%.

For the years ended December 31, 2022, 2021 and 2020, the Company issued 11,462,940, 3,645,386 and 5,762,470 shares of common stock, respectively, to agents and brokers for \$164,104, \$144,437 and \$60,968, respectively, net of discount.

Agent Growth Incentive Program

The Company administers an equity incentive program whereby agents and brokers become eligible to receive awards of the Company's common stock through agent attraction and performance benchmarks (the "Agent Growth Incentive Program" or "AGIP"). The incentive program encourages greater performance and awards agents with common stock based on achievement of performance milestones. Awards typically vest after performance benchmarks are reached and three years of subsequent service is provided to the Company. Share-based performance awards are based on a fixed-dollar amount of shares based on the achievement of performance metrics. As such, the awards are classified as liabilities until the number of share awards becomes fixed once the performance metric is achieved.

For the years ended December 31, 2022, 2021 and 2020, the Company's stock compensation attributable to the AGIP was \$30,861, \$24,493 and \$15,239, respectively. The total amount of stock compensation attributable to liability classified awards was \$2,056, \$4,977 and \$3,246 for the years ended December 31, 2022, 2021 and 2020, respectively. Stock compensation expense related to the AGIP is included in general and administrative expense in the consolidated statements of comprehensive income.

The following table illustrates changes in the Company's stock compensation liability for the periods presented:

	Amount
Stock grant liability balance at December 31, 2020	\$ 2,093
Stock grant liability increase year to date	4,977
Stock grants reclassified from liability to equity year to date	(2,729)
Balance, December 31, 2021	\$ 4,341
Stock grant liability increase year to date	2,056
Stock grants reclassified from liability to equity year to date	(2,512)
Balance, December 31, 2022	\$ 3,885

As of December 31, 2022, the Company had 5,696,894 unvested common stock awards and unrecognized compensation costs totaling \$60,660 attributable to stock awards where the performance metric has been achieved and the number of shares awarded are fixed. The cost is expected to be recognized over a weighted average period of 2.08 years.

The following table illustrates the Company's stock activity for the Agent Growth Incentive Program for stock awards where the performance metric has been achieved for the following periods:

	Shares	Weighted Average Grant Date Fair Value
Balance, December 31,2020	6,550,390	\$ 6.75
Granted	1,267,270	40.87
Vested and issued	(2,062,212)	7.54
Forfeited	(580,794)	13.84
Balance, December 31,2021	5,174,654	\$ 13.92
Granted	3,829,990	15.29
Vested and issued	(2,542,696)	6.28
Forfeited	(762,951)	18.80
Balance, December 31,2022	5,698,997	\$ 17.68

Stock Option Awards

Stock options are granted to directors, officers, certain employees and consultants with an exercise price equal to the fair market value of common stock on the grant date and the stock options expire 10 years from the date of grant. These options have time-based restrictions with equal and periodically graded vesting over a three-year period.

The fair value of the options issued was calculated using a Black-Scholes-Merton option-pricing model with the following assumptions:

	2022	2021	2020
Expected term	5 - 6 years	5 - 6 years	5 - 6 years
Expected volatility	72.84% - 76.49%	68.85% - 86.33%	69.01% - 116.16%
Risk-free interest rate	1.49% - 4.10%	0.44% - 1.33%	0.21% - 1.58%
Dividend yield	0.53% - 1.48%	0.00% - 0.00%	0.00% - 0.00%

The following table illustrates the Company's stock option activity for the following periods:

	Options	Weighted Average Exercise Price	Intrinsic Value	Weighted Average Remaining Contractual Term (Years)
Balance, December 31,2020	9,851,058	\$ 4.82	\$ 53.49	5.95
Granted	495,996	41.82	-	9.47
Exercised	(3,155,170)	1.17	34.97	-
Forfeited	(153,224)	22.79	22.85	-
Balance, December 31,2021	7,038,660	\$ 8.70	\$ 25.45	6.26
Granted	1,234,847	19.25	-	9.37
Exercised	(2,083,016)	0.68	18.10	-
Forfeited	(415,969)	13.68	8.74	-
Balance, December 31,2022	5,774,522	\$ 13.56	\$ 2.21	7.63
Exercisable at December 31,2022	3,459,673	\$ 10.43	\$ 2.91	7.09
Vested at December 31,2022	3,459,673	\$ 10.43	\$ 2.91	7.09

Range of stock option exercise prices at December 31, 2022:

\$0.01 - \$5.00 (average remaining life - 6.99 years)	3,752,112	\$ 7.68
\$5.01 - \$15.00 (average remaining life - 8.90 years)	1,493,646	\$ 19.47
\$15.01 - \$30.00 (average remaining life - 8.61 years)	528,764	\$ 38.56

The grant date fair value of options to purchase common stock is recorded as stock-based compensation over the vesting period. As of December 31, 2022, unrecognized compensation cost associated with the Company's outstanding stock options was \$23,676, which is expected to be recognized over a weighted-average period of approximately 1.13 years.

Stock Repurchase Program

In December 2018, the Company's board of directors ("the Board") approved a stock repurchase program authorizing the Company to purchase up to \$25.0 million of its common stock, which was later amended in November 2019 increasing the authorized repurchase amount to \$75.0 million. In December 2020, the Board approved another amendment to the repurchase plan, increasing the total amount authorized to be purchased from \$75.0 million to \$400.0 million. In May 2022, the Board approved an increase to the total amount of its buyback program from \$400.0 million to \$500.0 million. Purchases under the repurchase program may be made in the open market or through a 10b5-1 plan and are expected to comply with Rule 10b-18 under the Exchange Act, as amended. The timing and number of shares repurchased depends upon market conditions. The repurchase program does not require the Company to acquire a specific number of shares. The cost of the shares that are repurchased is funded from cash and cash equivalents on hand.

10b 5-1 Repurchase Plan

The Company maintains an internal stock repurchase program with program changes subject to Board consent. From time to time, the Company adopts written trading plans pursuant to Rule 10b5-1 of the Exchange Act to conduct repurchases on the open market.

On January 10, 2022, the Company and Stephens Inc. entered into a form of Issuer Repurchase Plan ("Issuer Repurchase Plan") which authorized Stephens to repurchase up to \$10.0 million of its common stock per month. On May 3, 2022, the Board approved a form of first amendment to the Issuer Repurchase Plan to increase monthly repurchases from \$10.0 million of its common stock per month up to \$20.0 million, which amendment was signed May 6, 2022. On September 27, 2022, the Board approved and the Company entered into, a form of second amendment to the Issuer Repurchase Plan, to decrease the monthly repurchases from \$20.0 million of its common stock per month to \$13.3 million, in anticipation of volume decreases in connection with the contraction in the real estate market. On December 27, 2022, the Board approved and the Company entered into, a form of third amendment to the Issuer Repurchase Plan, to decrease the monthly repurchases from \$13.3 million of its common stock per month to \$10.0 million, in connection with ongoing contractions in the real estate market.

For accounting purposes, common stock repurchased under the stock repurchase programs is recorded based upon the settlement date of the applicable trade. Such repurchased shares are held in treasury and are presented using the cost method. These shares are considered issued but not outstanding. The following table shows the changes in treasury stock for the periods presented:

(Shares of Treasury Stock)	Year Ended December 31,		
	2022	2021	2020
Treasury stock:			
Balance, beginning of year	6,751,692	2,534,494	925,364
Repurchases of common stock	12,408,430	4,217,198	1,609,130
Issuance of treasury stock	(343,331)	-	-
Balance, end of year	18,816,791	6,751,692	2,534,494

11. EARNINGS PER SHARE

Basic earnings per share is computed based on net income attributable to eXp shareholders divided by the basic weighted-average shares outstanding during the period. Dilutive earnings per share is computed consistently with the basic computation while giving effect to all dilutive potential common shares and common share equivalents that were outstanding during the period. The Company uses the treasury stock method to reflect the potential dilutive effect of unvested stock awards and unexercised options.

The following table sets forth the calculation of basic and diluted earnings per share attributable to common stock during the periods presented:

	Year Ended December 31,		
	2022	2021	2020
Numerator:			
Net income attributable to common stock	\$ 15,442	\$ 81,220	\$ 31,131
Denominator:			
Weighted average shares - basic	151,036,110	146,170,871	138,572,358
Dilutive effect of common stock equivalents	5,184,055	11,558,503	12,977,717
Weighted average shares - diluted	156,220,165	157,729,374	151,550,075
Earnings per share:			
Earnings per share attributable to common stock- basic	\$ 0.10	\$ 0.56	\$ 0.22
Earnings per share attributable to common stock- diluted	\$ 0.10	\$ 0.51	\$ 0.21

For the years ended December 31, 2022, 2021 and 2020, total outstanding shares of common stock excluded from the computation of diluted earnings per share because their effect would have been anti-dilutive were 1,000,421, 102,880 and 283,842, respectively.

12. INCOME TAXES

The following table provides the components of income before provision for income taxes by domestic and foreign subsidiaries:

	Year Ended December 31,		
	2022	2021	2020
Domestic	\$ 1,029	\$ 32,804	\$ 31,356
Foreign	3,559	929	47
Total	\$ 4,588	\$ 33,733	\$ 31,403

The components of the provision for (benefit from) income tax expense are as follows:

	Year Ended December 31,		
	2022	2021	2020
Current:			
Federal	\$ -	\$ -	\$ -
State	\$ 737	\$ 456	\$ 275
Foreign	2,312	1,650	466
Total current income tax provision	3,049	2,106	741
Deferred			
Federal	(11,444)	(41,599)	23
State	(1,674)	(6,574)	24
Foreign	(767)	(1,420)	(375)
Total deferred income tax benefit	(13,885)	(49,593)	(328)
Total provision (benefit) for income taxes	(\$ 10,836)	(\$ 47,487)	\$ 413

The reconciliation of the provision for income taxes at the United States federal statutory rate compared to the Company's income tax expense as reported is as follows:

	Year Ended December 31,		
	2022	2021	2020
Statutory tax rate	21.00%	21.00%	21.00%
State taxes	17.52%	5.22%	6.52%
Permanent differences	(0.40)%	(0.08)%	(0.09)%
Research & Development Credit	(37.23)%	(4.53)%	-%
Unrecognized tax benefit	-%	-%	(0.19)%
Share-based compensation	(271.31)%	(109.20)%	(42.09)%
Sec. 162m compensation limitation	47.85%	8.12%	4.03%
Foreign tax rate differential	(1.65)%	0.27%	0.01%
Valuation allowance	-%	(65.54)%	8.99%
Prior year true up items	(7.15)%	2.15%	3.07%
Other net	(4.82)%	1.86%	0.08%
Total	(236.19)%	(140.73)%	1.33%

Deferred tax assets and liabilities consist of the following for the periods presented:

	December 31, 2022	December 31, 2021
Deferred tax assets:		
Net operating loss carryforward	\$ 41,192	\$ 38,676
Accruals and Reserves	2,795	1,654
Intangibles & Research and Experimental Costs	8,658	-
Research and Development Credit	3,826	1,529
Lease liability	48	269
Legal Settlement Accrual	286	2,591
Share-based compensation	11,871	8,108
Total gross deferred tax assets	68,676	52,827
Deferred tax liabilities:		
Property and equipment	(3,467)	(1,880)
Intangibles/Goodwill	(656)	(496)
Right of use lease asset	(519)	(357)
Other	(55)	(48)
Net deferred tax assets	\$ 63,979	\$ 50,046

The Company accounts for deferred taxes under ASC Topic 740 – Income Taxes (“ASC 740”), which requires a reduction of the carrying amount of deferred tax assets by a valuation allowance if, based on available evidence, it is more likely than not that such assets will not be realized. Accordingly, the need to establish valuation allowances for deferred tax assets is assessed periodically based on the ASC 740 more-likely-than-not realization threshold criterion. This assessment considers matters such as future reversals of existing taxable temporary differences, projected future taxable income, tax-planning strategies and results of recent operations. The evaluation of the recoverability of the deferred tax assets requires that the Company weigh all positive and negative evidence to reach a conclusion that it is more likely than not that all or some portion of the deferred tax assets will not be realized. The weight given to the evidence is commensurate with the extent to which it can be objectively verified. As of December 31, 2022, based on its assessment of the realizability of its net deferred tax assets, we reached the conclusion that our US federal, US State and foreign net deferred tax assets more-likely-than-not will be fully realized and therefore no valuation allowance was recorded.

As of December 31, 2022, the Company had federal, state and foreign net operating losses of approximately \$158.2 million, \$85.3 million and \$9.9 million, respectively. Out of the federal net operating loss, approximately \$8.7 million will carry forward for 20 years and can offset 100% of future taxable income; and \$149.5 million carries forward indefinitely and can offset 80% of future taxable income. As of December 31, 2022, the Company conducted an IRC Section 382 analysis with respect to its net operating loss carryforward and determined there was an immaterial limitation.

As of December 31, 2022, the Company had federal and California Research and Development credits of approximately \$4.6 million and \$0.6 million, respectively. Federal credits can be carried forward for 20 years and will begin expiring in 2039. The California credit can be carried forward indefinitely.

Undistributed earnings of the Company's foreign subsidiaries are considered to be indefinitely reinvested and accordingly, no provision for applicable income taxes has been provided thereon. Upon distribution of those earnings, the Company would be subject to withholding taxes payable to various foreign countries. As of December 31, 2022 the undistributed earnings of the Company's foreign subsidiaries could result in withholding taxes of approximately \$0.6 million, if repatriated.

The Company maintains liabilities for uncertain tax positions. These liabilities involve considerable judgment and estimation and are continuously monitored by management based on the best information available, including changes in tax regulations, the outcome of relevant court cases and other information. A reconciliation of the beginning and ending amount of gross unrecognized benefits is as follows:

	Year Ended December 31,		
	2022	2021	2020
Unrecognized tax benefits - beginning of year	\$ 530	\$ -	\$ 54
Gross increase for tax positions of prior years	199	325	-
Gross increase for tax positions of current year	580	205	-
Settlements	-	-	(54)
Unrecognized tax benefits - end of year	<u>\$ 1,309</u>	<u>\$ 530</u>	<u>\$ -</u>

The unrecognized tax benefits relate to Federal and California research and development credits in 2022 and 2021 and to state taxes in 2020. As of December 31, 2022, the total amount of unrecognized tax benefits that would affect the Company effective tax rate, if recognized, is \$0. The Company's policy is to recognize interest and penalties related to income tax matters in income tax expense. As of December 31, 2022, the Company accrued interest or penalties related to uncertain tax positions in the amount of \$0. The Company does not expect any of the uncertain tax positions to reverse during the next 12 months.

During 2022, the Company completed its federal examination for 2019 with no change to the original filing. There are no state tax examinations in progress nor has it had any state tax examinations since its inception. Because the Company has net operating loss carryforwards, there are open statutes of limitations in which federal taxing authorities may examine the Company's tax returns for all years from December 31, 2011 through the current period. US State taxing authorities may examine the Company's tax return for all years from December 31, 2014 through the current period and foreign tax authorities may examine the Company's tax return for all years from December 31, 2019 through the current period.

13. COMMITMENTS AND CONTINGENCIES

From time to time, the Company is subject to potential liability under laws and government regulations and various claims and legal actions that may be asserted against us that could have a material adverse effect on the business, reputation, results of operations or financial condition. Such litigation may include, but is not limited to, actions or claims relating to sensitive data, including proprietary business information and intellectual property and that of clients and personally identifiable information of employees and contractors, cyber-attacks, data breaches and non-compliance with contractual or other legal obligations.

In March and April 2022, an indirect subsidiary and unconsolidated joint venture of the Company, SUCCESS Lending, entered into Mortgage Warehouse Agreements and related ancillary agreements (the "Credit Agreements") with Flagstar Bank FSB and Texas Capital Bank, which each provide SUCCESS Lending with a revolving warehouse credit line of up to \$25 million. It is customary for mortgage businesses like SUCCESS Lending to obtain warehouse credit lines in order to enable them to close and fund residential mortgage loans for subsequent sale to investors. SUCCESS Lending will use the borrowing capacity under the Credit Agreements exclusively for such purposes and borrowings will generally be repaid with the proceeds received from the sale of mortgage loans.

In connection with the Credit Agreements, the Company has entered into Capital Maintenance Agreements with each of Flagstar Bank FSB and Texas Capital Bank whereby the Company agrees to provide certain funds necessary to ensure that SUCCESS Lending is at all times in compliance with its financial covenants under the Credit Agreements. The Company's capital commitment liability under the Capital Maintenance Agreement with Flagstar Bank FSB is limited to \$2.0 million. The Company's capital commitment liability under the Capital Maintenance Agreement with Texas Capital Bank is limited to \$1.25 million. The Credit Agreements represent off-balance sheet arrangements for the Company.

There are no matters pending or, to the Company's knowledge, threatened that are expected to have a material adverse impact on the business, reputation, results of operations, or financial condition.

There are no proceedings in which any of the Company's directors, officers or affiliates, or any registered or beneficial stockholder is an adverse party or has a material interest adverse to the Company's interest.

14. SEGMENT INFORMATION

In prior years, management made operating decisions and assessed performance based on product lines, with three operating segments and one single reportable segment. In December of 2022, as a result of the growth in international operations and changes in the North American markets, the Company revised the presentation of segment information to align with changes to how the Chief Operating Decision Maker (“CODM”), Glenn Sanford, Chief Executive Officer of eXp World Holdings and eXp Realty, manages the business and allocates resources as four operating segments. The Company determines an operating segment if a component (i) engages in business activities from which it earns revenues and incurs expenses, (ii) has discrete financial information and is (iii) regularly reviewed by the CODM. Once operating segments are identified, the Company performs a quantitative analysis of the current and historic revenues and profitability for each operating segment, together with a qualitative assessment to determine if operating segments have similar operating characteristics. In December 2022, we determined that we have the four operating segments and four reportable segments.

The CODM uses revenues and Adjusted Segment EBITDA as key metrics to evaluate the operating and financial performance of a segment, identify trends affecting the segments, develop projections and make strategic business decisions. Adjusted Segment EBITDA for the reportable segments is defined as operating profit (loss) plus depreciation and amortization and stock-based compensation expenses. The Company’s four reportable segments as follows:

- North American Realty: includes real estate brokerage operations in the United States and Canada, as well as lead-generation and other real estate support services provided in North America.
- International Realty: includes real estate brokerage operations in all other international locations.
- Virbela: includes Virbela enterprise metaverse technology and the support services offered by eXp World Technologies.
- Other Affiliated Services which includes our SUCCESS® Magazine and other smaller ventures.

The Company also reports corporate expenses, as further detailed below, as “Corporate and other” which include expenses incurred in connection with business development support provided to the agents as well as resources, including administrative, brokerage operations and legal functions.

All segments follow the same basis of presentation and accounting policies as those described throughout the Notes to the Audited Consolidated Financial Statements included herein. The following table provides information about the Company’s reportable segments and a reconciliation of the total segment Revenues to consolidated Revenues and Adjusted Segment EBITDA

to the consolidated operating profit (in thousands). Financial information for the comparable prior periods presented have been revised to conform with the current year presentation.

	Revenues		
	Year Ended December 31,		
	2022	2021	2020
North American Realty	\$ 4,552,938	\$ 3,745,354	\$ 1,791,446
International Realty	35,924	17,804	2,004
Virbela	8,485	8,615	5,736
Other Affiliated Services	5,084	2,896	327
Revenues reconciliation:			
Segment eliminations	(4,270)	(3,499)	(1,228)
Consolidated revenues	<u>\$ 4,598,161</u>	<u>\$ 3,771,170</u>	<u>\$ 1,798,285</u>

	Year Ended December 31,		
	2022	2021	2020
	North American Realty	\$ 103,255	\$ 116,800
International Realty	(13,708)	(9,138)	(1,615)
Virbela	(9,642)	(12,637)	(5,017)
Other Affiliated Services	(2,600)	(3,322)	(380)
Corporate expenses and other	(16,756)	(13,708)	(8,796)
Consolidated Adjusted EBITDA	<u>\$ 60,549</u>	<u>\$ 77,995</u>	<u>\$ 57,841</u>
Operating Profit Reconciliation:			
Depreciation and amortization expense	9,838	6,248	4,214
Stock compensation expense	30,861	24,493	15,239
Stock option expense	14,442	13,102	6,801
Consolidated operating profit	<u>\$ 5,408</u>	<u>\$ 34,152</u>	<u>\$ 31,587</u>

Geographical information

For the years ended December 31, 2022, 2021 and 2020 approximately 9%, 8% and 5%, respectively, of the Company's total revenue was generated outside of the U.S. Long-lived assets held outside of the U.S. were 6% and 8% as of December 31, 2022 and 2021, respectively.

The Company's CODM does not use segment assets to allocate resources or to assess performance of the segments and therefore, total segment assets have not been disclosed.

15. DEFINED CONTRIBUTION SAVINGS PLAN

The Company offers a defined contribution savings plan to provide eligible employees with a retirement benefit that permits eligible employees the opportunity to actively participate in the process of building a personal retirement fund. The Company sponsors the defined contribution savings plan. The Company matches a portion of contributions made by participating employees. For the years ended December 31, 2022, 2021 and 2020, the Company's costs for contributions to this plan were \$4,720, \$3,196 and \$1,189, respectively.

16. SUBSEQUENT EVENTS

Quarterly Cash Dividend

On February 9, 2023, our Board of Directors approved a cash dividend of \$0.045 per common share to be paid on March 31, 2023 to shareholders of record on March 13, 2023. The ex-dividend date is expected to be March 10, 2023. The dividend will be paid in cash.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None

Item 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Company's management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of the Company's disclosure controls and procedures pursuant to Rule 13a-15 under the Exchange Act as of December 31, 2022. The term "disclosure controls and procedures" means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the Company's management, including its principal executive and principal financial officers, as appropriate to allow timely decisions regarding required disclosure.

Based on the evaluation, the Company's management has concluded that our disclosure controls and procedures are effective as of December 31, 2022 to provide reasonable assurance regarding the reliability of our financial reporting and the preparation of our financial statements for external reporting purposes in accordance with U.S. generally accepted accounting principles.

Changes in Internal Control Over Financial Reporting

On April 1, 2022, we replaced our Intacct cloud-based resource planning ("ERP") system to a hosted, cloud-based Oracle ERP system ("Oracle"). The change to the new Oracle ERP is reasonably likely to have a material effect on the Company's internal control over financial reporting. In connection with the Oracle implementation, we performed pre-implementation planning, design and testing of internal controls that became effective in the second quarter of 2022. We continue to conduct post-implementation monitoring and process modifications throughout the year in order to maintain effective internal control over financial reporting.

There were no other material changes other than the above-mentioned new Oracle ERP implementation in our internal control over financial reporting that occurred during the year ended December 31, 2022 that have materially affected, or are reasonably believed to be likely to materially affect, our internal control over financial reporting.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Our management, including our Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of our internal control over financial reporting as of December 31, 2022. In making its evaluation, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Control – Integrated Framework (2013)*. Based on this evaluation, management concluded that the Company's internal control over financial reporting was effective as of December 31, 2022. Our independent auditor, Deloitte and Touche LLP, an independent registered public accounting firm, has issued an attestation report on the effectiveness of our internal control over financial reporting, which is included below.

Inherent Limitations on Effectiveness of Controls

Our management, including the Principal Executive Officer, the Principal Financial Officer and the Principal Accounting Officer, does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all errors and fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. The design of a control system must reflect the fact that there are resource constraints and the benefits of controls must be considered relative to their costs. Further, because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Controls can also be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based in part on certain assumptions about the likelihood of future events and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Projections of any evaluation of controls effectiveness to future periods are subject to risks. Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with policies or procedures.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of eXp World Holdings, Inc.

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of eXp World Holdings, Inc. and subsidiaries (the "Company") as of December 31, 2022, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2022, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the financial statements as of and for the year ended December 31, 2022, of the Company and our report dated February 28, 2023, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Touche LLP

San Francisco, California

February 28, 2023

Item 9B. OTHER INFORMATION

None.

Item 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III

Item 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

We have adopted a written Code of Business Conduct and Ethics that applies to all directors, officers and employees, including our principal executive officers and senior financial officers. Our Code of Business Conduct and Ethics is available in the corporate governance subsection of the investor relations section of our website, www.expworldholdings.com and is available in print upon written request to the Corporate Secretary, eXp World Holdings, Inc., 2219 Rimland Drive, Suite 301, Bellingham, WA 98226. In the event that we make changes in, or provide waivers from, the provisions of the Code of Business Conduct and Ethics that the SEC requires us to disclose, we will disclose these events in the corporate governance section of our website. Information contained on our website is not incorporated by reference into this report.

The other information required by this Item will be included in the Company's definitive proxy statement to be filed with the SEC within 120 days after December 31, 2022, in connection with the solicitation of proxies for the Company's 2023 annual meeting of shareholders (the "2023 Proxy Statement") and is incorporated herein by reference.

Item 11. EXECUTIVE COMPENSATION

The information required by this Item will be included in the 2023 Proxy Statement and is incorporated herein by reference.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

Securities Authorized for Issuance under Equity Compensation Plans

The following table summarizes certain information regarding our equity compensation plan as of December 31, 2022:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	5,774,522	\$ 13.56	11,475,734
Equity compensation plans not approved by security holders	-	-	-
Total	5,774,522	\$ 13.56	11,475,734

Other information required by this item will be included in the 2023 Proxy Statement and is incorporated herein by reference.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS and DIRECTOR INDEPENDENCE

The information required by this Item will be included in the 2023 Proxy Statement and is incorporated herein by reference.

Item 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information required by this Item will be included in the 2023 Proxy Statement and is incorporated herein by reference.

PART IV

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(1) Financial Statements

See Consolidated Financial Statements in Item 8

(a) (2) Financial Statements Schedule**

** All other schedules have been omitted because they are inapplicable, not required or because the information is given in the Consolidated Financial Statements or notes thereto. This supplemental schedule should be read in conjunction with the Consolidated Financial Statements and notes thereto included in this report.

EXHIBITS

<u>Exhibit Number</u>	<u>Exhibit Description</u>
3.1	Restated Certificate of Incorporation, effective February 21, 2023
3.2	Restated Bylaws, effective January 13, 2022
4.1	Description of Securities
10.1	2015 Equity Incentive Plan of eXp World Holdings, Inc. (fka eXp Realty International Corporation) (incorporated by reference to the Company's Definitive Information Statement on Schedule 14C filed on April 2, 2015)
10.2	First Amendment to 2015 Equity Incentive Plan of eXp World Holdings, Inc. (incorporated by reference to Company's Definitive Information Statement on Schedule 14C filed on October 6, 2017)
10.3	Second Amendment to 2015 Equity Incentive Plan of eXp World Holdings, Inc. (incorporated by reference to Company's Definitive Information Statement on Schedule 14C filed on November 15, 2019)
10.4	eXp World Holdings, Inc. Stock Repurchase Program (incorporated by reference from Exhibit 99.1 to the Company's Current Report on Form 8-K filed on December 27, 2018)
10.5	First Amendment to eXp World Holdings, Inc. Stock Repurchase Program (incorporated by reference from the Company's Current Report on Form 8-K filed on November 27, 2019)
10.6	Second Amendment to eXp World Holdings, Inc. Stock Repurchase Program (incorporated by reference from the Company's Annual Report on Form 10-K filed on March 11, 2021)
10.7	Third Amendment to eXp World Holdings, Inc. Stock Repurchase Program (incorporated by reference from the Company's Current Report on Form 8-K filed on May 4, 2022)
10.8	Issuer Repurchase Plan, dated January 10, 2022, by and between eXp World Holdings, Inc. and Stephens Inc. ("Stock Repurchase Plan") (incorporated by reference from Exhibit 10.3 to the Company's Current Report on Form 8-K filed on May 4, 2022)
10.9	First Amendment to eXp World Holdings, Inc. Stock Repurchase Plan (incorporated by reference from Exhibit 10.4 to the Company's Current Report on Form 8-K filed on May 4, 2022)
10.10	Second Amendment to eXp World Holdings, Inc. Stock Repurchase Plan (incorporated by reference from the Exhibit 10.5 to Company's Current Report on Form 8-K filed on September 29, 2022)
10.11	Third Amendment to eXp World Holdings, Inc. Stock Repurchase Plan (incorporated by reference from Exhibit 10.10 to the Company's Current Report on Form 8-K filed on December 27, 2022)
10.12	U.S. Form of Independent Contractor Agreement
10.13	U.S. Form of Policies & Procedures (incorporated by reference into the U.S. Form of Independent Contractor Agreement)
10.14	U.S. Form of 2015 Agent Equity Program Participation Election Form
13.1	Annual Report on Form 10-K dated February 25, 2022
21.1	Subsidiaries of the Registrant
23.1	Consent of Independent Registered Public Accounting Firm
31.1	Certification of the Chief Executive pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of the Chief Financial Officer pursuant to Rule 13a-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1	Certification of the Chief Executive Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2	Certification of the Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	Inline XBRL Instance Document
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document

101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (embedded within the inline XBRL document)

Item 16. Form 10-K Summary

None

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

eXp World Holdings, Inc.
(Registrant)

Date: February 28, 2023

/s/ Glenn Sanford
Glenn Sanford
Chief Executive Officer (Principal Executive Officer)

Date: February 28, 2023

/s/ Jeff Whiteside
Jeff Whiteside
Chief Financial Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Name	Title	Date
<u>/s/ GLENN SANFORD</u> Glenn Sanford	Chief Executive Officer and Chairman of the Board (Principal Executive Officer)	February 28, 2023
<u>/s/ JEFF WHITESIDE</u> Jeff Whiteside	Chief Financial Officer (Principal Financial Officer)	February 28, 2023
<u>/s/ KENT CHENG</u> Kent Cheng	Global Controller (Principal Accounting Officer)	February 28, 2023
<u>/s/ JAMES BRAMBLE</u> James Bramble	Chief Legal Counsel and Corporate Secretary	February 28, 2023
<u>/s/ DAN CAHIR</u> Dan Cahir	Director	February 28, 2023
<u>/s/ EUGENE FREDERICK</u> Eugene Frederick	Director	February 28, 2023
<u>/s/ JASON GESING</u> Jason Gesing	Director	February 28, 2023
<u>/s/ DARREN JACKLIN</u> Darren Jacklin	Director	February 28, 2023
<u>/s/ RANDALL MILES</u> Randall Miles	Director	February 28, 2023
<u>/s/ PEGGIE PELOSI</u> Peggie Pelosi	Director	February 28, 2023
<u>/s/ MONICA WEAKLEY</u> Monica Weakley	Director	February 28, 2023

XBRL-Only Content Section

Element Value

dei:EntityCentralIndexKey# 0001495932

dei:CurrentFiscalYearEndDate

dei:DocumentFiscalYearFocus

Dei:DocumentFiscalPeriodFocus FY

dei:AmendmentFlag true/false

EXHIBIT IV

**DEFINITIVE PROXY STATEMENT
FILED BY EXP WORLD HOLDINGS, INC. WITH THE SEC ON APRIL 6, 2023**

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

PROXY STATEMENT PURSUANT TO SECTION 14(A) OF
THE SECURITIES EXCHANGE ACT OF 1934 (AMENDMENT NO.)

Filed by the Registrant Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
 Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
 Definitive Proxy Statement
 Definitive Additional Materials
 Soliciting Material under §240.14a-12

eXp World Holdings, Inc.

(Name of Registrant as Specified in Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check all boxes that apply):

- No fee required.
 Fee paid previously with preliminary materials.
 Fee computed on table in exhibit required by Item 25(b) per Exchange Act Rules 14a6(i)(1) and 0-11.



April 6, 2023

To the stockholders of eXp World Holdings, Inc.:

It is my pleasure to invite you to attend the Annual Meeting of Stockholders of eXp World Holdings, Inc. (the "Company") to be held on Friday, May 19, 2023, at 10:00 a.m., Eastern Time with a physical location at Rosen Shingle Creek, 9939 Universal Blvd., Orlando, FL 32819. Each holder of common stock as of the close of business on the record date of March 22, 2023 will be able to vote their shares via the Internet (i) until May 18, 2023 at 11:59 PM ET by logging into www.proxyvote.com and entering the control number included on their proxy card and (ii) during the meeting by logging into <https://virtualshareholdermeeting.com/EXPI2023> and entering the control number included on their proxy card.

During the Annual Meeting, stockholders will be asked to elect the entire Board of Directors and to ratify the appointment of Deloitte & Touche LLP as our independent auditor for 2023. We also will be asking stockholders for approval, by an advisory vote, of our 2022 named executive officer compensation as disclosed in the Proxy Statement for the Annual Meeting (a "say-on-pay" vote). All of these matters are important, and we urge you to vote in favor of the election of each of the director nominees, the ratification of the appointment of our independent auditor, and the approval of our 2022 named executive officer compensation.

The Notice of Meeting, Proxy Statement, and Annual Report on Form 10-K are available free of charge at <https://expworldholdings.com/investors/sec-filings/>.

It is important that you vote your shares of common stock by proxy, regardless of the number of shares you own. You will find the instructions for voting on your proxy card. We appreciate your prompt attention.

The Board invites you to participate in the Annual Meeting so that management can discuss business developments and trends with you. Thank you for your support, and we look forward to joining you at the Annual Meeting.

Sincerely,

/s/ Glenn Sanford

Glenn Sanford

Chief Executive Officer



NOTICE OF ANNUAL MEETING OF STOCKHOLDERS TO BE HELD ON MAY 19, 2023

The Board of Directors (the “Board”) is soliciting proxies for use at the eXp World Holdings, Inc. 2023 Annual Meeting. You are receiving the enclosed proxy statement because you were a holder of common stock as of the close of business on the record date of March 22, 2023, and therefore are entitled to vote at the Annual Meeting.

TIME & DATE: 10:00 a.m., Eastern Time
May 19, 2023

PLACE: In-person
In-person at:
Rosen Shingle Creek
9939 Universal Blvd.
Orlando, FL 32819

PURPOSE:
The purpose of the Annual Meeting is to consider and vote on the following proposals:

1. Elect seven directors.
2. Ratify the appointment of Deloitte & Touche LLP as our independent auditor for the fiscal year ending December 31, 2023.
3. Approve our 2022 named executive officer compensation on a non-binding advisory basis (“Say on Pay”).

In addition, any other business properly presented may be acted upon at the meeting.

PROXY VOTING:

Your vote is important. You may vote your shares:

- over the internet before the Annual Meeting at www.proxyvote.com and entering the control number included on your proxy card.
- by mailing your completed proxy in advance of the Annual Meeting to:
Vote Processing
c/o Broadridge
51 Mercedes Way,
Edgewood, NY 11717
- over the internet during the Annual Meeting at <https://virtualshareholdermeeting.com/EXPI2023> and entering the control number included on your proxy card.

The Notice of Meeting, Proxy Statement, and Annual Report on Form 10-K are available free of charge at <https://expworldholdings.com/investors/sec-filings/>.

RECORD DATE:

You are eligible to vote if you were a stockholder of record as of the close of business on March 22, 2023.

Whether or not you plan to attend the Annual Meeting, we urge you to vote your shares as soon as possible. Submitting a proxy will not prevent you from attending the Annual Meeting and voting at the meeting.

By Order of the Board of Directors,

/s/ James Bramble

James Bramble
Chief Legal Counsel



eXp WORLD HOLDINGS, INC.
2219 Rimland Drive, Suite 301
Bellingham, WA 98226

Proxy Statement dated April 6, 2023

2023 Annual Meeting of Stockholders

eXp World Holdings, Inc., a Delaware corporation, is furnishing this Proxy Statement and related proxy materials in connection with the solicitation by its Board of Directors of proxies to be voted at its 2023 Annual Meeting of Stockholders and any adjournments. eXp World Holdings, Inc. is providing these materials to the holders of record of its common stock, \$0.00001 par value per share, as of the close of business on the record date of March 22, 2023 and is first making available or mailing the materials on or about April 6, 2023.

The Annual Meeting is scheduled to be held as follows:

Date	May 19, 2023
Time	10:00 a.m., Eastern Time
In-Person	Rosen Shingle Creek, 9939 Universal Blvd., Orlando, FL 32819

Your vote is important.

Please see the detailed information that follows in the Proxy Statement.

In the Proxy Statement, the terms "eXp," "we," "our," and "Company" refer to eXp World Holdings, Inc. The Proxy Statement includes website addresses and references to additional materials found on those websites. These websites and materials are not incorporated into the Proxy Statement by reference.

This document includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding our company performance, and current plans, considerations, expectations, and determinations regarding future compensation plans and arrangements. These statements involve risks and uncertainties. Actual results, plans, and arrangements that we adopt may differ materially from currently anticipated plans and arrangements as summarized herein for a variety of reasons, including due to the risks, uncertainties, and other important factors that are discussed in our most recently filed periodic reports on Form 10-K and Form 10-Q and subsequent filings. We assume no obligation to update any forward-looking statements or information, which speak as of their respective dates.

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2023 Proxy Summary

This summary highlights information contained elsewhere in this Proxy Statement. This summary does not contain all of the information that you should consider, and you should read the entire Proxy Statement carefully before voting. References in this Proxy Statement to “eXp World Holdings,” “eXp”, the “Company”, and to “we,” “us,” “our” and similar terms, refer to eXp World Holdings, Inc.

Annual Meeting of Stockholders

Time and Date	10:00 a.m., Eastern Time, on May 19, 2023
In-Person Address	Rosen Shingle Creek, 9939 Universal Blvd., Orlando, FL 32819
Record Date	March 22, 2023
Voting	Stockholders will be entitled to one vote for each share of common stock they hold of record as of the record date on each matter submitted for a vote of stockholders at the Annual Meeting.
Shares Entitled to Vote	149,103,295 votes, based on 172,587,799 shares of common stock outstanding as of the record date, of which 23,484,504 shares are held as treasury stock.

Annual Meeting Agenda

Proposal	Board Recommendation
1. Election of seven directors	FOR each nominee
2. Ratification of appointment of independent auditor for 2023	FOR
3. Approval, by a non-binding, advisory vote, of the 2022 compensation of our named executive officers	FOR

How to Cast Your Vote

You can vote by any of the following methods:

Until 11:59 p.m., ET, on May 18, 2023	At the Annual Meeting on May 19, 2023
Internet: From any web-enabled device: www.proxyvote.com	Internet: From any web-enabled device: https://virtualshareholdermeeting.com/EXPI2023
Mail: Completed, signed and returned proxy card	

Voting Standards

For Proposal 1, a nominee for director will be elected to the Board by the affirmative vote of a majority of shares voting in the election. For Proposals 2 and 3, the affirmative vote of a majority of the shares voting on the matter is required to approve the proposal. Proposal 3 is an advisory vote and not binding on us, but the Board will consider the outcome of the vote on that proposal when considering future named executive officer compensation decisions.

Abstentions and Broker Non-Votes

Abstentions and broker non-votes are counted for purposes of determining whether a quorum is present. Abstentions are not counted as votes cast on any proposal considered at the Annual Meeting and, therefore, will have no effect on the proposals regarding the election of directors in Proposal 1, the ratification of the appointment of our independent registered public accounting firm for 2023 in Proposal 2, or the advisory vote on the compensation of our named executive officers in Proposal 3. Broker non-votes occur when a person holding shares in "street name," such as through a brokerage firm, does not provide instructions as to how to vote those shares and the broker does not then vote those shares on the stockholder's behalf. Broker non-votes are not counted as votes cast or entitled to be cast on any proposal considered at the Annual Meeting and, therefore, will have no effect on the proposals regarding the election of directors in Proposal 1, or the advisory vote on the compensation of our named executive officers in Proposal 3. We expect no broker non-votes on the ratification of the appointment of our independent registered public accounting firm for 2023 in Proposal 2.

Attending the Annual Meeting and Directions to the Annual Meeting

The Annual Meeting of Stockholders of eXp World Holdings, Inc. will be held on Friday, May 19, 2023, at 10:00 a.m., Eastern Time. Our Board has determined to host a physical meeting at Rosen Shingle Creek, 9939 Universal Blvd., Orlando, FL 32819. This year, you have the option of attending the annual meeting in person. Only stockholders as of the record date on March 22, 2023 are entitled to notice of and to vote at the Annual Meeting. You will be able to vote your shares electronically if you attend the annual meeting in person.

For those planning to attend the annual meeting in person, you can find directions to, and supplemental information about, the Annual Meeting at <https://expshareholdersummit.com>. The use of cameras, recording devices, and other recording means are prohibited at the meeting.

If you were a shareholder as of March 22, 2023, the record date for our annual meeting, you may vote during the annual meeting by visiting <https://virtualshareholdermeeting.com/EXPI2023> and entering the control number found on your proxy card, voter instruction form, or notice.

Questions and Answers about the Annual Meeting

When and where will the Annual Meeting be held? This year the Annual Meeting of Stockholders of eXp World Holdings, Inc., which we refer to as the “Annual Meeting,” will be held in-person at Rosen Shingle Creek, 9939 Universal Blvd., Orlando, FL 32819, beginning at 10:00 a.m., Eastern Time, on May 19, 2023. We encourage you to arrive at the Annual Meeting prior to the start time.

Who may join the Annual Meeting? In-person attendance and participation in the Annual Meeting will be available to the general public, but voting shares will be limited to stockholders, stockholder representatives, and proxy holders.

What materials have been prepared for stockholders in connection with the Annual Meeting? We are furnishing you and other stockholders of record with this Proxy Statement for the 2023 Annual Meeting, which includes a letter from our Chief Executive Officer to stockholders, a Notice of 2023 Annual Meeting of Stockholders, a proxy card for the Annual Meeting and, if you received printed copies of the proxy materials, a pre-addressed envelope to be used to return the completed proxy card, as well as our Annual Report on Form 10-K for the fiscal year ended December 31, 2022. Except for the Form 10-K, these proxy materials were first made available on the Internet on or about April 6, 2023.

We filed our Annual Report on Form 10-K for the year ended December 31, 2022 with the SEC on February 28, 2023. It is available free of charge at the SEC’s web site at www.sec.gov. Upon written request by a stockholder, we will mail without charge a copy of our Annual Report on Form 10-K. All requests should be directed in writing to:

eXp World Holdings, Inc.
Attention: Corporate Secretary
2219 Rimland Drive, Suite 301
Bellingham, Washington 98226

with a copy via email: james.bramble@expworldholdings.com.

What is a proxy? The term “proxy,” when used with respect to stockholder, refers to either a person or persons legally authorized to act on the stockholder’s behalf or a format that allows the stockholder to vote without being physically present at the Annual Meeting.

Because it is important that as many stockholders as possible be represented at the Annual Meeting, the Board is asking that you review this Proxy Statement carefully and then vote by following the instructions set forth on the proxy card. In voting prior to the Annual Meeting, you will deliver your proxy to Glenn Sanford and Jeff Whiteside, which means you will authorize Messrs. Sanford and Whiteside to vote your shares at the Annual Meeting in the way you instruct. All shares represented by valid proxies will be voted in accordance with the stockholder’s specific instructions.

What matters will the stockholders vote on at the Annual Meeting?

Proposal 1 - The election of the Board's seven nominees for director: Glenn Sanford, Darren Jacklin, Jason Gesing, Randall Miles, Dan Cahir, Monica Weakley, and Peggie Pelosi, each to serve until the next annual meeting or, in each case, until his or her successor is duly elected and qualified, or until his or her earlier death, resignation or removal.

Proposal 2 – To ratify the appointment of Deloitte & Touche LLP as our independent auditor for the fiscal year ending December 31, 2023.

Proposal 3 – To conduct an advisory vote on our 2022 named executive officer compensation as disclosed in this Proxy Statement.

Who can vote at the Annual Meeting?

Stockholders of record of common stock as of the close of business on March 22, 2023, the record date, will be entitled to vote at the Annual Meeting. As of the record date, there were outstanding a total of 172,587,799 shares of common stock, of which 23,484,504 were held in treasury. As a result, there are 149,103,295 shares entitled to vote on each proposal, with each share entitled to one vote on each proposal. The shares outstanding do not include shares held as treasury stock which are not entitled to vote at the Annual Meeting.

What is a stockholder of record?

A stockholder of record is a stockholder whose ownership of our common stock is reflected directly on the books and records of our transfer agent, Broadridge. As described below, if you are not a stockholder of record, you will not be able to vote your shares unless you have a proxy from the stockholder of record authorizing you to vote your shares.

What does it mean for a broker or other nominee to hold shares in "street name"?

If you beneficially own shares held in an account with a broker, bank or other nominee, that nominee is the stockholder of record and is considered to hold those shares in "street name." A nominee that holds your beneficially owned shares in street name will vote in accordance with the instructions you provide. If you do not provide the nominee with specific voting instructions with respect to a proposal, the nominee's authority to vote your shares will, under applicable rules, depend upon whether the proposal is considered a "routine" or a non-routine matter.

The nominee generally may vote your beneficially owned shares on routine items for which you have not provided voting instructions to the nominee. The ratification of the appointment of our independent auditor for 2023 (Proposal 2) is considered a routine matter under applicable rules.

The nominee generally may not vote on non-routine matters, including Proposal 1, and Proposal 3. Instead, it will inform the inspector of election that it does not have the authority to vote on those matters. This is referred to as a "broker non-vote."

For the purpose of determining a quorum, we will treat as present at the Annual Meeting any proxies that are voted on any of the three proposals to be acted upon by the stockholders, including abstentions or proxies containing broker non-votes.

How do I vote my shares if I do not attend the Annual Meeting?

If you are a stockholder of record, you may vote prior to the Annual Meeting as follows:

Via the Internet: You may vote via the Internet by going to www.proxyvote.com, in accordance with the voting instructions on the proxy card. Internet voting is available 24 hours a day until 11:59 p.m., Eastern Time, on May 18, 2023. You will be given the opportunity to confirm that your instructions have been recorded properly.

By Mail: You may vote by returning the completed and signed proxy card in a postage-paid return envelope that was provided with the proxy card, if you request a copy by mail.

If you hold shares in street name, meaning that you are a beneficial owner of shares registered in the name of your broker, bank or other agent, you should have received a notice containing voting instructions from that nominee rather than from us. Please follow the voting instructions in the notice to ensure that your vote is counted. To vote in person at the Annual Meeting, you must obtain a valid proxy from your broker, bank or other agent. Follow the instructions from your broker or bank included with the proxy materials, or contact your broker or bank to request a proxy form.

Can I vote at the Annual Meeting?

If you are a stockholder of record, you may vote at the Annual Meeting, whether or not you previously voted, by visiting <https://virtualshareholdermeeting.com/EXPI2023> during the Annual Meeting and entering the 16-digit control number included on your proxy card.

May I change my vote or revoke my proxy?

If you are a stockholder of record and previously delivered a proxy, you may subsequently change or revoke your proxy at any time before it is exercised by:

- voting before the Annual Meeting at www.proxyvote.com;
- voting during the Annual Meeting at <https://virtualshareholdermeeting.com/EXPI2023>; or
- submitting a completed and signed proxy card, with a later date, before voting at the Annual Meeting is completed.

If you are a beneficial owner of shares held in street name, you should contact your bank, broker or other nominee for instructions as to whether, and how, you can change or revoke your proxy.

<i>What happens if I do not give specific voting instructions?</i>	If you are a stockholder of record and you return a proxy card without giving specific voting instructions, the proxy holders will vote your shares in the manner recommended by the Board on all three proposals presented in this Proxy Statement and as they may determine in their discretion on any other matters properly presented for a vote at the Annual Meeting.
	If you are a beneficial owner of shares held in street name and do not provide specific voting instructions to the broker, bank or other nominee that is the stockholder of record of your shares, the nominee generally may vote on routine, but not non-routine, matters. The ratification of the appointment of our independent auditor for 2023 (Proposal 2) is considered a routine matter. If the nominee does not receive instructions from you on how to vote your shares on Proposal 2, your broker is entitled (but not required) to vote your shares on that matter. The election of directors (Proposal 1) and approval, on a non-binding advisory basis, of the compensation paid to our named executive officers (Proposal 3) are considered non-routine matters under applicable rules, and your broker is not entitled to vote your shares on these proposals without your instructions. See “Q. <i>What does it mean for a broker or other nominee to hold shares in ‘street name’?</i> ” above.
<i>Who is paying for this proxy solicitation?</i>	We will pay all expenses of preparing, printing and mailing, the Annual Meeting proxy materials, as well as all other expenses of soliciting proxies for the Annual Meeting on behalf of the Board of Directors. Directors and employees will not be paid any additional compensation for soliciting proxies, if applicable. We will also reimburse brokerage firms, banks and other agents for the cost of forwarding proxy materials to beneficial owners.
<i>What if other matters are presented at the Annual Meeting?</i>	If a stockholder of record provides a proxy by voting in any manner described in this Proxy Statement, the proxy holders will have the discretion to vote on any matters, other than the three proposals presented in this Proxy Statement, that are properly presented for consideration at the Annual Meeting. We do not know of any other matters to be presented for consideration at the Annual Meeting.
<i>What happens if the Annual Meeting is postponed or adjourned?</i>	If we have to adjourn or postpone the Annual Meeting to a later date, we will provide notice of the date and time of such adjourned meeting at https://expshareholdersummit.com and on a Current Report on Form 8-K that we will file with the SEC. Your proxy may be voted at the postponed or adjourned Annual Meeting. You will still be able to change your proxy until it is voted. Any adjournment of the Annual Meeting can be accessed at the same website listed above and you may vote at any postponement or adjournment using your same 16-digit control number.
<i>Where can I find the voting results of the Annual Meeting?</i>	Our intention is to announce the preliminary voting results at the Annual Meeting and to publish the final results within four business days after the Annual Meeting on a Current Report on Form 8-K to be filed with the SEC.

What are the requirements to propose actions for consideration at next year's annual meeting of stockholders or to nominate individuals to serve as directors?

Stockholder Proposals for Inclusion in Next Year's Proxy Statement

In order for stockholder proposals for the 2024 Annual Meeting of Stockholders to be eligible for inclusion in the proxy statement and form of proxy card for that meeting, we must receive the proposals no later than January 19, 2024 at our corporate headquarters, addressed to:

eXp World Holdings, Inc.
Attention: Corporate Secretary
2219 Rimland Drive, Suite 301
Bellingham, Washington 98226

with a copy via email: james.bramble@expworldholdings.com.

In addition, all proposals will need to comply with Rule 14a-8 of the Securities Exchange Act, which sets forth the requirements for the inclusion of stockholder proposals in our sponsored proxy materials.

Stockholder Proposals and Nominations to be Presented at Next Year's Annual Meeting

Our bylaws set forth the procedures you must follow in order to nominate a director for election or present any other proposal at an annual meeting of our stockholders, other than proposals intended to be included in our sponsored proxy materials. In addition to any other applicable requirements, for a stockholder to properly bring business before the 2024 Annual Meeting of Stockholders, the stockholder must give us notice thereof in proper written form, including all required information, no earlier than the close of business on January 22, 2024, nor later than the close of business on February 19, 2024 (provided, however, that the date of the annual meeting is more than thirty days before or more than seventy days after the anniversary date of the 2023 Annual Meeting of Stockholders, notice by the stockholder must be delivered not earlier than the close of business on the one hundred twentieth day prior to such annual meeting and not later than the close of business on the later of the ninetieth day prior to such annual meeting or the tenth day following the day on which public announcement of the date of such meeting is first made by the Company), at our corporate headquarters, addressed to:

eXp World Holdings, Inc.
Attention: Corporate Secretary
2219 Rimland Drive, Suite 301
Bellingham, Washington 98226

with a copy via email: james.bramble@expworldholdings.com.

You are also advised to review our bylaws, which contain additional requirements about advance notice of stockholder proposals and director nominations. A copy of our Amended and Restated Bylaws is available as Exhibit 3.2 to our Annual Report on Form 10-K for the year ended December 31, 2022 at <https://www.sec.gov/Archives/edgar/data/1495932/000155837023002334/exp-20221231xex3d2.htm>.

Vote Required for Election or Approval

eXp World Holdings Inc.'s only voting securities are the outstanding shares of common stock. As of the record date, March 22, 2023, there were 172,587,799 shares of common stock outstanding, of which 149,103,295 shares will be entitled to one vote on each proposal. As a result, up to a total of 149,103,295 shares of common stock will be entitled to one vote on each proposal. The shares outstanding do not include shares held as treasury stock which are not entitled to vote at the Annual Meeting.

Only stockholders of record as of the record date will be entitled to notice of, and to vote at, the Annual Meeting. A majority of the outstanding shares of common stock entitled to vote at the Annual Meeting will constitute a quorum for the transaction of business at the Annual Meeting. For the purpose of determining a quorum, we will treat as present at the Annual Meeting any proxies that are voted on any matter to be acted upon by the stockholders, as well as abstentions or any proxies containing broker non-votes.

Proposal 1 - Election of Directors

Each director will be elected by the affirmative vote of a majority of shares that are voting in the election. Abstentions and broker non-votes will not have any effect on the outcome of the election of directors because they are not counted as voting in the election.

Proposal 2 - Ratification of Appointment of Independent Auditor for 2023

The ratification of Deloitte & Touche LLP as our independent auditor for the year ending December 31, 2023 must be approved by affirmative votes constituting a majority of the shares that are voting on the matter. Abstentions will not have any effect on the outcome of the election of directors because they are not counted as voting in the election. Because this proposal is considered a routine matter, discretionary votes by brokers will be counted and we do not expect any broker non-votes.

Proposal 3 - Approval of 2022 Executive Compensation on an Advisory Basis

The advisory "say-on-pay" vote to approve the compensation to our named executive officers in 2022 as disclosed in this Proxy Statement must be approved by affirmative votes constituting a majority of the shares that are voting on the matter. Abstentions and broker non-votes will have no effect on the outcome of this proposal because they are not counted as voting.

PROPOSAL 1 – ELECTION OF DIRECTORS

At the Annual Meeting, stockholders will elect the entire Board of Directors to serve for the ensuing year and until their successors are elected and qualified. The Board has designated as nominees for election the seven persons named below, each of whom currently serves as a director.

Shares of common stock that are voted as recommended by the Board will be voted in favor of the election as directors of the nominees named below. If any nominee becomes unavailable for any reason or if a vacancy should occur before the election, the shares represented by a duly completed proxy may be voted in favor of such other person as may be determined by the proxy holders.

The Board, based on the recommendation of the Nominating and Corporate Governance Committee, has proposed that the following seven nominees be elected at the Annual Meeting, each of whom will hold office until the next Annual Meeting of Stockholders or until his or her successor is duly elected and qualified, or until his or her earlier death, resignation or removal.

The authorized number of directors of the Company is currently set at eight, but pursuant to an action of the Board taken on March 30, 2023, Mr. Frederick was not nominated for re-election to the Board and the size of the Board will reduce to seven members upon the expiration of his term on May 19, 2023.

Name	Position	Age ⁽¹⁾	Date First Elected or Appointed
Glenn Sanford	Director, Chairman, Chief Executive Officer (EXPI and eXp Realty)	56	March 12, 2013
Darren Jacklin	Director	50	May 22, 2014
Jason Gesing	Director, Chief Industry Relations Officer	49	September 27, 2014
Randall Miles	Director	66	July 20, 2016
Dan Cahir	Director	40	November 29, 2018
Monica Weakley	Director and Independent Contractor Real Estate Agent	54	June 20, 2022
Peggie Pelosi	Director	67	January 26, 2023

⁽¹⁾ As of April 6, 2023.

Glenn Sanford, our Chairman of the Board and director, and Chief Executive Officer of the Company and eXp Realty, LLC (“eXp Realty”), a subsidiary of the Company, beneficially owned approximately 28.76% of our outstanding common stock as of January 31, 2023. Penny Sanford, one of our stockholders, beneficially owned approximately 17.86% of our outstanding common stock as of January 31, 2023. Jason Gesing, our Chief Industry Relations Officer, and one of our directors and independent contractor real estate brokers, beneficially owned 1.64% of our outstanding common stock as of January 31, 2023. Gene Frederick, one of our independent contractor real estate brokers, beneficially owned 3.25% of our outstanding common stock as of January 31, 2023. In March 2021, Mr. Sanford, Ms. Sanford, Mr. Gesing and Mr. Frederick filed a Schedule 13D/A with the U.S. Securities and Exchange Commission (the “SEC”) indicating that they had entered into an agreement to vote their shares as a group with respect to the election of directors and any other matter on which our shares of common stock are entitled to vote. Accordingly, Mr. Sanford, Ms. Sanford, Mr. Gesing and Mr. Frederick collectively own a number of shares of our common stock sufficient to elect all of the members of the Board without the approval of any other stockholders. Mr. Sanford, Ms. Sanford, Mr. Gesing and Mr. Frederick are expected to vote for each director nominee.

Director Nominees' Biographical and Related Information

Glenn Sanford

Mr. Sanford has served as the Company's Chief Executive Officer and as one of our directors since March 13, 2013. Prior to real estate, Mr. Sanford was active at the executive level with a number of technology-related companies. In 1998, Mr. Sanford founded and served as President for eShippers.com, an online e-commerce and logistics company. Since 2002, Mr. Sanford has been actively involved in the residential real estate space. Mr. Sanford ran a large mega-agent team and consulted to Keller Williams International as a member of the Agent Technology Council in the areas of online client acquisition, client conversion and technology. Mr. Sanford was also a significant contributor to Keller Williams Internet Lead Generation Masterminds. In early 2007, Mr. Sanford launched BuyerTours Realty, LLC and grew the Company to three offices and into two states. After the decline in the real estate market in 2008, Mr. Sanford and his executive team rewrote the entire business model to reduce costs and provide consumers with more information and access. In October 2009, Glenn Sanford founded and launched eXp Realty, LLC as the first truly cloud-based national real estate brokerage which meant giving up the traditional brick and mortar environment and moving to a fully-immersive 3D virtual office environment where agents, brokers and staff collaborate across borders while learning and transacting business from anywhere in the world. Since that time, eXp Realty has quickly grown throughout the United States and internationally.

Today, Mr. Sanford serves as one of our directors and as Chairman of the Board of Directors, and as Chief Executive Officer of the Company and eXp Realty, LLC. The Board believes that Mr. Sanford is qualified to serve on our Board because of his business and management experience.

Darren Jacklin

Mr. Jacklin has served as an independent director of the Company since May 22, 2014. For over 25 years, Mr. Jacklin has worked as a global corporate trainer and has traveled four continents and over 48 countries mentoring entrepreneurs and business owners on specific and measurable strategies designed to increase their income, transform their obstacles into cash flow and turn their passion into profits. Since January 2017, Mr. Jacklin has also served as the Managing Director of Grandeur Capital Corp., Darren Jacklin Group of Companies which has residential and commercial real estate and business holdings across North America. In 2019, Mr. Jacklin also co-founded LY2NK Foundation, a family foundation for global philanthropy.

His ability to identify potential investment and growth opportunities has been recognized by Tiger 21, The Wall Street Journal, Yahoo Finance, NBC TV, CBS TV, Global TV international radio stations, magazines and newspapers, movie producers, best-selling authors, CEO's and business experts worldwide.

Darren Jacklin currently sits on paid international boards of directors of OrbVest Ltd. and ReachOut IT. Mr. Jacklin has consulted with over 157 Fortune 500 companies such as Microsoft, AT&T, Black & Decker, Barclays Bank, as well as high school, college, university students and professional athletes and has connected with people in more than 130 countries.

The Board believes Mr. Jacklin is qualified to serve on our Board because of his business experience and venture capital background.

Jason Gesing

Mr. Gesing joined the Company in March 2010 and was appointed Chief Business Development Officer in September 2012, a position he held until June 2014. From June 2014 through September 2016, Mr. Gesing served as the Corporation's President. From September 2016 through August 2018, Mr. Gesing served as Chief Executive Officer of our Real Estate Brokerage Division. Mr. Gesing reassumed the role of Chief Executive Officer of our Real Estate Brokerage Division in October 2019 which role he assumed until January 2023 when Mr. Gesing transitioned to Chief Industry Relations Officer. Mr. Gesing has over 15 years of experience in real estate in various capacities and holds a broker's license in Massachusetts.

Mr. Gesing was an attorney with Murphy, Hesse, Toomey & Lehane, LLP in Boston, MA from 2002 to 2010. In his capacity as a lawyer, he obtained a broad base of experience in corporate, municipal, real estate, compliance, health care, construction, litigation, and administrative law, and advising clients on day to day issues and managing crises. He has acted in a variety of roles and undertaken a variety of matters including: corporate counsel; municipal counsel; hospital counsel; leasing, licensing and contract negotiation; governance and compliance; appearances before administrative hearing officers and state judges; defense of management in unfair labor practice charges; collective bargaining; internal investigations; and, owner representative in construction matters.

Mr. Gesing obtained a Bachelor of Arts (Magna Cum Laude) in 1996 from Syracuse University, and a Juris Doctor in 2002 from Boston College Law School. He is licensed to practice law in Massachusetts and New Hampshire.

The Board believes that Mr. Gesing is qualified to serve on our Board of Directors because of his business and legal experience.

Randall Miles

Mr. Miles has served as an independent director of the Company since July 2016 and was appointed Vice-Chairman on January 20, 2018. For over 25 years Mr. Miles has held senior leadership positions in global financial services, financial technology and investment banking companies. His extensive investment banking background at bulge bracket, regional and boutique firms advising financial services companies on strategic and capital structure needs has crossed many disciplines. Mr. Miles' transactional and advisory experience is complemented by leadership roles at public and private equity backed financial technology, specialty finance and software companies that have included Chairman and CEO at LIONMTS where he was nominated for the Ernst & Young Entrepreneur of the Year award, CEO at Syngence Corporation, COO of AtlasBanc Holdings Corp. and CEO of Advantage Funding / NAFCO Holdings.

Mr. Miles is Managing Partner at SCM Capital Group, a global strategic and capital structure advisory firm, where he has served since in 2003. Previously, he served as Head of Investment Banking at Tigress Financial Partners, Managing Director at Riparian Partners, a division of Oppenheimer & Co., Inc. as Senior Managing Director, and Head of FIG and COO, Investment Banking at Cantor Fitzgerald & Co. Mr. Miles has held senior leadership roles at Oppenheimer & Co., D.A. Davidson and & Co., The First Boston Corporation (Credit Suisse), Meridian Capital and Greenwich Capital Markets. Mr. Miles has broad public, private and nonprofit board experience and has been active for many years in leadership roles with the Make-A-Wish Foundation. He presently serves on the boards of Troika Media Group, Inc., RESAAS Services Inc., Kuity, Corp., Arthur H. Thomas Company as Chairman, Independent Director, Chairman, and Vice Chairman respectively. Mr. Miles holds a BBA from the University of Washington and holds FINRA licenses Series 7, 24, 63 and 79.

The Board believes that Mr. Miles is well qualified to serve on the Company's Board of Directors because of his extensive background in investment banking and financial services.

Dan Cahir

Mr. Cahir has served as an independent director of the Company since November 29, 2018. Mr. Cahir has more than 10 years of experience managing public and private equity investments across a variety of industries. Currently, Mr. Cahir serves as the Chief Executive Officer and Chief Investment Officer of Sapling Capital, LLC, positions he has held at Sapling Capital, LLC and its related entities since June 2018. Currently, Mr. Cahir serves as director of Exit Plan Capital, LLC.

From June 2013 to June 2018, Mr. Cahir served as a portfolio manager at Long Light Capital, managing a public equity portfolio and evaluating venture capital and private equity investments and allocations to external fund managers. From September 2011 to April 2013, Mr. Cahir was a member of the investment team at Ziff Brothers Investments, a private investment firm. From August 2007 to September 2009, Mr. Cahir was a member of the investment team at Madrone Capital Partners where he led the analysis on venture capital, private equity and public equity investments. Mr. Cahir began his career in September 2005 with Bain & Co., where he advised Fortune 500 and private equity clients on M&A, growth and efficiency initiatives until June 2007.

Mr. Cahir completed his studies and earned his Bachelor of Arts Degree in Economics in 2005, graduating with the summa cum laude distinction from Claremont McKenna College and completed his studies and earned a Master of Business Administration from Harvard Business School in 2011.

The Board believes that Mr. Cahir is qualified to serve on our Board of Directors because of his extensive experience in managing equity portfolios and well as advising Fortune 500 clients on M&A, growth and cost-cutting strategies.

Monica Weakley

Ms. Weakley joined eXp Realty as an independent contractor real estate agent in July 2017. Ms. Weakley has more than 19 years of experience in the real estate industry, including being a team leader. Ms. Weakley has also been coaching and training agents since 2007 and founded her own real estate referral service company, GhostPostr, in 2019. In 2021, Ms. Weakley joined the Company's Agent Advisory Council which represents the interests of agents to the Board and other Company leadership. In 2022, Ms. Weakley was elected to our Board of Directors to represent agent interests.

Ms. Weakley completed her studies and earned her Bachelor of Science in Speech/Communications from Denison University in 1990.

The Board believes that Ms. Weakley is qualified to serve on our Board of Directors because of her experience in residential real estate and her leadership ability.

Peggie Pelosi

Ms. Pelosi joined the Company's Board of Directors in January 2023 and was appointed as Chair of the Company's ESG Committee and Nominating & Corporate Governance Committee in March 2023. Ms. Pelosi has more than 20 years of experience as a sales and network development professional and 15 years of experience as a corporate social responsibility and sustainability practitioner. Currently, Ms. Pelosi serves as the founding partner and strategic advisor of Orenda Social Purpose, positions she has held since September 2005. Since 2015, she has also served as the Executive Director of Innovators Alliance, a network of CEOs focused on sustainable and profitable growth through innovation. Prior to her career and academic work in corporate social responsibility and sustainability, Ms. Pelosi served as a member of USANA Health Sciences, Inc.'s ("USANA") management team, first as Executive Director of Sales for Canada from 1999 until 2000 and then as Vice President of Network Development from 2000 until 2004. Since 2018, Ms. Pelosi has served as a member of USANA's Board of Directors and currently serves on USANA's Audit Committee, Compensation Committee, Governance, Risk & Nominating Committee, and serves as Chair of the Sustainability Committee.

Ms. Pelosi has received a graduate diploma from St. Michael's College at the University of Toronto in Corporate Social Responsibility & Sustainability, and has completed the NACD Directorship Certification (NACD.CD) and the ESG Competent Boards Director Certification (GCB.D).

The Board believes that Ms. Pelosi is qualified to serve on our Board of Directors because of her experience in sales and network development and corporate social responsibility and sustainability.

Board Diversity

While neither the Board nor the Corporate Governance Committee has a formal written policy regarding director diversity, each of the Board and the Corporate Governance Committee considers the diversity of backgrounds and experience of nominees when electing director nominees and in evaluating Board composition. We believe the Board represents a body of qualified individuals with diverse thoughts, perspectives, experience and backgrounds.

Board Diversity Matrix (as of April 6, 2023)				
Board Size:				
Total Number of Directors	8 ⁽¹⁾			
	Female	Male	Non-Binary	Did not Disclose Gender
Gender:				
Directors	2	6	0	0
Number of Directors who Identify in any of the Categories Below:				
African American or Black	0	0	0	0
Alaskan Native or Native American	0	0	0	0
Asian (other than South Asian)	0	0	0	0
South Asian	0	0	0	0
Hispanic or Latinx	0	0	0	0
Native Hawaiian or Pacific Islander	0	0	0	0
White	2	6	0	0
Two or More Races or Ethnicities	0	0	0	0
LGBTQ+	1	0	0	0
Did not Disclose	0	0	0	0

- (1) Pursuant to an action of the Board taken on March 30, 2023, Mr. Frederick was not nominated for re-election to the Board and the size of the Board will reduce to seven members upon the expiration of his term on May 19, 2023.

Stockholder Communications to the Board

Stockholders may contact an individual director, the Board as a group, or a specified Board committee or group, including the non-employee directors as a group, by mailing correspondence in the following manner:

c/o Corporate Secretary
eXp WORLD HOLDINGS, INC.
2219 Rimland Drive, Suite 301
Bellingham, WA 98226

with a copy via email to: james.bramble@expworldholdings.com.

Each communication should specify the applicable addressee or addressees to be contacted as well as the general topic of the communication. Our Corporate Secretary will initially receive and process communications before forwarding them to the addressee. All communications from stockholders will be promptly forwarded to the addressee(s).

Recommendation

THE BOARD OR DIRECTORS RECOMMENDS THAT THE STOCKHOLDERS VOTE “**FOR**” EACH OF THE NOMINEES FOR DIRECTOR.

Corporate Governance

Board of Directors Overview

Under our Bylaws and Delaware General Corporation Law, our business and affairs are managed by or under the direction of the Board of Directors, which selectively delegates responsibilities to its standing committees. The Board is responsible for the control and direction of the Company. The Board represents the stockholders and its primary purpose is to build long-term stockholder value. Our Chairman of the Board is our Chief Executive Officer, Glenn Sanford. The Board believes that this leadership structure is appropriate given Mr. Sanford's role in founding eXp World Holdings, Inc. and his significant ownership stake. The Board believes that this leadership structure improves the Board's ability to focus on key policy and operational issues and helps the Company operate in the long-term interests of stockholders.

The Board maintains an Audit Committee, a Compensation Committee, a Nominating and Corporate Governance Committee, an Equity Committee, and an ESG Committee. The Board has adopted charters for the Audit Committee, Compensation Committee, Nominating and Corporate Governance Committee, and ESG Committee and those charters are to be reviewed annually by the committees and the Board. The charter of each of those committees is available on our website at <https://expworldholdings.com/investors/governance/>. The committees have the functions and responsibilities described in the sections below.

Controlled Company

Under the rules of The Nasdaq Stock Market ("Nasdaq"), a company is a "controlled company" if more than 50% of the combined voting power for the election of directors is held by an individual, group or another company. Glenn Sanford beneficially owned approximately 28.76% of our outstanding common stock as of January 31, 2023. Penny Sanford beneficially owned approximately 17.86% of our outstanding common stock as of January 31, 2023. Jason Gesing beneficially owned 1.64% of our outstanding common stock as of January 31, 2023. Gene Frederick beneficially owned 3.25% of our outstanding common stock as of January 31, 2023. Each of Messrs. Sanford, Gesing, and Frederick serve in certain employment, independent contractor, and/or directorship roles with the Company, as applicable, as discussed herein (see "Director Nominees' Biographical and Related Information" above).

In March 2021, Mr. Sanford, Ms. Sanford, Mr. Gesing and Mr. Frederick filed a Schedule 13D/A with the SEC indicating that they had entered into an agreement to vote their shares as a group with respect to the election of directors and any other matter on which our shares of common stock are entitled to vote. Accordingly, Mr. Sanford, Ms. Sanford, Mr. Gesing and Mr. Frederick collectively own a number of shares of our common stock sufficient to elect all of the members of the Board without the approval of any other stockholders. As a result of this concentration, we are a "controlled company" within the meaning of Nasdaq's corporate governance standards. Accordingly, we currently avail ourselves of the "controlled company" exception available under the Nasdaq rules which exempt us from certain corporate governance requirements, including the requirements that we have a majority of independent directors on our Board, that compensation of the executive officers be determined, or recommended to the Board for determination, by a majority of the independent directors or a compensation committee comprised solely of independent directors, and that director nominees be selected, or recommended for the Board's selection, by a majority of the independent directors or a nominations committee comprised solely of independent directors. These exemptions do not modify the independence requirements for our Audit Committee. Presently, we utilize these "controlled company" exemptions to the corporate governance requirements of Nasdaq, and as a result, our Nominating and Corporate Governance Committee and Compensation Committee do not consist entirely of independent directors. Accordingly, you do not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of Nasdaq.

Director Independence

Our Board annually reviews the independence of all non-employee directors. Our Board has determined, after considering all the relevant facts and circumstances, including information requested from and provided by each director concerning his or her background, employment and affiliation, including family relationships, that Mr. Jacklin, Mr. Miles, Mr. Cahir, and Ms. Pelosi are independent directors, as defined by the listing standards of Nasdaq and the SEC, because they have no relationship with us that would interfere with their exercise of independent judgment. There are no family relationships among any of our directors and director nominees or executive officers.

Board Meetings and Committees

The Board meets regularly during the year and holds special meetings and acts by unanimous written consent whenever circumstances are required. There was a total of thirteen Board meetings during fiscal year ending 2022. All incumbent directors attended at least 75% of the aggregate number of the meetings of the Board and committees on which they served occurring during this period. Each then-current member of the Board attended the 2022 annual meeting of the stockholders. Our bylaws authorize our Board of Directors to appoint, from among its members, one or more committees, each consisting of one or more directors. Our Board of Directors has established four standing committees: an Audit Committee, a Compensation Committee, a Nominating & Corporate Governance Committee, and an ESG Committee. As discussed below, the Board has one ad hoc committee, the Equity Committee, which is designated and overseen by the Board. The Committees keep the Board informed of their actions and aid the Board in fulfilling its oversight responsibility to stockholders. The table below provides current membership information. The members of our Audit Committee consist entirely of independent directors.

<u>Director</u>	<u>Independent</u>	<u>Audit Committee</u>	<u>Compensation Committee</u>	<u>Nominating & Corporate Governance Committee</u>	<u>ESG Committee</u>	<u>Equity Committee</u>
Glenn Sanford			Chair			X
Darren Jacklin	X	X			X	
Jason Gesing				Chair		
Randall Miles	X	Chair	X	X		
Dan Cahir	X	X	X			
Monica Weakley					X	
Peggie Pelosi	X			X	Chair	

The functions performed by these Committees, which are set forth in more detail in their charters, (as applicable), and the meeting information for each committee for the last fiscal year are summarized below.

Board Oversight of Risk

The Board has responsibility for the oversight of our risk management processes and, either as a whole or through its committees, regularly discusses with management our major risk exposures, their potential impact on our business and the steps we take to manage them. The risk oversight process includes receiving regular reports from board committees and members of senior management to enable the Board to understand our risk identification, risk management and risk mitigation strategies with respect to areas of potential material risk, including operations, finance, legal, regulatory, strategic and reputational risk.

The Board is responsible for monitoring and assessing strategic risk exposure, while the Audit Committee considers and discusses our major financial risk exposures and the steps our management has taken to monitor and control these exposures, including guidelines and policies to govern the process by which risk assessment and management is undertaken. Our Audit Committee, Nominating and Corporate

Governance Committee, Compensation Committee, Equity Committee, and ESG Committee support our Board in discharging its oversight duties and address risks inherent in their respective areas. We believe this division of responsibilities is an effective approach for addressing the risks we face and that our board leadership structure supports this approach.

Our Company is a leader in the industry due in large part to our cloud-based brokerage model. Our business, and particularly our cloud-based platform, is reliant on the uninterrupted functioning of our information technology systems. The secure processing, maintenance, and transmission of information are critical to our operations, especially the processing and closing of real estate transactions. The Board, with consultation from Mr. Shoeb Ansari, in his capacity as Chief Information Officer, oversaw the employment of measures designed to prevent, detect, address, and mitigate these threats (including access controls, data encryption, vulnerability assessments, and maintenance of backup and protective systems) during the fiscal year ending 2022.

The Audit Committee

The purpose of the Audit Committee is to oversee the accounting and financial reporting processes of the Company and the audit of the Company's financial statements. To fulfill this obligation, the Audit Committee relies on the Company's management, internal audit department, and independent auditors and their respective reports, controls and procedures.

The Audit Committee currently consists of Mr. Miles, Mr. Jacklin, and Mr. Cahir, each of whom is an independent director of our company under Nasdaq listing standards as well as under rules adopted by the SEC pursuant to the Sarbanes-Oxley Act of 2002. Our Board of Directors has determined that Mr. Miles qualifies as an "audit committee financial expert" in accordance with applicable rules and regulations of the SEC. Mr. Miles also serves as the Chair of the Audit Committee. There were a total of six Audit Committee meetings during the fiscal year ending 2022.

The Compensation Committee

The purpose of the Compensation Committee is to carry out the responsibilities delegated by the Board relating to the review and determination of executive and director compensation. The Compensation Committee's goal is to ensure that the Company's compensation programs are designed to attract and retain qualified officers, directors and employees, reward and encourage maximum individual and corporate performance, promote accountability, and ensure alignment with stockholder interests.

The Compensation Committee currently consists of Mr. Sanford, Mr. Miles, and Mr. Cahir. Messrs. Miles and Cahir are independent directors of our company under Nasdaq listing standards as well as under rules adopted by the SEC pursuant to Sarbanes-Oxley. Mr. Sanford serves as the Chair of the Compensation Committee. There were a total of four Compensation Committee meetings during the fiscal year ending 2022.

The Nominating and Corporate Governance Committee

The purpose of the Nominating and Corporate Governance Committee is to carry out the responsibilities designated by the Board relating to the Company's director nominations and procedures and any related matters required by the federal securities laws.

The Nominating and Corporate Governance Committee currently consists of Mr. Gesing, Mr. Miles and Ms. Pelosi. Mr. Miles and Ms. Pelosi are independent directors of our company under Nasdaq listing standards, as well as under rules adopted by the SEC pursuant to the Sarbanes-Oxley Act of 2002. Mr. Gesing serves as the Chair of the Nominating and Corporate Governance Committee. There were a total of four Nominating and Corporate Governance Committee meetings during the fiscal year ending 2022.

The Equity Committee

The Equity Committee, designated by the Board, has authority to make grants of equity of the Company's common stock under the Company's 2015 Equity Incentive Plan, within guidelines provided by the Board, to individuals who qualify. The Equity Committee currently consists of Mr. Sanford, in his capacity as a member of the Board. The Equity Committee reports to the Board periodically and upon request.

The ESG Committee

The ESG Committee was formed in March 2023 after completion of the Company's materiality assessment. The purpose of the ESG Committee is to carry out the responsibilities designated by the Board regarding the oversight of the Company's risks, opportunities, strategies, goals, and policies and procedures related to sustainability and environmental, social, and governance ("ESG") matters.

The ESG Committee currently consists of Mr. Jacklin, Ms. Weakley, and Ms. Pelosi. Mr. Jacklin and Ms. Pelosi are independent directors of our company under Nasdaq listing standards, as well as under rules adopted by the SEC pursuant to the Sarbanes-Oxley Act of 2002. Ms. Pelosi serves as the Chair of the ESG Committee.

Director Nominations

In making its selection of director candidates, the Nominating and Corporate Governance Committee bears in mind that the foremost responsibility of a director is to represent the interests of our stockholders as a whole. Directors are expected to exemplify the highest standards of personal and professional integrity, and to constructively challenge management through their active participation and questioning. The Nominating and Corporate Governance Committee identifies and evaluates nominees for our Board based on these and other factors it considers appropriate, some of which may include strength of character, mature judgment, career specialization, relevant technical skills, expertise in areas relevant to the strategy and operations of our company, diversity, and the extent to which the nominee would fill a present need on our Board. The activities and associations of candidates are also reviewed for any legal impediment, conflict of interest, or other consideration that might prevent service on our Board. The Nominating and Corporate Governance Committee does not have a written policy on the consideration of director candidates recommended by stockholders, as it is the view of the Board that all candidates, whether recommended by a stockholder or the Nominating Corporate Governance Committee, shall be evaluated based on the same established criteria for persons to be nominated for election to the Board and its committees. The Nominating and Corporate Governance Committee and the Board have deemed it to be in the best interests of the Company and our stockholders to reserve one position on the Board to be filled by an agent of the Company so that our agents' needs, ideas and concerns are represented on the Board. During 2022, Ms. Felicia Gentry filled this dedicated position until June 2022, when Ms. Monica Weakley was appointed to this dedicated position. The Nominating and Corporate Governance Committee and Board are proposing that Monica Weakley be reelected as a member of the Board to fill that dedicated position pursuant to this Proxy Statement.

Code of Business Conduct and Ethics

The Company adopted a Code of Business Conduct and Ethics that applies to all of its directors, officers (including its chief executive officer, chief financial officer, chief accounting officer, controller and any person performing similar functions) and employees. The Company has made the Code of Ethics available on its website at https://expworldholdings.com/wp-content/uploads/2022/11/Code_of_Business_Conduct_and_Ethic.pdf.

Compensation Committee Interlocks and Insider Participation

Currently, the members of our Compensation Committee are Messrs. Sanford, Miles and Cahir. Neither Mr. Miles nor Mr. Cahir currently serve, or in the past year has served, as an officer or employee of the Company. Mr. Sanford currently serves, and during the past year served, as the Company's Chief Executive Officer and employee of the Company. None of our NEOs, except for Messrs. Sanford and Gesing, currently serves, or in the past year has served, as a member of the Board, and none of our executive officers currently serves, or in the past year has served, as a member of the compensation committee (or other board committee performing equivalent functions or, in the absence of any such committee, the entire board of directors) of any entity that has one or more executive officers serving on our Board or Compensation Committee.

Non-Employee Director Compensation

Our non-employee director compensation program is intended to enhance our ability to attract, retain and motivate directors of exceptional ability and to promote the common interest of directors and stockholders in enhancing the value of the common stock. The Board of Directors reviews and approves director compensation and the Nominating and Corporate Governance Committee has the authority to engage a consulting firm to evaluate director compensation.

During the year ended December 31, 2022, all directors except Messrs. Sanford and Gesing qualified as non-employee directors; Mr. Sanford and Mr. Gesing do not receive compensation for their directorship activities. While Ms. Gentry, Ms. Weakley, and Mr. Frederick are independent contractor real estate agents of eXp Realty, such persons are not employees of the Company or any of its subsidiaries and do receive compensation for their directorship activities in addition to their real estate agent commission and related income, as described below.

Independent Director Compensation

Under our independent director compensation policy, independent directors are eligible to receive certain cash retainers and equity awards in lieu of any individual compensatory arrangements. The Board believes that this policy provides for transparency and parity of compensation among directors. Pursuant to that policy, independent directors are eligible to receive up to \$200,000 in cash compensation annually, paid monthly. Independent directors that assume leadership roles are eligible to receive additional annual cash compensation equal to: \$25,000 for the Vice Chairman, paid monthly; \$50,000 for the Audit Committee Chairman, paid monthly; \$25,000 for the Compensation Committee Chairman, paid monthly; \$25,000 for the Nominating and Governance Committee Chairman, paid monthly; and \$25,000 for the ESG Committee Chairman, paid monthly. When an independent director is first elected to the Board, he or she will be eligible to receive a stock option having a value of up to \$300,000 using the Black Scholes valuation methodology, which will vest monthly in equal installments over three years, subject to continued service. Additionally, each independent director is eligible to receive additional annual stock options beginning upon the commencement of his or her fourth year of directorship and each year thereafter, with each annual grant having a value of up to \$100,000 per year using the Black Scholes valuation methodology and which will vest monthly in equal installments over a period of three years, subject to continued service. Independent director option grants are administered under and subject to the Company's 2015 Equity Incentive Plan.

For the year ended December 31, 2022, Mr. Jacklin's cash compensation for his directorship activities was \$183,343. For the year ended December 31, 2022, Mr. Miles' cash compensation was \$275,000 and he was issued a stock option having a value of \$100,178 on July 31, 2022, which vests monthly in equal installments over three years, in each case for directorship activities. For the year ended December 31, 2022, Mr. Cahir's cash compensation was \$216,680 for directorship activities and he was issued a stock option having a value of \$100,329 on November 29, 2022, which vests monthly in equal installments over three years, for directorship activities. For the year ended December 31, 2022, Ms. Pelosi was not a director of the Company and received no compensation from the Company.

Real Estate Agent Director Seat Compensation

In June 2022, the Compensation Committee recommended, and the Board adopted, a formal policy pursuant to which our rotating agent director position is eligible to receive \$25,000 annual cash compensation for directorship services, paid monthly, and an annual stock option award having a value of \$25,000 using the Black Scholes valuation methodology, which will vest monthly in equal installments over a period of one year, subject to continued service. During 2022, Ms. Gentry filled the dedicated agent director position until Ms. Weakley was elected in June 2022, who currently fills the agent director position. For the year ended December 31, 2022, Ms. Gentry received cash compensation of \$12,500 for her directorship activities which ceased June 19, 2022. Additionally, for the year ended December 31, 2022, Ms. Gentry received the following compensation in her role as an independent director real estate agent of eXp Realty and not in connection with her directorship activities:

- stock awards valued at \$402 under our Agent Growth Incentive Program;
- cash payment of \$4,035 under our revenue share program;
- cash payment of \$5,273 for earned commission;
- income of \$30 for her discount in connection with her participation in our Agent Equity Program; and
- income of \$1,031 in connection with her participation in our Agent Growth Incentive Program.

In addition, Ms. Gentry receives compensation in the capacity as a consultant to the Company pursuant to a consultant agreement entered into in March 2020 between Ms. Gentry and the Company, whereby Ms. Gentry provides certain diversity and inclusion services to the Company. For the year ended December 31, 2022, Ms. Gentry received cash payments of \$53,336 in connection with her role as a consultant of the Company. As of the date that Ms. Gentry ceased providing directorship services, she had no unvested equity awards or unexercised options related to her directorship services.

Ms. Weakley's directorship services commenced on June 20, 2022. For the year ended December 31, 2022, Ms. Weakley's cash compensation was \$13,333 and she was issued stock options having a value of \$25,021 in connection with her election, which vests monthly in equal installments over one year, for directorship activities. Additionally, for the year ended December 31, 2022, Ms. Weakley received the following compensation in her role as an independent director real estate agent of eXp Realty and not in connection with her directorship activities:

- stock awards valued at \$7,680 under our Agent Growth Incentive Program;
- cash payment of \$119,262 under our revenue share program;
- cash payment of \$176,822 for earned commission;
- income of \$873 for her discount in connection with her participation in our Agent Equity Program; and
- income of \$12,830 in connection with her participation in our Agent Growth Incentive Program.

Other Real Estate Agent Director Compensation

Historically, the Board has performed pursuant to an informal policy according to which Mr. Frederick was eligible to receive compensation equal to \$24,000 per year, which may be paid as cash compensation or as a stock award having an equal value, as determined in the discretion of the Board. For the year ended December 31, 2022, Mr. Frederick received \$24,089 in stock awards for his directorship activities. Mr. Frederick did not receive any cash payments for his directorship activities for the year ended December 31, 2022. Additionally, for the year ended December 31, 2022, Mr. Frederick received the following compensation in his role as an independent contractor real estate agent of eXp Realty and not in connection with his directorship activities:

- stock awards valued at \$11,330 under our Agent Growth Incentive Program; and
- cash payment of \$8,500,969 under our revenue share program.

Pursuant to an action of the Board taken on March 30, 2023, Mr. Frederick was not nominated for re-election to the Board and the size of the Board will reduce to seven members upon the expiration of his term on May 19, 2023.

General

As a general matter, directors are reimbursed for reasonable out-of-pocket expenses incurred in the performance of duties as a Board member. With respect to option awards and stock awards, the dollar amounts described above and shown below represent the aggregate grant date fair value of stock awards and stock options granted, with the fair value determined at the date of grant in accordance with FASB ASC Topic 718, based on the closing price of our common stock on the applicable grant date. Option award vesting is contingent on continued service and stock awards are granted fully vested.

The following table sets forth certain information regarding the compensation earned by or awarded to each non-employee director during fiscal year 2022 who served on our Board during the fiscal year 2022:

Name	Fees Earned or Paid in Cash ⁽¹⁾	Option Awards ⁽²⁾	Stock Awards ⁽³⁾	All Other Compensation	Total
Darren Jacklin ⁽⁴⁾	\$ 183,343	\$ -	\$ -	\$ -	\$ 183,343
Gene Frederick ⁽⁵⁾	\$ -	\$ -	\$ 35,419 ⁽⁶⁾	\$ 8,500,969 ⁽⁷⁾	\$ 8,536,388
Randall Miles ⁽⁸⁾	\$ 275,000 ⁽⁹⁾	\$ 100,178	\$ -	\$ -	\$ 375,178
Dan Cahir ⁽¹⁰⁾	\$ 216,680	\$ 100,329	\$ -	\$ -	\$ 317,009
Felicia Gentry ⁽¹¹⁾	\$ 12,500	\$ -	\$ 402 ⁽¹²⁾	\$ 63,705 ⁽¹³⁾	\$ 76,607
Monica Weakley ⁽¹⁴⁾	\$ 13,333	\$ 25,021	\$ 7,680 ⁽¹⁵⁾	\$ 309,787 ⁽¹⁶⁾	\$ 355,821

⁽¹⁾ The dollar amounts shown represent all director fees earned in 2022 (excluding fees which may have been earned in 2021, but were paid in 2022, and including fees which may have been earned in 2022, but were paid in 2023).

⁽²⁾ The dollar amounts shown represent the aggregate grant date fair value of stock options granted in 2022, determined at the date of grant in accordance with FASB ASC Topic 718. The assumptions used in the valuation of the stock options are consistent with the valuation methodologies specified in the notes to our consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022.

⁽³⁾ The dollar amounts shown represent the grant date fair value of stock awards granted in 2022, with the fair valued determined at the date of grant in accordance with FASB ASC Topic 718, based on the closing price of our common stock on the applicable grant date. The assumptions used in the valuation of the stock options are consistent with the valuation methodologies specified in the notes to our consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022.

- (4) As of December 31, 2022, Mr. Jacklin had 11,482 unexercised option awards.
- (5) Pursuant to an action of the Board taken on March 30, 2023, Mr. Frederick was not nominated for re-election to the Board and the size of the Board will reduce to seven members upon the expiration of his term on May 19, 2023. As of December 31, 2022, Mr. Frederick had no unexercised option awards.
- (6) Includes stock awards valued at \$24,089 granted to Mr. Frederick for his directorship activities and stock awards valued at \$11,330 for his participation in our Agent Growth Incentive Program in connection with his role as an independent contractor real estate agent of eXp Realty.
- (7) "All Other Compensation" fees payable to Mr. Frederick represents cash payments of \$8,500,969 under our revenue share program.
- (8) As of December 31, 2022, Mr. Miles had 68,104 unexercised option awards.
- (9) Includes \$200,000 paid to Mr. Miles for his general directorship activities, plus \$25,000 for his directorship activities as Vice Chairman, plus \$50,000 for his directorship activities as Audit Committee Chairman.
- (10) As of December 31, 2022, Mr. Cahir had 167,913 unexercised option awards.
- (11) Ms. Gentry ceased serving as a director on June 19, 2022. As of December 31, 2022, Ms. Gentry had 836 unexercised option awards.
- (12) Includes stock awards valued at \$402 for Ms. Gentry's participation in our Agent Growth Incentive Program in connection with her role as an independent contractor real estate agent of eXp Realty.
- (13) "All Other Compensation" fees payable to Ms. Gentry include: cash payment of \$4,035 under our revenue share program, commission equal to \$5,273, income of \$30 for Ms. Gentry's discount in connection with her participation in our Agent Equity Program, and income of \$1,031 for Ms. Gentry's participation in our Agent Growth Incentive Program, each in connection with her role as an independent contractor real estate agent of eXp Realty, and cash payments of \$53,336 for services provided by Ms. Gentry to the Company in her capacity as a consultant.
- (14) Ms. Weakley was elected as a director on June 20, 2022. As of December 31, 2022, Ms. Weakley had 3,567 unexercised option awards.
- (15) Represents stock awards for Ms. Weakley's participation in our Agent Growth Incentive Program in connection with her role as an independent contractor real estate agent of eXp Realty.
- (16) "All Other Compensation" fees payable to Ms. Weakley includes cash payment of \$119,262 under our revenue share program, commission equal to \$176,822, income of \$873 for Ms. Weakley's discount in connection with her participation in our Agent Equity Program, and income of \$12,830 in connection with Ms. Weakley's participation in our Agent Growth Incentive Program, each in connection with her role as an independent contractor real estate agent of eXp Realty.

Termination Arrangements or Similar Benefit Plans

There are no arrangements or plans in which we provide pension, retirement or similar benefits for directors in their capacity as such. Our directors may receive stock options and stock grants at the discretion of our Board as discussed above. Except as otherwise indicated, we do not have any bonus or profit-sharing plans pursuant to which cash or non-cash compensation is or may be paid to our directors for directorship activities.

Any option awards granted to a Director may be exercised: (i) for 90 days after his or her termination of services, (ii) for 12 months after his or her death (if such death occurred during such person's directorship or if such death occurred during the 90 days after termination), and (iii) for 6 months after certain events of disability, but in each case only to the extent such option(s) would have been exercisable by such person on the date of termination, death or disability. Pursuant to the terms of the Company's 2015 Equity Incentive Plan, the Board may, but is not obligated to, accelerate, vest, cancel for fair value, or issue substitute awards for any option awards upon a change of control of us. There are no other arrangements for resignation, retirement, other termination, or change in control arrangements with any directors in their capacity as such.

Our cloud office has enabled us to introduce and maintain a gross revenue sharing plan whereby each of our agents and brokers can participate in and from which they can receive monthly and annual overrides on the gross commission income resulting from transactions consummated by agents and brokers who they have attracted to our company. Mr. Frederick, Ms. Gentry, and Ms. Weakley are participants in the Company's revenue share plan in their capacities as independent contractor real estate agents or brokers of the Company and would (and will, with respect to Mr. Frederick) continue to receive those benefits similar to all other agents and brokers of eXp Realty even after ceasing their directorship services so long as they maintain active real estate licenses and are not affiliated as an agent or broker with a competitive brokerage, consistent with the Company's revenue share plan. Mr. Gesing participates in the revenue share program in his capacity as an employee of the Company with a broker's license, but not in his role as a director. Mr. Sanford would continue to receive revenue if his employment with the Company ceased (see "*Compensation Discussion and Analysis - Quarterly Revenue Share Cash Bonus*" below).

Anti-Hedging and Anti-Pledging Policies

Certain transactions in our securities (such as short sales, hedging, and transactions in derivatives) create a heightened compliance risk or could create the appearance of misalignment between executive officers and stockholders. In addition, securities that are pledged as collateral or held in a margin account create a risk of being sold without consent if the owner fails to meet a margin call or defaults on the secured obligation, thus creating the risk that a sale may occur at a time when a person is aware of material, non-public information or otherwise is not permitted to trade in Company securities. Our insider trading policy prohibits all Company insiders, including our directors, from engaging in short sales, derivative securities transactions, including hedging, with respect to Company securities, and from pledging Company securities as collateral.

Related Party Transactions

See "*Certain Relationships and Related Transactions*" below.

PROPOSAL 2—RATIFICATION OF THE APPOINTMENT OF DELOITTE & TOUCHE LLP AS INDEPENDENT AUDITOR FOR 2023

Appointment of Independent Auditor by Audit Committee

Our Audit Committee has engaged Deloitte & Touche LLP, or “Deloitte”, as our independent registered public accounting firm to perform the audit of our financial statements, including internal controls over financial reporting, for the fiscal year ended December 31, 2023, and we are asking you to ratify this appointment. Deloitte began serving as our independent registered public accounting firm beginning in 2019.

Under the rules and regulations of the SEC and Nasdaq, the Audit Committee is responsible for the appointment, compensation, retention, and oversight of our independent auditors. In making the determination to re-appoint Deloitte for 2023, the Audit Committee considered, among other factors, Deloitte’s global capabilities; the quality and candor of Deloitte’s communications with the Audit Committee and management; and the appropriateness of Deloitte’s fees. Although ratification of the appointment of Deloitte is not required by our bylaws or otherwise, the Board is submitting the appointment of Deloitte to stockholders for ratification as a matter of good corporate governance.

Proposed Ratification of Independent Auditor

The Board of Directors and the Audit Committee believe that the retention of Deloitte as the Company’s independent auditor is in the best interests of the Company and its stockholders. If stockholders do not ratify the selection of Deloitte, the Audit Committee will evaluate the stockholder vote when considering the selection of a registered public accounting firm for the audit engagement for the 2024 fiscal year. In addition, if stockholders ratify the selection of Deloitte as independent auditor, the Audit Committee may nevertheless periodically request proposals from the major registered public accounting firms and as a result of such process may select Deloitte or another registered public accounting firm as our independent auditor.

A representative of Deloitte is expected to be present at the Annual Meeting. In addition to having the opportunity to make a statement, the Deloitte representative will be available to respond to any appropriate questions.

Fees

All services provided by our Deloitte are pre-approved by the Audit Committee. The Audit Committee is presented, for approval, a description of the audit-related, tax and other services expected to be performed by Deloitte during the fiscal year. The Audit Committee determined that all services provided by our independent registered accountants during the fiscal year ended December 31, 2022 were compatible with maintaining their independence. The following table sets forth the fees billed or to be billed by Deloitte for professional services rendered with respect to the fiscal years ended December 31, 2022 and 2021, which fees were approved by our Audit Committee.

Fee Category	2022		2021	
Audit Fees ⁽¹⁾	\$	2,504,623	\$	1,769,300
Audit-Related Fees ⁽²⁾	\$	-	\$	-
Tax Fees ⁽³⁾	\$	162,529	\$	155,750
All Other Fees ⁽⁴⁾	\$	-	\$	-
Total Fees	\$	2,667,152	\$	1,925,050

⁽¹⁾ Audit Fees consist of fees billed for professional services provided in connection with the audit of our annual consolidated financial statements and internal controls, and the reviews of each of the quarterly consolidated financial statements included in our Forms 10-Q.

- (2) Audit-Related Fees consist of fees billed for accounting advisory services related to the accounting treatment of transactions or events, including acquisitions, and to the adoption of new accounting standards, as well as additional procedures related to accounting records performed to comply with regulatory reporting requirements and to provide certain attest reports.
- (3) Tax fees are related to services for U.S. federal, state, local, international, and other permissible tax advisory and consultation services.
- (4) All Other Fees consist of fees for products and services described above.

Recommendation

THE BOARD OF DIRECTORS RECOMMENDS A VOTE **"FOR"** RATIFICATION OF THE APPOINTMENT OF DELOITTE & TOUCHE LLP AS OUR INDEPENDENT AUDITOR FOR THE FISCAL YEAR ENDING DECEMBER 31, 2023.

Report of the Audit Committee of the Board of Directors

The Audit Committee is composed solely of independent directors meeting the applicable requirements of the Nasdaq rules. The Audit Committee reviews the Company's financial reporting process on behalf of the Board. Management has the primary responsibility for establishing and maintaining adequate internal control over financial reporting, for preparing the financial statements, and for the reporting process. The Audit Committee members do not serve as professional accountants or auditors, and their functions are not intended to duplicate or to certify the activities of management and the independent registered public accounting firm. The Company's independent auditor is engaged to audit and report on the conformity of the Company's financial statements to accounting principles generally accepted in the United States and the effectiveness of the Company's internal control over financial reporting.

Consistent with its monitoring and oversight responsibilities, the Audit Committee reviewed and discussed with management and the independent auditor the audited financial statements for the year ended December 31, 2022 (the "Audited Financial Statements"), management's assessment of the effectiveness of the Company's internal control over financial reporting, and the independent auditor's evaluation of the Company's system of internal control over financial reporting. The Audit Committee has discussed with Deloitte, the Company's independent auditor, the matters required to be discussed by Public Company Accounting Oversight Board ("PCAOB") Auditing Standard 1301, *Communications with Audit Committees*. In addition, the Audit Committee has received the written disclosures and the letter from the independent auditors required by applicable requirements of the PCAOB regarding the independent auditor's communications with the Audit Committee concerning independence, and has discussed with the independent auditor the auditors' independence.

Based upon the reviews and discussions referred to above, the Audit Committee recommended to the Board that the Audited Financial Statements be included in the Company's Annual Report on Form 10-K for the year ended December 31, 2022, for filing with the Securities and Exchange Commission.

Respectfully submitted,

Randall Miles, Chair
Dan Cahir
Darren Jacklin

The information contained in this Report of the Audit Committee shall not be deemed to be "soliciting material," "filed" with the SEC, subject to Regulations 14A or 14C of the Exchange Act, or subject to the liabilities of Section 18 of the Exchange Act. No portion of this Report of the Audit Committee shall be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended (the "Securities Act"), or the Securities Exchange Act of 1934, as amended (the "Exchange Act"), through any general statement incorporating by reference in its entirety the proxy statement in which this report appears, except to the extent that we specifically incorporate this report or a portion of it by reference. In addition, this report shall not be deemed filed under either the Securities Act or the Exchange Act.

PROPOSAL 3—ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION

We are asking stockholders to approve, on an advisory basis, the compensation of our named executive officers as disclosed in the “2022 Named Executive Officer Compensation” section of this Proxy Statement. Our executive compensation programs are designed to support our long-term success. The Compensation Committee has structured our executive compensation program to tie total compensation to long-term stockholder value, as reflected primarily in our stock price. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers and the policies and practices described in this Proxy Statement.

Accordingly, stockholders are being asked to vote on the following resolution:

Resolved: That the stockholders approve the compensation paid to the “named executive officers” of eXp World Holdings, Inc. with respect to the fiscal year ended December 31, 2022, as disclosed, pursuant to Item 402 of Regulation S-K promulgated by the Securities and Exchange Commission, in the Proxy Statement for the 2023 Annual Meeting of Stockholders, including the compensation tables and narrative discussion set forth under “Compensation Discussion and Analysis” therein.

This item is being presented pursuant to Section 14A of the Exchange Act. Although this advisory vote is not binding, the Compensation Committee will consider the voting results when evaluating our named executive officer compensation program.

Recommendation

THE BOARD OF DIRECTORS RECOMMENDS A VOTE “**FOR**” APPROVAL, ON AN ADVISORY BASIS, OF OUR NAMED EXECUTIVE OFFICER COMPENSATION AS DESCRIBED IN THIS PROXY STATEMENT.

Executive Officers

Summary of Executive Officers

The names of our executive officers and their ages, their positions with our Company, and other biographical information, as of the date of this proxy statement, are set forth below. Executive officers are appointed by our Board of Directors to hold office until their successors are elected and qualified or operate in such capacity as a function of their job role and serve in such capacity until termination, resignation or change of job duties. There are no family relationships among our executive officers.

Name	Position	Age	Date First Elected, Appointed or Hired
Glenn Sanford	Director, Chairman, Chief Executive Officer (EXPI and eXp Realty)	56	March 12, 2013
Jason Gesing ⁽¹⁾	Director and Chief Industry Relations Officer	49	September 27, 2014
Jeff Whiteside	Chief Financial Officer and Chief Collaboration Officer	60	November 1, 2018
James Bramble	Chief Legal Counsel, General Counsel, and Corporate Secretary	53	March 18, 2019
Michael Valdes	Chief Growth Officer, eXp Realty	56	May 4, 2020
Courtney Keating	Chief Marketing Officer	46	June 15, 2020
Kent Cheng	Chief Accounting Officer	56	April 15, 2021
Shoeb Ansari	Chief Information Officer	57	March 21, 2022
Leo Pareja	Chief Strategy Officer, eXp Realty	40	May 23, 2022

⁽¹⁾ As of January 3, 2023, Mr. Gesing is no longer an executive officer of the Company in his capacity as Chief Industry Relations Officer.

Business Experience of our Executive Officers

The following is a brief description of the business experience and education of each executive officer during at least the past five years, indicating the person's principal occupation during that period, and the name and principal business of the organization in which such occupation and employment were carried out. The description of the business experience and education of our executive officers that are also director nominees is set out above under "Proposal 1 – Election of Directors, Director Nominees' Biographical and Related Information."

Glenn Sanford Mr. Sanford's biography can be found under "Proposal 1 – Election of Directors, Director Nominees' Biographical and Related Information." As of January 3, 2023, Mr. Sanford was appointed CEO of eXp Realty, LLC in addition to his other roles.

Jason Gesing Mr. Gesing's biography can be found under "Proposal 1 – Election of Directors, Director Nominees' Biographical and Related Information." As of January 3, 2023, Mr. Gesing is no longer an executive officer of the Company in his capacity as Chief Industry Relations Officer.

Jeff Whiteside

Mr. Whiteside joined the Company as its Chief Financial Officer and Chief Collaboration Officer on November 1, 2018. Mr. Whiteside works closely with Mr. Sanford, our CEO, across the Company and the teams in eXp Realty, finance, technology, marketing, legal, human resources, new business development, M&A, international markets, investor relations, and Virbela. Mr. Whiteside has more than 30 years of experience in global finance and operational leadership including executive positions at General Electric, Pitney Bowes, and RM Sotheby's Auctions. Additionally, Mr. Whiteside held the positions of Chief Financial Officer and Chief Operating Officer at three software and technology companies. Mr. Whiteside has extensive international experience from living and working in Asia, Australia, Europe, and Canada.

Recently, Mr. Whiteside founded and served as the Auction Director at Saratoga Automobile Museum, a not-for-profit institution focusing on the impact of the automobile, from November 2016 through October 2018, Chief Operating Officer of Saratoga Juice Bar, LLC from January 2015 through November 2016, Chief Operating Officer and Chief Financial Officer at RM Sotheby's Auctions in 2014 and 2015, and Vice President and Group Financial Officer at Pitney Bowes from 2008 through 2013.

Mr. Whiteside is a graduate of Rensselaer Polytechnic Institute, obtaining both his B.S. (with an emphasis in Managerial Economics) and M.B.A. in 1986.

James Bramble

Mr. Bramble joined the Company as its Chief Legal Counsel and General Counsel on March 18, 2019. Mr. Bramble was appointed as the Company's Corporate Secretary on October 1, 2019. As Chief Legal Counsel and General Counsel, Mr. Bramble oversees the company's legal affairs, including corporate governance, litigation and compliance. Mr. Bramble has over 20 years of international business experience and has transformed the Company's legal and compliance functions to empower an agent-centric, globally-scaled organization. Mr. Bramble is an active member of the Association of Corporate Counsel (ACC) and is a licensed real estate agent. Mr. Bramble champions eXtend a Hand, the Company's charitable foundation and leverages his expertise in service of his community and on non-profit and private company boards.

Recently, Mr. Bramble served as Chief Legal Officer, General Counsel and Corporate Secretary at USANA, a producer of nutritional products, dietary supplements and skincare products, from February 1998 until 2018. Currently, Mr. Bramble serves as a member of the board of directors and as Corporate Secretary of Vasayo, LLC.

Mr. Bramble is a graduate of University of Utah where he obtained his B.S. (majoring in Political Science) and J.D.

Michael Valdes Mr. Valdes joined the Company on May 5, 2020 and served as our Executive Vice President of International Expansion until September 2020 when Mr. Valdes became our President of eXp Global. In July 2022, Mr. Valdes was promoted to Chief Growth Officer, eXp Realty. Mr. Valdes brings more than 25 years of expertise in global real estate and finance to eXp Realty. From November 2018 to May 2020, Mr. Valdes was Senior Vice President of Global Servicing for all brands of Realogy Corporation, an integrated provider of real estate services in the U.S., including Better Homes & Gardens, Century 21, Coldwell Banker, Corcoran, ERA and Sotheby's International Realty. In his role, Mr. Valdes oversaw the international servicing platform for all Realogy brands across more than 100 countries and opened more than 70 countries during his tenure. Prior to that, Mr. Valdes was Global Vice President of Sotheby's International Realty, a franchise focusing on brokering and marketing of residential real estate, from December 2014 until May 2020.

Courtney Keating Ms. Keating joined the Company as our Chief Marketing Officer on June 15, 2020. Ms. Keating is responsible for rebranding and amplifying the Company's brands and overseeing all areas of marketing, including enhancing the Company's value proposition for agents, brokers, and customers. Ms. Keating has over two decades of marketing and innovation experience and has held various leadership roles at Roostify, CoreLogic and General Electric.

From November 2018 until May 2020, Ms. Keating served as the CMO at Roostify, a digital lending platform that historically processed nearly \$35 billion a month in home loans. From December 2016 until November 2018, Ms. Keating led marketing and innovation at CoreLogic, a property data company, in her role as Executive, Marketing and Innovation Solutions. Previously, Ms. Keating spent 15 years at General Electric, namely as VP, New Products for GE Capital Retail Finance in the U.S. and internationally.

Ms. Keating is a graduate of University of Arkansas where she obtained both her BSBA in Marketing Management and MBA.

Kent Cheng Mr. Cheng joined the Company as Global Controller on March 30, 2020 and was appointed the Company's Chief Accounting Officer on April 15, 2021. Mr. Cheng is responsible for leading and developing the Company's global accounting, finance practices and procedures. He also ensures the preparation and analysis of all financial reports comply with applicable regulations. Mr. Cheng has decades of finance expertise in global finance, accounting and information technology functions in large, complex and geographically dispersed multi-billion-dollar global businesses.

From July 2019 until March 2020, Mr. Cheng served as the Corporate Controller at Ocean Spray, an agricultural cooperative of growers of cranberries and grapefruit, where he oversaw corporate accounting, internal controls, financial reporting, and global tax and cost accounting. Prior to that Mr. Cheng served as Global Finance Director of The Chemours Company, a chemical company, from November 2015 until March 2019. Prior to Chemours, Mr. Cheng worked in the finance department at Akzo Nobel, Dow Chemical, Rohm and Haas, and General Electric.

Mr. Cheng is a graduate of Utah State University, where he obtained his Masters of Accounting and Sun Yat-Sen University, where he obtained a Bachelor of Business Administration. Mr. Cheng is a member of American Institute of Certified Public Accountants.

Shoeb Ansari

Mr. Ansari joined the Company as its Chief Information Officer on March 21, 2022. As Chief Information Officer, Mr. Ansari leads solution delivery functions covering product management, software engineering, product launch, project management, data services and innovation along with managing technology infrastructure and services for the Company and its subsidiaries. Mr. Ansari brings more than 25 years of experience in business and information technology management, helping companies manage their product and technology functions.

Most recently, Mr. Ansari was a key member of the executive leadership team, in his capacity of Chief Technology Officer, at RealPage, Inc., a provider of property management software, from May 2020 to March 2022. At RealPage, Inc., Mr. Ansari led their global engineering organization to deliver and support their vast SaaS platform serving the multi-family property management industry. Previously, Mr. Ansari served as the Chief Product Officer and Chief Information Officer at Travel Leaders Group, a provider of personalized vacation packages, travel deals and travel services, from October 2016 to May 2020 where he was responsible for product/solution delivery and technology infrastructure to support over 45,000 agents serving both corporate and leisure travelers.

Mr. Ansari is a graduate of Southern Methodist University where he obtained his M.B.A. and University of Oklahoma where he received his B.S. in Computer Sciences.

Leo Pareja

Mr. Pareja joined the Company as its President of Affiliated Services in July 2022 and was subsequently promoted to Chief Strategy Officer, eXp Realty in November 2022. As Chief Strategy Officer, Mr. Pareja creates strategies that reinforce and evolve eXp Realty's competitive advantage and industry-leading agent value proposition while also optimizing the organization at large, seizing new opportunities for growth. Mr. Pareja brings more than 20 years of real estate experience and has been recognized as a top real estate agent in RealTrends' The Thousand report, a No. 1 agent on the National Association of Hispanic Real Estate Professionals' (NAHREP) Top 250 list and a 30 under 30 agent in Realtor® Magazine. Mr. Pareja co-founded one of the largest private lending companies on the U.S. East Coast, as well as a fast-growing MLS technology vendor. He has served as founding president of NAHREP's Metro D.C. chapter, and later as national president for the organization.

Prior to joining the Company, Mr. Pareja cofounded Remine, Inc. in January 2016, where he served as CEO and President until October 2021 when Remine, Inc. was acquired by MLS Technology Holdings, LLC, and Mr. Pareja transitioned to Chief Strategy Officer. While at Remine, Mr. Pareja oversaw and managed the creation and growth of the MLS technology suite of services, which served over 1,000,000 real estate professionals in North America.

Mr. Pareja is a graduate of George Mason University where he obtained his B.A. in Integrated Studies.

Compensation Discussion and Analysis

This Compensation Discussion and Analysis describes our compensation program for, and the decisions during the fiscal year ended December 31, 2022 regarding the compensation of, the below named executive officers (our “NEOs”):

- Glenn Sanford, our Chief Executive Officer (EXPI and eXp Realty);
- Jeff Whiteside, our Chief Financial Officer and Chief Collaboration Officer;
- Jason Gesing, our CEO of eXp Realty during 2022, and currently our Chief Industry Relations Officer;
- Michael Valdes, our Chief Growth Officer, eXp Realty; and
- Shoeb Ansari, our Chief Information Officer.

Our executive compensation program is designed to attract, retain and incentivize leadership in a manner that is market-based and transparent and to promote retention, drive and grow our business over the long-term, support business continuity, and reward our NEOs for delivering financial, operational and strategic results. Our NEO compensation program includes a mix of compensation, including base salary, quarterly and other cash bonuses, long-term equity incentives, and benefits to properly incentivize our NEOs. We believe that the compensation of our NEOs accurately reflects their contributions to our growth and success and aligns with our annual financial results and the interests of our stockholders.

What We Do

- ✓ **Multi-Year Vesting Awards:** To align our NEO’s interests with those of our stockholders and to incentive long-term retention, a substantial portion of NEO compensation is earned over multi-year periods in the form of equity awards.
- ✓ **Annual Compensation Review.** The compensation committee conducts an annual review and approval of our compensation strategy including a comparison against peer company compensation practices.
- ✓ **“At Risk” Quarterly, Other and Revenue Sharing Bonuses.** NEOs are eligible for discretionary quarterly and other cash bonuses, subject to achievement of certain business targets.

What We Don’t Do

- ✗ **No Termination, Resignation, Retirement or Change in Control Payments:** With three exceptions, we do not provide any payments to NEOs upon termination, resignation, retirement or change in control.
- ✗ **No Retirement or Pension Plans.** We do not offer pension arrangements or nonqualified deferred compensation plans to our NEOs.
- ✗ **No Unique Health or Welfare Benefits.** Our NEOs participate in the same Company-sponsored health and welfare benefits programs as our other full-time, salaried employees.
- ✗ **No Pledging.** We prohibit our executives, including our NEOs, from pledging Company securities.
- ✗ **No Short Sale or Hedging.** We prohibit our company insiders, including NEOs, from engaging in short sales or hedging of stock ownership positions and transactions involving derivatives of our Company securities.
- ✗ **No Tax Reimbursements on Severance or Change in Control Payments.** We do not provide any tax reimbursement payments (including “gross-ups”) on any severance or change-in-control payments or other related benefits.
- ✗ **No Dividend Payments on Unvested Stock Awards or Unexercised Stock Options.** No cash dividend payments are distributed on unvested stock awards or unexercised stock options.

2022 Business and Executive Compensation Highlights

We believe our executive compensation program was instrumental in attracting and retaining our NEOs and was key in achieving strong financial and operational performance in 2022.

For the fiscal year ended December 31, 2022

Total revenues were
\$4.6 BILLION

an increase of
22%
year-over-year

As of December 31, 2022,
agent and broker count was

86,203

an increase of
21%
year-over-year

eXp Realty expanded into **six new international locations in 2022**, including the Dominican Republic, Greece, New Zealand, Chile, Poland, and Dubai

Gross profit was
\$366.9 MILLION

an increase of
24%
year-over-year

Real estate
transaction volume of

\$187.3 BILLION

an increase of
20%
year-over-year

eXp Realty ended 2022 with a **global Net Promoter Score of 73** (out of 100), a measure of agent satisfaction, as part of the Company's intense focus on improving the agent experience

Our 2022 executive compensation program reflected both the ongoing growth in our business, inflationary pressures in the U.S., and our continued emphasis on long-term equity compensation as the most significant component of each NEO's compensation. The following key compensation actions were taken with respect to our executive officers for 2022:

- All employees, including our NEOs, of the Company and its subsidiaries received a cost of living adjustment in January 2022 equal to a 5% increase in each person's base salary or hourly rate based on ongoing inflationary pressure in our markets;
- Our Board adopted a long-term incentive compensation package for Mr. Ansari in connection with his employment offer which included a stock option grant to Mr. Ansari. The Board adopted this option award to incentivize Mr. Ansari's service as Chief Information Officer and to align his compensation with shareholder value and the Company's growth and profitability goals;
- The Compensation Committee conducted a review of all executive officer compensation alongside the real estate industry executive officer compensation trends reported in the most recent Proxy Survey of Executive Compensation in the Russell 2000 Index (October 2021) and determined that: (i) Mr. Gesing should receive a cash compensation increase in order to align with peer compensation benchmarks and to continue to incentivize and retain his services. Mr. Gesing transitioned to Chief Industry Relations Officer on January 23, 2023 and is no longer an executive officer in that capacity; (ii) Mr. Whiteside should receive a cash compensation increase in order to align with peer compensation benchmarks and to continue to incentivize and retain his services; and (iii) Mr. Valdes should receive additional cash compensation and equity compensation to acknowledge his new business duties related to his promotion to Chief Growth Officer and to continue to incentivize and retain his services.
- The Compensation Committee and the Board considered the affirmative advisory say-on-pay vote at the 2021 Stockholders' Meeting in its decision to make necessary compensation changes in 2022 to maintain the retention power of our compensation program; and
- The Compensation Committee conducted a review of Mr. Sanford's compensation package alongside the real estate industry chief executive officer compensation trends reported in the most recent Proxy Survey of Executive Compensation in the Russell 2000 Index (October 2021) and determined that Mr. Sanford's compensation package is appropriate in order to incentivize Mr. Sanford's ongoing services and retention and in light of Mr. Sanford's contributions to business, operational and strategic goals and his forfeiture of real estate commissions and revenue share.

Advisory Vote on Executive Compensation

We submit to our stockholders on an annual basis a proposal for a (non-binding) advisory vote to approve the compensation of our named executive officers for the prior fiscal year ("say-on-pay"). The Compensation Committee considers, among other things, the outcome of this vote when evaluating our compensation principles, designs and practices. At our 2022 Annual Meeting, our stockholders expressed strong support for our named executive officer compensation program, with more than 98.9 percent of shares voted cast in favor of approval of our compensation program for named executive officers. The Compensation Committee believes these results reflect our shareholders' affirmation of our named executive officer compensation program. Nevertheless, the Compensation Committee regularly reviews and adjusts the program as needed to ensure it remains competitive and aligned with the best interests of the Company and its stakeholders.

Elements of Individual Executive Compensation

We structure the annual compensation of our NEOs using three key elements: base salary, discretionary quarterly and other cash bonus opportunities, and long-term equity incentive opportunities. While our NEO compensation program is influenced by a variety of factors, the primary goals are to align the interests of our NEOs with the interests of our stockholders, to attract and retain highly-talented individuals and to associate pay with business and individual performance.

Compensation-Setting Process

Executive compensation is first reviewed and proposed by the Compensation Committee, which proposal is then reviewed by the Board which makes the final determination for NEO compensation. When setting NEO compensation, the Compensation Committee and the Board consider the following:

- Executive compensation for similar roles based on broad-based industry surveys;
- Our Company's financial performance against objectives established by our Board;
- Compensation parity among executive officers;
- Our Company's performance relative to its peers; and
- Each individual executive's skillset, experience, and responsibilities.

To date, the Company has not engaged any compensation consultants and no such consultants are involved in our compensation setting process. Mr. Sanford, our CEO (EXPI and eXp Realty), is a member of the Compensation Committee and therefore participates actively in recommending NEO compensation to the Board (except with respect to his own compensation). During 2022, the Compensation Committee considered the Proxy Survey of Executive Compensation in the Russell 2000 Index (October 2021) in reviewing executive officer compensation practices of the Company.

Except as specifically described herein, the Compensation Committee does not affirmatively set out in any given year, or with respect to any given NEO, to apportion compensation in any specific ratio among the various categories of compensation (i.e., between short-term and long-term compensation, or between non-performance based and performance-based compensation). Rather, the Compensation Committee uses the principles described above, and the factors described for each category in the discussion that follows, as a guide in assessing the proper allocation among those categories. In addition, except as specifically described herein, the Compensation Committee does not affirmatively set out in any given year, or with respect to any given NEO, to apportion equity compensation in any specific ratio. Rather, the Compensation Committee uses the principles described above, and the factors described with respect to each form of award in the discussion that follows, as a guide in assessing the proper allocation between options and other equity awards. The Compensation Committee also does not formally "benchmark" compensation against peers. Rather, the Compensation Committee retains discretion to make adjustments based on the factors described above and considers competitive market practices as one factor in its deliberations.

Base Salary

Base salary represents the customary, fixed portion of NEO compensation intended to attract and retain talented individuals. Generally, we establish the initial base salaries of our NEOs through arm's-length negotiation during hiring, which considers the officer's relevant position, qualifications, experience, and the base salaries of our other executive officers. The base salaries of our NEOs are reviewed annually and adjusted as necessary or appropriate, taking into account the factors above and the Company's performance, by the Compensation Committee and the Board.

In January 2022, all employees, including our NEOs, received a cost of living adjustment equal to a 5% increase in each person's base salary or hourly rate. This adjustment was made in order to boost employee morale and to retain staff based on ongoing inflationary pressure in our markets.

In June 2022, the Compensation Committee determined that Jason Gesing required certain incentives in order to continue to provide services and the Committee determined it advisable and in the best interest of the Company and its stockholders to reevaluate his compensation, including alongside the Proxy Survey of Executive Compensation in the Russell 2000 Index (October 2021). Due to historical stock grants made to Mr. Gesing, many of which expire in 2022, the Compensation Committee determined that Mr. Gesing's \$250,000 annual salary remained materially below peer and industry levels. The Compensation Committee also discussed and acknowledged the increasing demands involved in Mr. Gesing's job as the Company continues to grow and due to increased involvement of Mr. Gesing in various enterprise and joint venture efforts. After review and discussion, the Committee recommended that Mr. Gesing's salary be increased to \$500,000, which salary is appropriate for Mr. Gesing's contributions to the Company, sufficient to incentivize Mr. Gesing's ongoing retention, and appropriately benchmarked to industry pay levels. In June 2022, the Board, with Mr. Gesing recused, deemed the compensation changes recommended by the Compensation Committee to be in the best interest of the Company and its stockholders and authorized and adopted the increase in Mr. Gesing's salary, which was retroactively effective with the pay period started April 2, 2022.

In August 2022, the Compensation Committee conducted a review of executive officer compensation, including Mr. Sanford, Mr. Whiteside and Mr. Valdes, alongside the compensation practices of specific mid-cap peer companies as well as broad-based third-party compensation surveys. The Compensation Committee determined that Mr. Sanford's cash compensation and equity compensation remain appropriate in order to incentivize Mr. Sanford's ongoing services and retention and in light of Mr. Sanford's contributions to business, operational and strategic goals. As such, the Compensation Committee determined that no adjustments to Mr. Sanford's compensation package were necessary during 2022. Based on its review of Mr. Whiteside's compensation, the Compensation Committee determined that Mr. Whiteside required additional cash compensation as a result of his ongoing contributions to Company growth, in order to continue to provide services to us, and because he was being compensated below peer and industry levels. Based on this finding, the Compensation Committee recommended that the Board increase Mr. Whiteside's cash compensation from \$525,000 to \$625,000, with his bonus eligibility remaining at 100% of his salary, paid quarterly. The Compensation Committee determined that Mr. Whiteside's equity compensation remained appropriate in order to align his interests with long-term stockholder value and Company growth. Based on its review of Mr. Valdes' compensation, the Compensation Committee determined that Michael Valdes required additional cash and equity compensation as a result of his contributions to ongoing Company growth, his additional responsibilities as Chief Growth Officer, in order to provide services to us, and because he was being compensated below industry levels. Based on this finding, the Compensation Committee recommended that the Board: (i) increase Mr. Valdes' cash compensation from \$340,000 to \$415,000, with his bonus eligibility remaining at 100% of his salary, paid quarterly, and (ii) grant Mr. Valdes an option award equal to 25,000 common shares of EXPL, which vests quarterly over two years in equal installments.

In August 2022, the Board deemed the compensation changes recommended by the Compensation Committee to be in the best interest of the Company and its stockholders and adopted the compensation increases (effective with the pay period started July 23, 2022) and granted the equity compensation (granted on August 4, 2022), as applicable, for Mr. Whiteside and Mr. Valdes.

Mr. Ansari's compensation was not subsequently reviewed during 2022 after being hired on March 21, 2022.

The year-end annualized base salaries of our NEOs for 2022 and 2021 were:

Named Executive Officer	2022 Base Salary	2021 Base Salary	Percentage Change⁽¹⁾
Glenn Sanford	\$ 1,575,000	\$ 1,500,000	5%
Jason Gesing	\$ 500,000	\$ 250,000	100%
Jeff Whiteside	\$ 625,000	\$ 500,000	25%
Michael Valdes	\$ 415,000	\$ 275,000	51%
Shoeb Ansari	\$ 500,000	\$ - ⁽²⁾	-%

(1) Each employee, including our NEOs, employed as of January 8, 2022, received a cost of living adjustment equal to a 5% increase in each employee's base salary or hourly rate.

(2) Mr. Ansari started employment with the Company on March 21, 2022.

Quarterly and Other Cash Bonuses

Our NEOs, except for Mr. Sanford and Mr. Gesing, are eligible to participate in the Company's annual cash bonus program, described below. Mr. Sanford is eligible to receive quarterly revenue share cash bonuses in connection with his employment, as described below. Mr. Gesing is eligible to receive monthly revenue share cash bonuses in connection with his employment, as described below.

Annual Cash Bonus Program

Our discretionary annual cash bonus program, paid quarterly, is an "at-risk" component of our NEO compensation program that is designed to motivate our NEOs' to contribute to Company success. The aggregate annual bonus amount that each participating NEO could earn is negotiated in each NEO's offer letter as a percentage of his or her base salary and may be adjusted upon determination by the Board from time-to-time. Annual bonuses are paid quarterly, subject to each NEO's manager's discretion; specifically, Mr. Whiteside's discretion, with respect to Mr. Ansari's and Mr. Valdes' bonuses, and Mr. Sanford's discretion with respect to Mr. Whiteside's bonus.

Mr. Whiteside is eligible to receive an annual cash bonus, paid quarterly, up to 100% of his base salary subject to continuous employment and based on his contributions to Company success. As part of the Compensation Committee's review of Mr. Whiteside's compensation in August 2022, the Compensation Committee determined to keep Mr. Whiteside's bonus target, as a percentage of his salary, at 100% as a result of his ongoing contributions to Company growth, in order to continue to retain his services, and because he was being compensated below peer and industry levels.

Pursuant to his offer letter with us, Mr. Valdes is eligible to receive an annual cash bonus, paid quarterly, of up to 100% of his annual base salary subject to continuous employment and based on his contributions to Company success. As part of the Compensation Committee's review of Mr. Valdes' compensation in August 2022, the Compensation Committee determined to keep Mr. Valdes' bonus target, as a percentage of his salary, at 100% as a result of his contributions to ongoing Company growth, his additional responsibilities as Chief Growth Officer, in order to continue to retain his services, and because he was being compensated below industry levels.

In March 2022, the Company approved an offer letter with Mr. Ansari pursuant to which Mr. Ansari is eligible to receive an annual cash bonus, paid quarterly, of up to 50% of his annual base salary subject to continuous employment and based on his contributions to Company success.

During 2022, the Compensation Committee, in consultation with management, as applicable, determined that each NEO participating in the annual cash bonus program satisfied the conditions to receive bonuses at 100% of target. The target bonus payment amounts for 2022 and actual bonus payment amounts for 2022 are set forth below:

Named Executive Officer	Target 2022 Bonus Opportunity (as a percentage of base salary)	Target 2022 Bonus Opportunity	2022 Bonus Payment⁽¹⁾
Jeff Whiteside	100%	\$ 575,000 ⁽²⁾	\$ 575,000
Michael Valdes	100%	\$ 377,500 ⁽³⁾	\$ 377,500
Shoeb Ansari	50%	\$ 187,500 ⁽⁴⁾	\$ 187,500

- (1) Excludes bonus payments made to named executive officers in 2022 which were earned in 2021, and includes bonus payments made to named executive officers in 2023 which were earned in 2022.
- (2) Mr. Whiteside's 2022 Bonus Opportunity reflects the mid-year base salary increase described in the Compensation Discussion and Analysis.
- (3) Mr. Valdes' 2022 Bonus Opportunity reflects the mid-year base salary increase described in the Compensation Discussion and Analysis.
- (4) Mr. Ansari's 2022 Bonus Opportunity is pro-rated to reflect his employment period beginning March 2022 as described in the Compensation Discussion and Analysis.

Quarterly Revenue Share Cash Bonus

We maintain a revenue sharing plan in which each of our agents and brokers (the "sponsoring" agent or broker) can participate and from which they can receive a portion of the Company's commission income resulting from transactions closed by agents and brokers who the sponsoring agent or broker most influenced to join the Company (the "Revenue Share Program"). The percentage of commission that a sponsoring agent or broker is eligible to receive through the revenue share program is based on the sponsoring agent's or broker's number of producing Front-Line Qualifying Active ("FLQA") agents. An agent or broker qualifies as a sponsoring agent's or broker's FLQA agent if such agent or broker has specifically named that sponsoring agent or broker and has met specific sales transaction volume requirements. Mr. Sanford was previously a participant in the Company's revenue share plan. During each calendar quarter of his ongoing employment service, Mr. Sanford is eligible to receive a quarterly cash bonus equal to the amount that his revenue share, were Mr. Sanford still participating in the Company's revenue share plan, exceeds his salary during such calendar quarter, so long as in that quarter the Company is growing at a minimum of 30% annually, subject to Board discretion. For purposes of calculating Mr. Sanford's bonus eligibility each quarter, the Board determines what revenue share Mr. Sanford would have received in such calendar quarter. For purposes of that determination, Mr. Sanford's revenue share is calculated at FLQA 40+, meaning that Mr. Sanford is eligible for the maximum revenue share credit at each level of revenue share. Mr. Sanford is not eligible to receive any additional cash bonuses. Additionally, the Board determined when establishing this bonus opportunity that Mr. Sanford's revenue share would continue even after ceasing to be an employee of the Company.

During 2022, Mr. Sanford received the total quarterly revenue share cash bonus shown below:

Named Executive Officer	Target 2022 Bonus Opportunity (as a percentage of base salary)	Target 2022 Bonus Opportunity	2022 Bonus Payment⁽¹⁾
Glenn Sanford	— ⁽²⁾	— ⁽²⁾	\$ 205,248 ⁽³⁾

- (1) Excludes bonus payments made to Mr. Sanford in 2022 which were earned in 2021, and includes bonus payments made to Mr. Sanford in 2023 which were earned in 2022.

- (2) Mr. Sanford's bonus opportunity is unlimited and is equal to the amount by which Mr. Sanford's revenue share exceeds his salary in any calendar quarter.
- (3) Represents the total revenue share cash bonus earned by Mr. Sanford attributable to 2022, with \$0 attributable to the first quarter of 2022, \$99,148 attributable to the second quarter of 2022, \$106,00 attributable to the third quarter of 2022, and \$0 attributable to the fourth quarter of 2022.

Monthly Revenue Share Cash Bonus

Mr. Gesing is eligible to receive monthly revenue share cash bonuses in connection with his participation in the Revenue Share Program (see "Compensation Discussion and Analysis – Quarterly Revenue Share Cash Bonus" for additional details about the Revenue Share Program). Mr. Gesing's monthly revenue share cash bonus is earned in his capacity as an employee of the Company holding a broker's license. During the year ended December 31, 2022, Mr. Gesing earned \$459,451 in revenue share. Our 2022 Proxy Statement filed on Form 14C with the SEC on April 27, 2022 misstated that Mr. Gesing receives the monthly revenue share cash bonus in his capacity as an independent contractor real estate agent of eXp Realty, which is inaccurate.

During 2022, Mr. Gesing received the total monthly revenue share cash bonus shown below:

Named Executive Officer	Target 2022 Bonus Opportunity (as a percentage of base salary)	Target 2022 Bonus Opportunity	2022 Bonus Payment⁽¹⁾
Jason Gesing	— ⁽²⁾	— ⁽²⁾	\$ 459,451

(1) Excludes bonus payments made to Mr. Gesing in 2022 which were earned in 2021, and includes bonus payments made to Mr. Gesing in 2023 which were earned in 2022.

(2) Mr. Gesing's bonus opportunity is unlimited and is equal to the revenue share earned under the Revenue Share Program by Mr. Gesing each calendar month (see "Compensation Discussion and Analysis – Quarterly Revenue Share Cash Bonus" for additional details about the Revenue Share Program).

Long-Term Incentive Compensation (Equity Awards)

The Compensation Committee and our Board believes long-term equity compensation is in the best interests of the Company and our stockholders because it is an effective way to focus our NEOs on driving increased stockholder value over a multi-year period, provides a reward for appreciation in our stock price and long-term value creation, and motivates our NEOs to remain employed with us.

General Equity Award Compensation

In 2022, the Board continued its practice of granting time-based stock options to our NEOs for the purpose of delivering long-term incentive compensation. As with their other elements of compensation, NEO long-term incentive compensation is determined by the Compensation Committee and recommended to our Board for approval, and the Board approves or rejects (with any interested director(s) recused), after taking into consideration the potential dilutive effects to our stockholders, the recommendations of our Compensation Committee and management, the outstanding equity holdings of each NEO, and the long-term incentive compensation offered by peer companies and industry trends.

The Board's equity award guidelines for executive officer option awards are intended to support consistency and parity among option awards to our executive officers, including our NEOs. According to those guidelines, executive officers, including NEOs, are eligible for initial stock option awards upon hire of up to \$300,000 per year as determined by using the Black Scholes valuation methodology, with monthly or quarterly vesting over a three-year period. All stock option grants are governed by and administered under the 2015

Equity Incentive Plan, as amended (see “*Compensation Discussion and Analysis - 2015 Equity Incentive Plan*” below for additional details). We make initial grants to executive officers, including NEOs, in order to attract highly-talented individuals and to immediately focus them on driving increased stockholder value over a multi-year period. Initial NEO grants are typically made upon the date of hire.

Pursuant to the guidelines for executive officer option awards, NEOs are eligible for additional annual stock option grants commencing after their initial stock options have fully vested. Such recurring, additional stock option grants may be in an amount of up to \$100,000 per year as determined by using the Black Scholes valuation methodology, with monthly or quarterly vesting over a three-year period. All annual stock option grants are governed by and administered under the 2015 Equity Incentive Plan, as amended (see “*Compensation Discussion and Analysis - 2015 Equity Incentive Plan*” below for additional details). We make annual grants to lessen the effects of the potential fluctuation in share price and to renew the incentive and retention power of long-term equity incentives as outstanding awards vest. Our annual grants are typically made in the first month of our fiscal year.

Additionally, unique stock option awards may be granted to NEOs from time-to-time, upon approval of the Board, when deemed appropriate and necessary to retain and incentivize the NEO and to acknowledge his or her significant and unique contributions to Company growth.

Mr. Sanford 2022 Award Compensation

In July 2020, the Board formalized Mr. Sanford’s “at-risk” equity-incentive compensation to predicate a portion of Mr. Sanford’s compensation on year-over-year Company revenue growth. Such equity-incentive compensation was granted to Mr. Sanford in order to promote retention to drive and grow our business over the long-term and to reward Mr. Sanford for delivering financial, operational and strategic results. Mr. Sanford received a stock option award on August 1, 2020 covering (i) 1,000,000 shares of common stock in the Company that vest monthly in equal installments over three years, subject to continued service, and (ii) 1,000,000 shares of common stock in the Company that vest quarterly in equal installments over three years, subject to his continued service, so long as the Company’s revenue is growing at least 30% annually during such quarter, or such other period as determined in the Board’s discretion. During 2022, Mr. Sanford’s award compensation contingent upon Company growth vested as set forth below. The figures set forth below are shown in millions, except for percentages.

Period	2021 YTD Revenue (\$)	2022 YTD Revenue (\$)	Growth (%)	Vesting Achieved
January 1 - March 31	584	1,011	73.1	Yes
January 1 - June 30	1,584	2,426	53.2	Yes
January 1 - September 30	2,684	3,665	36.6	Yes
January 1 - December 31	3,764	4,598	22.2	No

Mr. Sanford’s equity incentive awards are governed by and administered under the 2015 Equity Incentive Plan, as amended (see “*Compensation Discussion and Analysis - 2015 Equity Incentive Plan*” below for additional details). Mr. Sanford will be full vested into his August 1 option grant (or forfeit, with respect to those shares which failed to vest) on August 1, 2023.

Mr. Gesing 2022 Award Compensation

Mr. Gesing receives stock awards from time-to-time for his participation in our Agent Growth Incentive Program. Under the Agent Growth Incentive Program, agents and brokers of the Company are eligible to earn RSU stock awards. Eligible participants qualify to receive RSUs (i) upon the agent's or broker's first completed transaction with the Company in an agent's or broker's anniversary year, which RSUs vest after three years, subject to continuous service; (ii) upon the first completed transaction with the Company by an agent or broker whom the awarded agent or broker most influenced to join, which RSUs vest after three years, subject to continuous service of both the sponsoring agent or broker and the sponsored agent or broker; (iii) upon the agent or broker achieving non-reduced "capped status" during each anniversary year, which RSUs vest after three years; and (iv) upon the agent or broker achieving certain ICON award requirements during an anniversary year, which RSUs vest after three years, one year or vest immediately depending on the award type, subject to continuous service. Mr. Gesing holds a broker's license and participates in the Agent Growth Incentive Program in his employment capacity. During 2021, Mr. Gesing received 15 RSUs under the Agent Growth Incentive Program.

Mr. Valdes 2022 Award Compensation

In August 2022, the Compensation Committee recommended, and the Board approved, a one-time stock option grant to Mr. Valdes covering 25,000 shares that vest quarterly in equal installments over two years to acknowledge Mr. Valdes' additional responsibilities in his new role as Chief Growth Officer and to continue to incentivize and retain Mr. Valdes.

Mr. Valdes is an active agent of eXp Realty and is eligible to participate in the Agent Growth Incentive Program (see "Mr. Gesing 2022 Award Compensation" for additional details about the Agent Growth Incentive Program). During 2022, Mr. Valdes received 27 RSUs under the Agent Growth Incentive Program.

Mr. Ansari 2022 Award Compensation

Pursuant to the Company's offer letter with Mr. Ansari, Mr. Ansari received an initial stock option grant covering 300,000 shares that will vest quarterly in equal installments over four years, subject to his continued service, in accordance with the terms of the Company's 2015 Equity Incentive Plan, as amended. The grant became effective March 21, 2022. Upon Mr. Ansari's hiring, he was not yet an executive officer and his equity grant was negotiated between the applicable management members and Mr. Shoeb. At that time, the appropriate management members determined the equity amount was necessary in order to attract Mr. Ansari and was an appropriate way to focus Mr. Ansari's efforts on driving increased stockholder. The Board and Compensation Committee subsequently ratified the award.

NEO Equity Awards

In 2022, the Compensation Committee determined and recommended our Board approve, and the Board approved, granting the following equity awards to our NEOs, as detailed above:

Named Executive Officer	RSUs	Stock Option Awards
	(number of shares)	(number of shares)
Glenn Sanford	-	-
Jason Gesing	15 ⁽¹⁾	-
Jeff Whiteside	-	-
Michael Valdes	27 ⁽²⁾	25,000 ⁽³⁾
Shoeb Ansari	-	300,000 ⁽⁴⁾

- (1) Mr. Gesing was granted 15 RSUs on February 1, 2022 under the Agent Growth Incentive Program in his capacity as an employee with a broker license. The RSUs vest entirely on the three year anniversary of the grant date, subject to continued service. See *"Compensation Discussion and Analysis –Mr. Gesing 2022 Award Compensation"* for additional details.
- (2) Mr. Valdes was granted 27 RSUs on August 1, 2022 under the Agent Growth Incentive Program in his capacity as an independent contractor real estate agent of eXp Realty. The RSUs vest entirely on the three year anniversary of the grant date, subject to continued service. See *"Compensation Discussion and Analysis –Mr. Valdes 2022 Award Compensation"* for additional details.
- (3) Mr. Valdes was granted 25,000 options for shares of common stock on August 4, 2022. The shares vest quarterly in equal installments over two years. See *"Compensation Discussion and Analysis – Mr. Valdes 2022 Award Compensation"* for additional details.
- (4) Mr. Ansari was granted 300,000 options for shares of common stock on March 21, 2022. The shares vest quarterly in equal installments over four years. See *"Compensation Discussion and Analysis – Mr. Ansari 2022 Award Compensation"* for additional details.

Retirement, Health and Welfare Benefits

Our executive officers, including our NEOs, are eligible to participate in our employee benefit programs on the same basis as our other full-time, salaried employees. These benefits include a 401(k) plan, with the Company matching up to 4% of each participant's eligible compensation, medical (including a medical waiver reimbursement of \$100 per paycheck if he/she declines to use Company coverage), dental and vision benefits, disability insurance, basic life insurance coverage, health savings accounts, accidental death and dismemberment insurance, and a monthly technology reimbursement of \$40, as well as employer-paid wellness benefits, including an employee subscription to the Calm[®] mobile application. We design our employee benefits programs to be affordable and competitive in relation to the market, as well as compliant with applicable laws and practices. We adjust our employee benefits programs as needed based upon regular monitoring of applicable laws and practices and the competitive market. We believe these benefits are necessary to be competitive within our industry and the expense of these programs is offset by their attraction and retention value.

Special and Other Benefits

In general, we do not view perquisites, special bonuses, or other personal benefits as a significant component of our executive compensation program. Accordingly, we do not provide perquisites, special bonuses, or other personal benefits to our NEOs, except in unique situations where we believe it is appropriate to assist an individual in the performance of his or her duties, to make our NEOs more efficient and effective, and for recruitment and retention purposes. In particular, as a cloud-based company, we have provided certain home-technology expense payments for certain of our NEOs in order to join and remain with our company and work efficiently in a remote environment. Similar benefits are provided to all employees. No NEOs received perquisites, or were granted new special bonuses, or other new unique personal benefits during 2022.

Executive Employment Terms

We have entered into written offer letters with certain of our NEOs. In filling NEO positions, we recognize that we have to develop competitive compensation packages to attract qualified candidates in a dynamic labor market.

Mr. Sanford: Mr. Sanford is the founder of the Company, and currently the CEO of the Company and eXp Realty, and no formal offer letter or engagement letter was entered into between Mr. Sanford and the Company. Mr. Sanford is an at-will employee. Mr. Sanford's current annual base salary is \$1,575,000. Subject to the Board's discretion, Mr. Sanford is eligible to receive certain cash bonus compensation and long-term incentive awards (see *"Compensation Discussion and Analysis – Quarterly Revenue Share Cash Bonus"* and *"Compensation Discussion and Analysis – Long-Term Incentive Compensation (Equity Awards)"* for additional details).

Mr. Gesing: Mr. Gesing joined the Company in March 2010 and no formal offer letter or engagement letter is currently active between Mr. Gesing and the Company. Mr. Gesing is an at-will employee. As of December 31, 2022, Mr. Gesing's annual base salary was \$500,000 and he had received certain long-term incentive awards (see *"Compensation Discussion and Analysis – Long-Term Incentive Compensation (Equity Awards)"* for additional details) and revenue share (see *"Special and Other Benefits"*). As of January 3, 2023, Mr. Gesing is no longer an executive officer of the Company in his capacity as Chief Industry Relations Officer.

Mr. Whiteside: We entered into an offer letter with Mr. Whiteside, effective October 11, 2018, to serve as our Chief Financial Officer and Chief Collaboration Officer. Mr. Whiteside is an at-will employee. Mr. Whiteside's current annual base salary is \$625,000. Subject to the Board's discretion and Mr. Whiteside's contributions to Company growth, Mr. Whiteside is eligible to receive certain annual cash bonus compensation (see *"Compensation Discussion and Analysis – Annual Cash Bonus"* for additional details) and has also received long-term incentive awards (see *"Compensation Discussion and Analysis – Long-Term Incentive Compensation (Equity Awards)"* for additional details). Pursuant to the terms of his offer letter, Mr. Whiteside is eligible to receive a payment of up to four months' of base pay in the event Mr. Whiteside is terminated by the Company without cause. Consistent with past practice, such severance would be paid lump-sum, contingent on the effectiveness of a release of claims in favor of the Company.

Mr. Valdes: We entered into an offer letter with Mr. Valdes, effective April 22, 2019, to serve as our Executive Vice President of International Expansion. In September 2020, Mr. Valdes became our President of eXp Global. In July 2022, Mr. Valdes became the Chief Growth Officer, eXp Realty. Mr. Valdes is an at-will employee. Mr. Valdes' current annual base salary is \$415,000. Subject to Mr. Valdes' contribution to Company growth, Mr. Valdes is eligible to receive certain annual cash bonus compensation (see *"Compensation Discussion and Analysis – Annual Cash Bonus"* for additional details) and has also received long-term incentive awards (see *"Compensation Discussion and Analysis – Long-Term Incentive Compensation (Equity Awards)"* for additional details).

Mr. Ansari: We entered into an offer letter with Mr. Ansari, effective March 14, 2022, to serve as our Chief Information Officer. Mr. Ansari is an at-will employee. Mr. Ansari's current annual base salary is \$500,000. Subject to the Board's discretion and Mr. Ansari's contributions to Company growth, Mr. Ansari is eligible to receive certain annual cash bonus compensation (see *"Compensation Discussion and Analysis – Annual Cash Bonus"* for additional details) and has also received long-term incentive awards (see *"Compensation Discussion and Analysis – Long-Term Incentive Compensation (Equity Awards)"* for additional details). Pursuant to the terms of his offer letter, Mr. Ansari is eligible to receive a payment of (i) equal to four months' of base pay in the event Mr. Ansari is terminated by the Company without cause, or (ii) equal to one year of base pay in the event Mr. Ansari is terminated by the Company without cause in connection with a sale of the Company resulting in the Company no longer being publicly listed. Consistent with past practice, such severance would be paid lump-sum, contingent on the effectiveness of a release of claims in favor of the Company.

Tax and Accounting Considerations

Deductibility of Executive Compensation

Section 162(m) of the Internal Revenue Code (the “Code”) generally places a \$1 million annual deduction limit on compensation paid to “covered employees,” which includes certain current and former named executive officers. Our Board and Compensation Committee may, in their discretion, recommend and authorize, as applicable, compensation payments that may or may not be deductible by the Company when we believe such payments are appropriate to attract, retain or motivate executive officers. We expect that a portion of the compensation paid to our named executive officers during 2022 will not be deductible under Section 162(m).

Accounting for Stock-Based Compensation

We follow the Financial Accounting Standard Board’s Accounting Standards Codification Topic 718 (“FASB ASC Topic 718”) for our stock-based compensation awards. FASB ASC Topic 718 requires us to measure the compensation expense for all share-based payment awards made to our employees and non-employee members of our board, including options to purchase shares of our common stock and other stock awards, based on the grant date “fair value” of these awards. This calculation is performed for accounting purposes and reported in the executive compensation tables required by the federal securities laws, even though the recipient may never realize any value from such awards.

Taxation of “Parachute” Payments and Deferred Compensation

We do not provide our NEOs with a “gross-up” or other reimbursement payment for any tax liability that he or she might owe as a result of the application of Sections 280G, 4999, or 409A of the Code. Sections 280G and 4999 of the Code provide that executive officers and directors who hold significant equity interests in our Company, and certain other service providers, may be subject to an excise tax if they receive payments or benefits in connection with a change in control of our Company that exceeds certain prescribed limits, and that the Company, or a successor, may forfeit a deduction on the amounts subject to this additional tax. Section 409A of the Code also imposes additional significant taxes on an executive officer, director or other service provider to the Company in the event that he or she receives “deferred compensation” that does not meet certain requirements of Section 409A of the Code.

Resignation, Retirement, Other Termination, or Change in Control Arrangements

Certain NEOs have been granted post-employment compensation benefits, including severance and change of control arrangements. In the event of employment termination, certain NEOs would receive post-termination benefits:

- Mr. Sanford’s revenue share would continue even after ceasing to be an employee of the Company;
- Mr. Whiteside is eligible to receive a severance payment of up to four months’ of base pay in the event Mr. Whiteside’s employment is terminated by the Company without cause;
- Mr. Ansari is eligible to receive a payment of (i) equal to four months’ of base pay in the event Mr. Ansari’s employment is terminated by the Company without cause, or (i) equal to one year of base pay in the event Mr. Ansari’s employment is terminated by the Company without cause in connection with a sale of the Company resulting in the Company no longer being publicly listed.

Additionally, any option awards granted to employees, including NEOs, may be exercised: (i) for 90 days after his or her termination of employment, (ii) for 12 months after his or her death (if such death occurred during such person's employment or if such death occurred during the 90 days after termination), and (iii) for 6 months after certain events of disability (if such death occurred during such person's employment), but in each case only to the extent such option(s) would have been exercisable by such person on the date of termination, death or disability. Pursuant to the terms of the Company's 2015 Equity Incentive Plan, the Board may, but shall not be obligated to, accelerate, vest, cancel for fair value, or issue substitute awards for any option awards upon a change of control.

There are no other arrangements for resignation, retirement, termination, or change in control arrangements (including, without limitation, severance, non-401(k)-retirement or pension benefits) with any NEOs in their capacity as such.

Anti-Hedging and Anti-Pledging Policies

Certain transactions in our securities (such as short sales, hedging, and transactions in derivatives) create a heightened compliance risk or could create the appearance of misalignment between executive officers and stockholders. In addition, securities that are pledged as collateral or held in a margin account create a risk of being sold without consent if the owner fails to meet a margin call or defaults on the secured obligation, thus creating the risk that a sale may occur at a time when a person is aware of material, non-public information or otherwise is not permitted to trade in Company securities. Our insider trading policy prohibits all Company insiders, including our executive officers, from engaging in short sales, derivative securities transactions, including hedging, with respect to Company securities, and from pledging Company securities as collateral.

Risks Relating to our Compensation Policies and Practices

Our Board and Compensation Committee considers various factors in developing our compensation program, including any negative impacts on the Company resulting therefrom. Our Board and Compensation Committee have determined that our executive compensation policies and procedures do not create risks that are reasonably likely to have a material adverse effect on the Company.

Report of the Compensation Committee of the Board

The Compensation Committee of the Company has reviewed and discussed with management the "Compensation Discussion and Analysis" section included in this Proxy Statement, and based on such review and discussion, the Compensation Committee recommended to our board of directors that this "Compensation Discussion and Analysis" section be included in this Proxy Statement.

Respectfully submitted,

Glenn Sanford, Chair
Randall Miles
Dan Cahir

The information contained in this Report of the Compensation Committee shall not be deemed to be "soliciting material," "filed" with the SEC, subject to Regulations 14A or 14C of the Exchange Act, or subject to the liabilities of Section 18 of the Exchange Act. No portion of this Report of the Compensation Committee shall be deemed to be incorporated by reference into any filing under the Securities Act of 1933, as amended (the "Securities Act"), or the Securities Exchange Act of 1934, as amended (the "Exchange Act"), through any general statement incorporating by reference in its entirety the proxy statement in which this report appears, except to the extent that we specifically incorporate this report or a portion of it by reference. In addition, this report shall not be deemed filed under either the Securities Act or the Exchange Act.

2022 Named Executive Officer Compensation

The following table sets forth summary information regarding the compensation awarded to, earned by, or paid to each of the named executive officers for services rendered to us for the fiscal years ended December 31, 2022, 2021, and 2020.

Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Bonus (\$)	Stock Awards ⁽¹⁾ (\$)	Option Awards ⁽²⁾ (\$)	All Other Compensation (\$)	Total (\$)
Glenn Sanford	2022	1,568,750	205,248	-	-	466 ⁽³⁾	1,774,464
Chief Executive Officer (EXPI and eXp Realty) and Chairman of the Board	2021	1,500,000	398,644	-	-	216 ⁽⁴⁾	1,898,860
	2020	656,480	117,677	-	14,529,614	655,490 ⁽⁵⁾	15,959,261
Jason Gesing	2022	435,577	-	407	-	463,172 ⁽⁶⁾	899,156
Chief Industry Relations Officer ⁽⁷⁾	2021	250,000	-	413	-	548,810 ⁽⁸⁾	799,223
	2020	235,577	-	406	-	473,136 ⁽⁹⁾	709,119
Jeff Whiteside	2022	566,346	575,000	-	-	9,033 ⁽¹⁰⁾	1,150,380
Chief Financial Officer and Chief Collaboration Officer	2021	500,000	500,000	-	1,621,749	8,293 ⁽¹¹⁾	2,630,042
	2020	368,846	347,750	-	3,020,078	12,667 ⁽¹²⁾	3,749,341
Michael Valdes	2022	367,260	377,500	401	228,418	14,910 ⁽¹³⁾	988,488
Chief Growth Officer, eXp Realty	2021	258,846	248,750	1,020	263,533	7,601 ⁽¹⁴⁾	779,750
	2020	156,923	148,264	-	700,351	-	1,005,538
Shoeb Ansari	2022	384,615	187,500	-	4,600,196	14,412 ⁽¹⁵⁾	5,186,723
Chief Information Officer ⁽¹⁶⁾	2021	-	-	-	-	-	-
	2020	-	-	-	-	-	-

⁽¹⁾ Amounts in this column represent the fair value of restricted stock unit awards issued to the individuals noted, with the fair value determined at the date of grant in accordance with FASB ASC Topic 718 based on the closing price of our common stock on the applicable grant date. See *Note 10 - Stockholders' Equity* to the consolidated financial statements of the Company's Annual Report on Form 10-K for the year ended December 31, 2022, for the assumptions used in determining the grant date fair value of stock awards.

⁽²⁾ Amounts in this column represent the fair value of option awards issued to the individuals noted, with the fair value determined at the date of grant in accordance with FASB ASC Topic 718. See *Note 10 - Stockholders' Equity* to the consolidated financial statements of the Company's Annual Report on Form 10-K for the year ended December 31, 2022, for the assumptions used in determining the grant date fair value of option awards.

⁽³⁾ Consists of holiday gift and \$216 in life insurance premiums paid by the Company on behalf of Mr. Sanford.

⁽⁴⁾ Consists of \$216 in life insurance premiums paid by the Company on behalf of Mr. Sanford.

⁽⁵⁾ Consists of holiday gift, \$42 in life insurance premiums paid by the Company, and \$655,488 in revenue sharing earned. Prior to August 2020, Mr. Sanford received monthly revenue share compensation under the Revenue Share Program. Since August 2020, Mr. Sanford no longer receives revenue share, but is eligible to receive quarterly revenue share cash bonuses. See *"Compensation Discussion and Analysis – Quarterly Revenue Share Cash Bonus"* for a discussion of the revenue sharing program.

⁽⁶⁾ Consists of holiday gift, \$459,451 in revenue share earned, \$216 in life insurance premiums paid by the Company, and \$3,255 in Company 401(k) contributions on behalf of Mr. Gesing. See *"Compensation Discussion and Analysis – Quarterly Revenue Share Cash Bonus"* for a discussion of the revenue sharing program.

⁽⁷⁾ During the year ended December 31, 2022, Mr. Gesing served as Chief Executive Officer of eXp Realty. On January 3, 2023, Mr. Gesing transferred to his role as Chief Industry Relations Officer.

- (8) Consists of \$216 in life insurance premiums paid by the Company, \$545,506 in revenue share earned, and \$3,088 in Company 401(k) contributions on behalf of Mr. Gesing, and. See “*Compensation Discussion and Analysis – Quarterly Revenue Share Cash Bonus*” for a discussion of the revenue sharing program.
- (9) Consists of \$36 in life insurance premiums paid by the Company, \$468,559.65 in revenue sharing earned, and \$4,540 in Company 401(k) contributions on behalf of Mr. Gesing, and. See “*Compensation Discussion and Analysis – Quarterly Revenue Share Cash Bonus*” for a discussion of the revenue sharing program.
- (10) Consists of holiday gift, \$216 in life insurance premiums paid by the Company, and \$8,567 in Company 401(k) contributions on behalf of Mr. Whiteside.
- (11) Consists of holiday gift, \$216 in life insurance premiums paid by the Company, and \$8,077 in Company 401(k) contributions on behalf of Mr. Whiteside.
- (12) Consists of holiday gift, \$42 in life insurance premiums paid by the Company, and \$12,125 in Company 401(k) contributions on behalf of Mr. Whiteside.
- (13) Consists of holiday gift, \$216 in life insurance premiums paid by the Company, \$4,811 in revenue sharing earned, and \$9,633 in Company 401(k) contributions on behalf of Mr. Valdes, and. See “*Compensation Discussion and Analysis – Quarterly Revenue Share Cash Bonus*” for a discussion of the revenue sharing program.
- (14) Consists of \$216 in life insurance premiums paid by the Company and \$7,385 in Company 401(k) contributions on behalf of Mr. Valdes.
- (15) Consists of holiday gift, \$162 in life insurance premiums paid by the Company, \$1,800 of medical waiver payments, and \$12,200 in Company 401(k) contributions on behalf of Mr. Ansari.
- (16) Mr. Ansari’s employment with the Company commenced on March 21, 2022. The salary and bonus amounts presented for Mr. Ansari are prorated based on the number of days in fiscal 2022 during which he was employed with us.

2022 Grants of Plan-Based Awards

The following table provides information with respect to grants of plan-based awards to the named executive officers for the year ended December 31, 2022:

Name	Grant Date	All Other Stock Awards: Number of Shares of Stock or Units ⁽¹⁾	All Other Option Awards: Number of Securities Underlying Options (#) ⁽¹⁾	Exercise Price or Base Price of Option Awards (\$/Sh) ⁽²⁾	Grant Date Fair Value of Stock and Option Awards (\$) ⁽²⁾
Glenn Sanford	—	-	-	-	-
Jason Gesing	February 1, 2022	15	-	27.14	407
Jeff Whiteside	—	-	-	-	-
Michael Valdes	August 4, 2022	-	25,000	15.15	228,418
	August 1, 2022	27	-	14.68	401
Shoeb Ansari	March 22, 2022	-	300,000	24.56	4,600,196

(1) See “*Compensation Discussion and Analysis*” for a discussion of 2022 equity awards. All equity awards were made under the 2015 Equity Incentive Plan.

(2) The dollar amounts shown represent the grant date fair value of restricted stock units and options granted, with the fair value determined at the date of grant in accordance with FASB ASC Topic 718, based on the closing price of our common stock on the applicable grant date.

Please see the “*Compensation Discussion and Analysis*” for discussion and information regarding the elements of compensation set forth in the tables above, including our process for determining of 2022 salaries, bonuses, equity awards, and all other compensation.

Executive Employment Terms

We have entered into written offer letters with certain of our NEOs. In filling NEO positions, we recognize that we have to develop competitive compensation packages to attract qualified candidates in a dynamic labor market.

Mr. Sanford: Mr. Sanford is the founder of the Company, and currently the CEO of the Company and eXp Realty, and no formal offer letter or engagement letter was entered into between Mr. Sanford and the Company. Mr. Sanford is an at-will employee. Mr. Sanford's current annual base salary is \$1,575,000. Subject to the Board's discretion, Mr. Sanford is eligible to receive certain cash bonus compensation and long-term incentive awards (see "*Compensation Discussion and Analysis – Quarterly Revenue Share Cash Bonus*" and "*Compensation Discussion and Analysis – Long-Term Incentive Compensation (Equity Awards)*" for additional details).

Mr. Gesing: Mr. Gesing joined the Company in March 2010 and no formal offer letter or engagement letter is currently active between Mr. Gesing and the Company. Mr. Gesing is an at-will employee. As of December 31, 2022, Mr. Gesing's annual base salary was \$500,000 and he had received certain long-term incentive awards (see "*Compensation Discussion and Analysis – Long-Term Incentive Compensation (Equity Awards)*" for additional details) and revenue share (see "*Special and Other Benefits*"). As of January 3, 2023, Mr. Gesing is no longer an executive officer of the Company in his capacity as Chief Industry Relations Officer.

Mr. Whiteside: We entered into an offer letter with Mr. Whiteside, effective October 11, 2018, to serve as our Chief Financial Officer and Chief Collaboration Officer. Mr. Whiteside is an at-will employee. Mr. Whiteside's current annual base salary is \$625,000. Subject to the Board's discretion and Mr. Whiteside's contributions to Company growth, Mr. Whiteside is eligible to receive certain annual cash bonus compensation (see "*Compensation Discussion and Analysis – Annual Cash Bonus*" for additional details) and has also received long-term incentive awards (see "*Compensation Discussion and Analysis – Long-Term Incentive Compensation (Equity Awards)*" for additional details). Pursuant to the terms of his offer letter, Mr. Whiteside is eligible to receive a payment of up to four months' of base pay in the event Mr. Whiteside is terminated by the Company without cause. Consistent with past practice, such severance would be paid lump-sum, contingent on the effectiveness of a release of claims in favor of the Company.

Mr. Valdes: We entered into an offer letter with Mr. Valdes, effective April 22, 2019, to serve as our Executive Vice President of International Expansion. In September 2020, Mr. Valdes became our President of eXp Global. In July 2022, Mr. Valdes became the Chief Growth Officer, eXp Realty. Mr. Valdes is an at-will employee. Mr. Valdes' current annual base salary is \$415,000. Subject to Mr. Valdes' contribution to Company growth, Mr. Valdes is eligible to receive certain annual cash bonus compensation (see "*Compensation Discussion and Analysis – Annual Cash Bonus*" for additional details) and has also received long-term incentive awards (see "*Compensation Discussion and Analysis – Long-Term Incentive Compensation (Equity Awards)*" for additional details). In August 2022, the Compensation Committee recommended, and the Board approved, a one-time stock option grant to Mr. Valdes covering 25,000 shares that vest quarterly in equal installments over two years to acknowledge Mr. Valdes' additional responsibilities in his new role as Chief Growth Officer and to continue to incentivize and retain Mr. Valdes.

Mr. Ansari: We entered into an offer letter with Mr. Ansari, effective March 14, 2022, to serve as our Chief Information Officer. Mr. Ansari is an at-will employee. Mr. Ansari's current annual base salary is \$500,000. Subject to the Board's discretion and Mr. Ansari's contributions to Company growth, Mr. Ansari is eligible to receive certain annual cash bonus compensation (see "*Compensation Discussion and Analysis – Annual Cash Bonus*" for additional details) and has also received long-term incentive awards (see "*Compensation Discussion and Analysis – Long-Term Incentive Compensation (Equity Awards)*" for additional details). Pursuant to the terms of his offer letter, Mr. Ansari is eligible to receive a payment of (i) equal to four months' of base pay in the event Mr. Ansari is terminated by the Company without cause, or (ii) equal to one year of base pay in the event Mr. Ansari is terminated by the Company without cause in connection with a sale of the Company resulting in the Company no longer being publicly listed. Consistent with past practice, such severance would be paid lump-sum, contingent on the effectiveness of a release of claims in favor of the Company. Pursuant to the Company's offer letter with Mr. Ansari, Mr. Ansari received an initial stock option grant covering 300,000 shares that will vest quarterly in equal installments over four years, subject to his continued service, in accordance with the terms of the Company's 2015 Equity Incentive Plan, as amended.

Outstanding Equity Awards as of December 31, 2022

The following table provides information regarding the equity awards outstanding as of December 31, 2022 held by each of our named executive officers:

Name	Option Awards					Stock Awards	
	Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock that have not Vested (#)	Market Value of Shares or Units of Stock that have not Vested (\$)
Glenn Sanford	775,364	184,380 ⁽¹⁾	-	9.94	7/31/2030	-	-
	750,000	-	250,000 ⁽²⁾	9.94	7/31/2030	-	-
	30,192	10,064 ⁽³⁾	-	10.93	7/31/2025	-	-
Jason Gesing	150,000	50,000 ⁽⁴⁾	-	4.66	11/6/2029	119	1,319
Jeff Whiteside	340,000 ⁽⁵⁾	-	-	5.83	11/1/2028	-	-
	133,334	66,666 ⁽⁶⁾	-	20.77	11/1/2030	-	-
	-	44,539 ⁽⁷⁾	-	51.91	10/28/2031	-	-
Michael Valdes	-	5,461 ⁽⁸⁾	-	34.51	12/1/2031	-	-
	33,804	75,000 ⁽⁹⁾	-	4.37	5/4/2030	31	343
	3,125	6,875 ⁽¹⁰⁾	-	39.01	7/6/2031	-	-
Shoeb Ansari	3,125	21,875 ⁽¹¹⁾	-	15.15	8/4/2032	-	-
	56,250	243,750 ⁽¹²⁾	-	24.56	3/21/2032	-	-

⁽¹⁾ Option award was granted on July 31, 2020 and vests monthly over three years. Unless specifically noted otherwise, all awards in the Outstanding Equity Awards as of December 31, 2022 table vest in equal installments over the applicable vesting period.

⁽²⁾ Option award was granted on July 31, 2020 and vests based on continued service and based on revenues – see “Compensation Discussion and Analysis – Long-Term Incentive Compensation (Equity Awards)” for additional details.

⁽³⁾ Option award was granted July 31, 2020 and vests monthly over three years.

⁽⁴⁾ Option award was granted November 6, 2019 and vests quarterly over four years.

⁽⁵⁾ Option award was granted November 1, 2018 and is fully vested.

⁽⁶⁾ Option award was granted November 1, 2020 and vests quarterly over three years.

⁽⁷⁾ Option award was granted October 28, 2021 and vests over an eight-month period of continuous service, with 25% vesting on February 1, 2024, 25% vesting on May 1, 2024, 25% vesting on August 1, 2024, and 25% vesting on November 1, 2024.

⁽⁸⁾ Option award was granted December 1, 2021 and vests over an eight-month period of continuous service, with 25% vesting on February 1, 2024, 25% vesting on May 1, 2024, 25% vesting on August 1, 2024, and 25% vesting on November 1, 2024.

⁽⁹⁾ Option award was granted May 4, 2020 and vests quarterly over four years.

⁽¹⁰⁾ Option award was granted July 6, 2021 and vests quarterly over four years.

⁽¹¹⁾ Option award was granted August 4, 2022 and vests quarterly over two years.

⁽¹²⁾ Option award was granted March 21, 2022 and vests quarterly over four years.

2022 Option Exercises and Stock Vested

The following table provides information with respect to the Company stock options exercised by and Company RSU awards vested to the named executive officers for the year ended December 31, 2022:

Name	Option Awards		Stock Awards	
	Number of Shares Acquired on Exercise (#)	Value Realized on Exercise ⁽¹⁾ (\$)	Number of Shares Acquired on Vesting (#)	Value Realized on Vesting (\$)
Glenn Sanford	1,560,540	29,768,375	-	-
Jason Gesing	250,000	4,527,500	-	-
Jeff Whiteside	-	-	-	-
Michael Valdes	39,132	345,132	-	-
Shoeb Ansari	-	-	-	-

⁽¹⁾ The value realized on exercise is pre-tax and represents the difference between the market price of the shares of the Company's common stock underlying the options when exercised and the applicable exercise price.

Potential Payments upon Termination or Change-in-Control

Pursuant to the terms of his offer letter with the Company, Mr. Whiteside is eligible to receive a payment of up to four months of base pay, less applicable withholding, in the event Mr. Whiteside is terminated by the Company without cause, which term is undefined. Mr. Whiteside's receipt of severance is subject to his execution of a general release in the form prescribed by the Company. Such severance payment would be equal to \$208,333, less applicable withholding (as of December 31, 2022). Consistent with past practice, such severance would be paid lump-sum, contingent on the effectiveness of a release of claims in favor of the Company.

Pursuant to the terms of his offer letter with the Company, Mr. Ansari is eligible to receive a payment equal to four months' of base pay in the event Mr. Ansari is terminated by the Company without cause, which term is undefined. Mr. Whiteside's receipt of severance is subject to his execution of a general release in the form prescribed by the Company. Such severance payment would be equal to \$166,667, less applicable withholding (as of December 31, 2022). Consistent with past practice, such severance would be paid lump-sum, contingent on the effectiveness of a release of claims in favor of the Company.

Pursuant to the terms of his offer letter with the Company, Mr. Ansari is eligible to receive a payment equal to one year of base pay in the event Mr. Ansari is terminated by the Company without cause, which term is undefined, in connection with a sale of the Company resulting in the Company no longer being publicly listed. Such severance payment would be equal to \$500,000, less applicable withholding (as of December 31, 2022). Consistent with past practice, such severance would be paid lump-sum, contingent on the effectiveness of a release of claims in favor of the Company.

Under our 2015 Equity Incentive Plan, as amended, if we experience a change in control transaction (as defined in such plan), the Board may, but is not obligated to: accelerate, vest or cause the restrictions to lapse with respect to all or any portion of an award; cancel awards for fair value (as determined by the Board); provide for the assumption of awards or the issuance of substitute awards that will substantially preserve the otherwise applicable terms of any affected award previously granted hereunder as determined by the Board; or provide advance notice of such change in control transaction to holders of options, after which any options not exercised prior to such change in control may be cancelled.

Securities Authorized for Issuance under Equity Compensation Plans

The following table summarizes certain information regarding our equity compensation plan as of December 31, 2022:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b) ⁽¹⁾	Number of securities remaining available for remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	11,475,734 ⁽²⁾	\$13.56	16,650,051 ⁽¹⁾
Equity compensation plans not approved by security holders	-	-	-
Total	11,475,734 ⁽²⁾	\$13.56	16,650,051 ⁽¹⁾

⁽¹⁾ Does not include shares issuable upon vesting of outstanding restricted stock unit awards, which have no exercise price and are included in column (a).

⁽²⁾ Due to administrative oversight, the numbers in column (a) and (c) were reported incorrectly on our Annual Report on Form 10-K for the year ended December 31, 2022 with the SEC on February 28, 2023. Refers to shares issued under the 2015 Equity Incentive Plan, as amended.

2021 Stock Split

On January 15, 2021, the Company's Board of Directors approved a two-for-one stock split in the form of a stock dividend to stockholders of record as of January 29, 2021 (the "Stock Split"). The Stock Split was effected on February 12, 2021. All shares, RSUs, stock options, and per share information reported in this Proxy Statement have been retroactively adjusted to reflect the Stock Split.

2015 Equity Incentive Plan

On March 12, 2015, we adopted an equity incentive plan which was subsequently amended on August 28, 2017 and December 11, 2019. The purpose of the equity incentive plan is to retain the services of valued key employees, directors, officers and consultants and to encourage commitment and motivate excellent performance. Our employees, consultants and directors are eligible to participate in the 2015 Equity Incentive Plan as determined by the Board. The following equity awards may be granted under the equity incentive plan: incentive stock options, non-qualified stock options, shares of restricted stock, restricted stock units and other stock-based awards; provided, that incentive stock options may be granted only to employees. As of December 31, 2022, the number of shares of our common stock issuable under the plan is 84,011,043 and beginning with the 2019 amendment, the aggregate number of shares reserved for issuance under the Plan will automatically increase on December 1 of each year, commencing on December 1, 2019, and ending on (and including) December 1, 2024, in an amount equal to the lesser of (a) three percent (3%) of the total number of shares of Common Stock outstanding on December 31 of the preceding calendar year, or (b) the number of shares of Common Stock repurchased by the Company pursuant to any issuer repurchase plan then in effect; provided that the Board of Directors may act prior to December 1 of a given year to provide that there will be no share increase for such year or that the increase for such year will be a lesser number of shares than otherwise provided in clause (a) or (b). As of December 31, 2022, there were outstanding awards representing 11,475,734 shares of our common stock with 16,650,051 shares of our common stock available for future issuances under the 2015 Equity Incentive Plan.

On November 14, 2017, we filed a registration statement on Form S-8 to register 34,218,604 shares issuable under the 2015 Equity Incentive Plan. On March 25, 2020, we filed a registration statement on Form S-8 to register an additional 21,916,436 shares issuable under the 2015 Equity Incentive Plan. On December 29, 2022, we filed a registration statement on Form S-8 to register an additional 27,876,003 shares issuable under the 2015 Equity Incentive Plan.

CEO Pay Ratio – 2022

As required by Section 953(b) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and Item 402(u) of Regulation S-K, the Company is providing the following reasonable estimate of the ratio of the median of the annual total compensation of all of our employees except Mr. Sanford, our CEO, to the annual total compensation of Mr. Sanford, calculated in a manner consistent with Item 402(u). For the year ended December 31, 2022:

- The median of the annual total compensation of all of our employees, excluding our CEO, was \$56,390.
- The annual total compensation of our CEO was \$1,774,464.
- For fiscal year 2022, the ratio of the annual total compensation of our CEO to the annual total compensation of the median employee was 31 to 1.

The following is our methodology used to identify our median employee for fiscal year 2022:

- December 31, 2022 was the date used to determine our employee population which includes full-time, part-time and temporary employees. As of that date, our employee population was 1,636 and consisted of individuals working at our parent company and our subsidiaries in the United States, including Puerto Rico, and Canada (219 employees), but excluding the Company's employee population located in France (5 employees) and Mexico (12 employees). SEC rules allow foreign employees to be excluded in a country if those employees account for 5% or less of the total employees ("de-minimis exclusion"). We did not include independent contractors or persons providing services to the Company in foreign jurisdictions through non-employment structures (such as, for example, professional employer organizations), as permitted by SEC rules. Additionally, on July 1, 2022, the Company acquired Zoocasa Realty Inc., an Ontario, Canada company. The assembled workforce we acquired as part of that acquisition was not included for purposes of determining the median employee.

- To determine the median employee of our employee population (other than Mr. Sanford), we used a consistently applied compensation measure comparing the cash compensation (total annual compensation and bonuses) paid in 2022 as reflected in our payroll records as of December 31, 2022, plus all stock compensation earned in 2022. Pursuant to the 2015 Equity Incentive Plan, as amended, certain of our regular, full time employees receive option awards equal to 5% of his or her base salary using the Black Scholes valuation methodology, which awards typically vest on the three-year anniversary of his or her employment. To determine the median employee of our employee population, we do not realize the stock compensation value as a portion of employee compensation until it has vested. Additionally, we have annualized the total compensation for all permanent employees (full-time and part-time) that were not employed by the Company (or one of its subsidiaries) for less than the full fiscal year.

- Using the employee (other than Mr. Sanford) compensation paid in 2022, we identified a median employee whose pay was within the average band of employee (other than Mr. Sanford) compensation paid in 2022. The median employee identified is a full-time employee, paid hourly. The median employee identified accurately represents a median employee as the Company employs many hourly full-time employees, the median employee's position is a common employee position, and the median employee earns compensation representative of our median employee compensation.

Once we determined our median compensated employee using these measures, we calculated the employee's 2022 annual total compensation using the same methodology that is used to calculate our CEO's annual total compensation in the table entitled "*Summary Compensation Table*."

The pay ratio is a reasonable estimate calculated in a manner consistent with Item 402(u), and based upon our reasonable judgment and assumptions. The SEC rules do not specify a single methodology for identification of the median employee or calculation of the pay ratio, and other companies may use assumptions and methodologies that are different from those used by us in calculating their pay ratio. Accordingly, the pay ratio disclosed by other companies may not be comparable to our pay ratio as disclosed above.

Pay Versus Performance

As required by Section 953(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act, and Item 402(v) of Regulation S-K, we are providing the following information about the relationship between executive compensation actually paid to certain individuals by the Company and certain financial performance of the Company. For further information concerning the Company's pay-for-performance philosophy and how the Company aligns executive compensation with the Company's performance, refer to the Compensation Discussion and Analysis section of this Proxy Statement.

Fiscal Year	Summary Compensation Table Total for PEO ⁽¹⁾	Compensation Actually Paid to PEO ⁽²⁾	Average Summary Compensation Table Total for Non-PEO NEOs ⁽³⁾	Average Compensation Actually Paid to Non-PEO NEOs ⁽⁴⁾	Value of Initial Fixed \$100 Investment Based On:		
					Total Shareholder Return ⁽⁵⁾	Peer Group Total Shareholder Return ⁽⁶⁾	Net Income (millions) ⁽⁷⁾
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
2022	\$ 1,774,464	\$ (11,409,704)	\$ 2,056,187	\$ (913,643)	\$ 198	\$ 136	\$ 15.4
2021	\$ 1,898,860	\$ 55,335,691	\$ 1,249,499	\$ 8,098,093	\$ 596	\$ 192	\$ 81.2
2020	\$ 15,959,261	\$ 53,556,375	\$ 1,701,933	\$ 7,078,010	\$ 557	\$ 128	\$ 31.0

⁽¹⁾ This column represents the amount of total compensation reported for Mr. Sanford (our Chairman and Chief Executive Officer of the Company and eXp Realty) for each corresponding fiscal year in the "Total" column of the Summary Compensation Table ("total compensation"). Please refer to the Summary Compensation Table in this Proxy Statement.

⁽²⁾ This column represents the amount of "compensation actually paid" to Mr. Sanford, as computed in accordance with Item 402(v) of Regulation S-K. The amounts do not reflect the actual amount of compensation earned by or paid to Mr. Sanford during the applicable fiscal year. In accordance with the requirements of Item 402(v) of Regulation S-K, the following adjustments were made to Mr. Sanford's total compensation for each fiscal year to determine the "compensation actually paid":

Fiscal Year	Reported Summary Compensation Table Total for PEO ^(a)	Reported Summary Compensation Table Value of PEO Equity Awards ^(b)	Adjusted Value of Equity Awards ^(c)	Compensation Actually Paid to PEO
2022	\$ 1,774,464	\$ -	\$ (13,184,168)	\$ (11,409,704)
2021	\$ 1,898,860	\$ -	\$ 53,436,831	\$ 55,335,691
2020	\$ 15,959,261	\$ 14,529,614	\$ 52,126,728	\$ 53,556,375

(a) This column represents the amount of total compensation reported for Mr. Sanford for each corresponding fiscal year in the "Total" column of the Summary Compensation Table. Please refer to the Summary Compensation Table in this Proxy Statement.

(b) This column represents the grant date fair value of equity awards reported in the "Stock Awards" and "Option Awards" columns in the Summary Compensation Table for the corresponding fiscal year. Please refer to the Summary Compensation Table in this Proxy Statement.

- (c) This column represents an adjustment to the amounts in the “Stock Awards” and “Option Awards” columns in the Summary Compensation Table for the applicable fiscal year (a “Subject Year”). For a Subject Year, the adjusted amount replaces the “Stock Awards” and “Option Awards” columns in the Summary Compensation Table for Mr. Sanford to arrive at “compensation actually paid” to Mr. Sanford for that Subject Year. The adjusted amount is determined by adding (or subtracting, as applicable) the following for that Subject Year: (i) the fiscal year-end fair value of any equity awards granted in the Subject Year that are outstanding and unvested as of the end of the Subject Year; (ii) the amount of change as of the end of the Subject Year (from the end of the prior fiscal year) in the fair value of any awards granted in prior fiscal years that are outstanding and unvested as of the end of the Subject Year; (iii) for awards that are granted and vest in the Subject Year, the fair value as of the vesting date; (iv) for awards granted in prior fiscal years that vest in the Subject Year, the amount equal to the change as of the vesting date (from the end of the prior fiscal year) in the fair value; (v) for awards granted in prior fiscal years that are determined to fail to meet the applicable vesting conditions during the Subject Year, a deduction for the amount equal to the fair value at the end of the prior fiscal year; and (vi) the dollar value of any dividends or other earnings paid on stock or option awards in the Subject Year prior to the vesting date that are not otherwise reflected in the fair value of such award or included in any other component of total compensation for the Subject Year. The amounts added or subtracted to determine the adjusted amount are as follows:

Fiscal Year	Fiscal Year End Fair Value of Outstanding and Unvested Equity Awards Granted in the Fiscal Year	Fiscal Year over Fiscal Year Change in Fair Value of Outstanding and Unvested Equity Awards at FYE Granted in Prior Fiscal Years	Fair Value as of Vesting Date of Equity Awards Granted and Vested in the Fiscal Year	Change in Fair Value of Equity Awards Granted in Prior Fiscal Years that Vested in the Fiscal Year	Fair Value at the End of the Prior Fiscal Year of Equity Awards that Failed to Meet Vesting Conditions in the Fiscal Year	Value of Dividends or other Earnings Paid on Stock or Option Awards not Otherwise Reflected in Fair Value or Total Compensation in the Summary Compensation Table for the Fiscal Year	Adjusted Value of Equity Awards
2022	\$ -	\$ (7,460,533)	\$ -	\$ (10,532,787)	\$ (2,336,685)	\$ 7,145,837	\$ (13,184,168)
2021	\$ -	\$ 27,200,022	\$ -	\$ 22,863,562	\$ -	\$ 3,373,247	\$ 53,436,831
2020	\$ 47,857,784	\$ -	\$ 4,263,869	\$ 5,075	\$ -	\$ -	\$ 52,126,728

The fair value or change in fair value, as applicable, of stock awards and option awards was determined by reference to, for RSU awards, the closing price of our common stock on the applicable measurement date. For stock options, the fair value or change in fair value, as applicable, was determined using a Black-Scholes valuation model. The model references the closing stock price, in addition to the stock option’s strike price, expected life, volatility, expected dividend yield, and risk-free rate as of the measurement date.

- (3) This column represents the average of the amounts reported for the Company’s named executive officers (NEOs) as a group (excluding Mr. Sanford) in the “Total” column of the Summary Compensation Table in each applicable fiscal year. Please refer to the Summary Compensation Table in the Company’s Proxy Statement for the applicable year. The names of each of the NEOs (excluding Mr. Sanford) included for purposes of calculating the average amounts in each applicable fiscal year are as follows: (i) for 2022, Jeff Whiteside, Shoeb Ansari, Jason Gesing, and Michael Valdes; (ii) for 2021, Jeff Whiteside, Jason Gesing, Courtney Keating (Chakarun), and Michael Valdes; and (iii) for 2020, Jeff Whiteside, Stacey Onnen, Michael Valdes, and Courtney Keating (Chakarun).
- (4) This column represents the average amount of “compensation actually paid” to the NEOs as a group (excluding Mr. Sanford), as computed in accordance with Item 402(v) of Regulation S-K. The dollar amounts do not reflect the actual average amount of compensation earned by or paid to the NEOs as a group (excluding Mr. Sanford) during the applicable fiscal year. In accordance with the requirements of Item 402(v) of Regulation S-K, the following adjustments were made to average total compensation for the NEOs as a group (excluding Mr. Sanford) for each fiscal year to determine the compensation actually paid, using the same adjustment methodology described above in Note 2(c):

Fiscal Year	Average Reported Summary Compensation Table Total for Non-PEO NEOs ^(a)	Average Reported Summary Compensation Table Value of Non-PEO NEO Equity Awards ^(b)	Average Non-PEO NEO Adjusted Value of Equity Awards ^(c)	Average Compensation Actually Paid to Non-PEO NEOs
2022	\$ 2,056,187	\$ 1,207,355	\$ (1,761,271)	\$ (913,643)
2021	\$ 1,249,499	\$ 537,562	\$ 7,386,157	\$ 8,098,093
2020	\$ 1,701,933	\$ 1,295,100	\$ 6,671,178	\$ 7,078,010

(a) This column represents the average of the amounts reported for the Company's named executive officers (NEOs) as a group (excluding Mr. Sanford) in the "Total" column of the Summary Compensation Table in each applicable fiscal year. Please refer to the Summary Compensation Table in the Company's Proxy Statement for the applicable year.

(b) This column represents the average of the total amounts reported for the NEOs as a group (excluding Mr. Sanford) in the "Stock Awards" and "Option Awards" columns in the Summary Compensation Table in each applicable year. Please refer to the Executive Compensation Tables section of the Company's Proxy Statement for the applicable year.

(c) This column represents an adjustment to the average of the amounts reported for the NEOs as a group (excluding Mr. Sanford) in the "Stock Awards" and "Option Awards" columns in the Summary Compensation Table in each applicable year determined using the same methodology described above in Note 2(c). For each year, the adjusted amount replaces the "Stock Awards" and "Option Awards" columns in the Summary Compensation Table for each NEO (excluding Mr. Sanford) to arrive at "compensation actually paid" to each NEO (excluding Mr. Sanford) for that year, which is then averaged to determine the average "compensation actually paid" to the NEOs (excluding Mr. Sanford) for that year. The amounts added or subtracted to determine the adjusted average amount are as follows:

Fiscal Year	Average Fiscal Year End Fair Value of Equity Awards Granted in the Fiscal Year	Average Fiscal Year over Fiscal Year Change in Fair Value of Outstanding and Unvested Equity Awards at FYE Granted in Prior Fiscal Years	Average Fair Value as of Vesting Date of Equity Awards Granted in the Fiscal Year and Vested in the Fiscal Year	Average Change in Fair Value of Equity Awards Granted in Prior Fiscal Years that Vested in the Fiscal Year	Average Fair Value at the End of the Prior Fiscal Year of Equity Awards that Failed to Meet Vesting Conditions in the Fiscal Year	Average Value of Dividends or other Earnings Paid on Stock or Option Awards not Reflected in Fair Value or Total Compensation in the Summary Compensation Table for the Fiscal Year	Adjusted Average Value of Equity Awards
2022	\$ 399,609	\$ (1,231,751)	\$ 94,914	\$ (1,123,953)	\$ -	\$ 99,910	\$ (1,761,271)
2021	\$ 370,482	\$ 3,791,551	\$ 8,859	\$ 3,170,744	\$ -	\$ 44,520	\$ 7,386,157
2020	\$ 4,597,094	\$ 1,562,259	\$ 368,238	\$ 143,587	\$ -	\$ -	\$ 6,671,178

(5) This column represents cumulative Company total shareholder return (TSR). TSR is calculated by dividing the sum of the cumulative amount of dividends for each measurement period (2020, 2020-2021 and 2020-2022), assuming dividend reinvestment, and the difference between the Company's share price at the end and the beginning of the measurement period by the Company's share price at the beginning of the measurement period.

(6) This column represents cumulative peer group TSR, weighted according to the respective companies' stock market capitalization at the beginning of each period for which a return is indicated, and otherwise computed in accordance with Note 5. The peer group used for this purpose is the following published industry index: S&P Homebuilders Select Industry Index.

(7) This column represents the amount of net income reflected in the Company's audited financial statements for the applicable fiscal year.

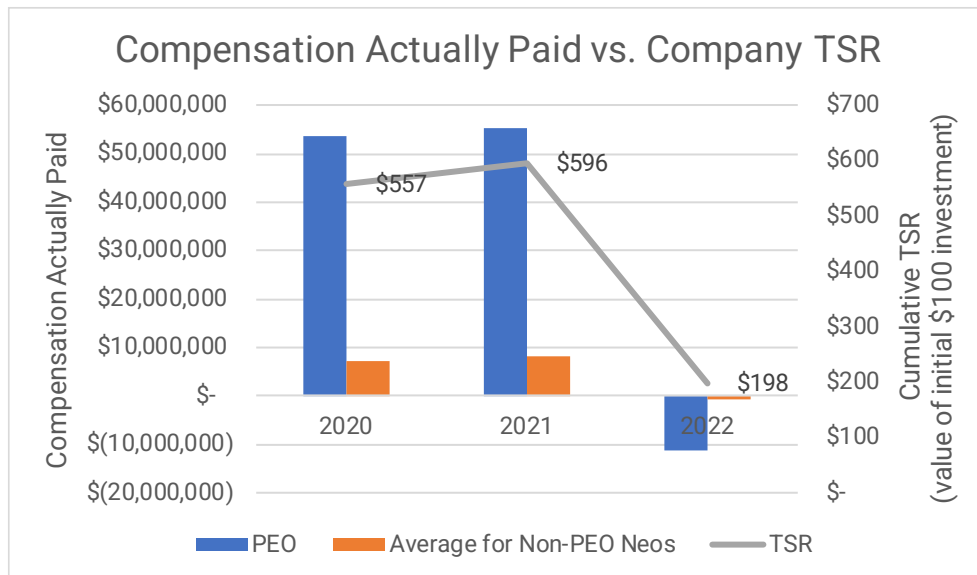
Financial Performance Measures

As described in greater detail in the Compensation Discussion and Analysis section of this Proxy Statement, the Company's executive compensation program reflects a pay-for-performance philosophy. The Company believes that reliance on formulaic financial performance measures can result in compensation that is unrelated to the value delivered by our named executive officers because formulaic financial measures do not consider the specific performance of the executive officers or any unique circumstances or strategic considerations related to a named executive officer or the Company for the relevant fiscal year. Rather than rely on a specific formula-based model, we believe that retaining discretion to assess the overall performance of NEOs gives the Company the ability to more accurately reflect individual contributions that cannot be absolutely quantified. Consequently, in fiscal 2022 we did not employ financial performance measures or related formulas to determine executive compensation actually paid to the Company's NEOs.

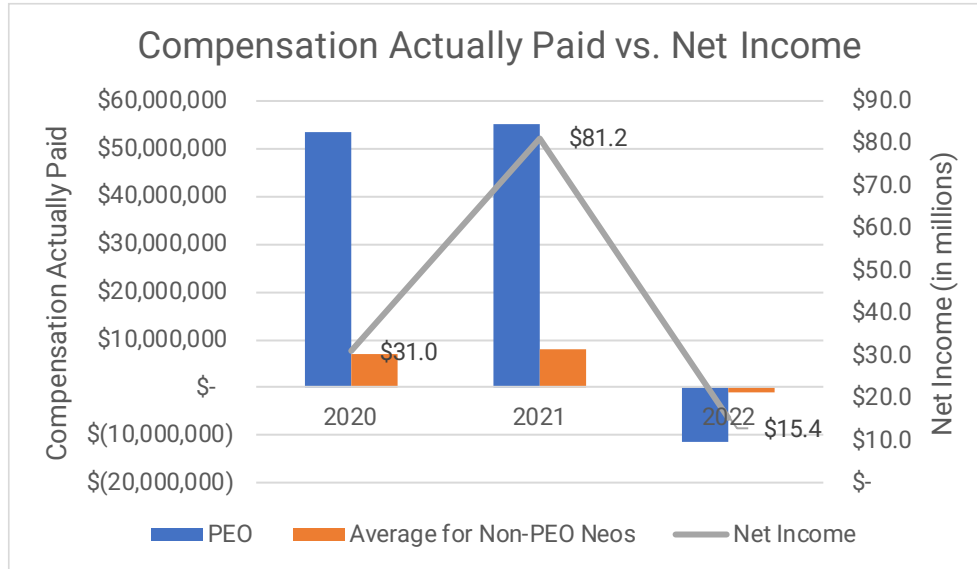
Description of the Information Presented in the Pay versus Performance Table

As described in greater detail in the Compensation Discussion and Analysis section of this Proxy Statement, the Company's executive compensation program reflects a pay-for-performance philosophy. The Company does not specifically align the Company's performance measures with compensation that is actually paid (as computed in accordance with Item 402(v) of Regulation S-K) for a particular fiscal year. Compensation actually paid is influenced by numerous factors, including but not limited to the timing of new grant issuances and outstanding grant vesting, share price volatility during the fiscal year, our mix of short-term and long-term metrics, and many other factors. In accordance with Item 402(v) of Regulation S-K, the Company is providing the following descriptions of the relationships between information presented in the Pay versus Performance table.

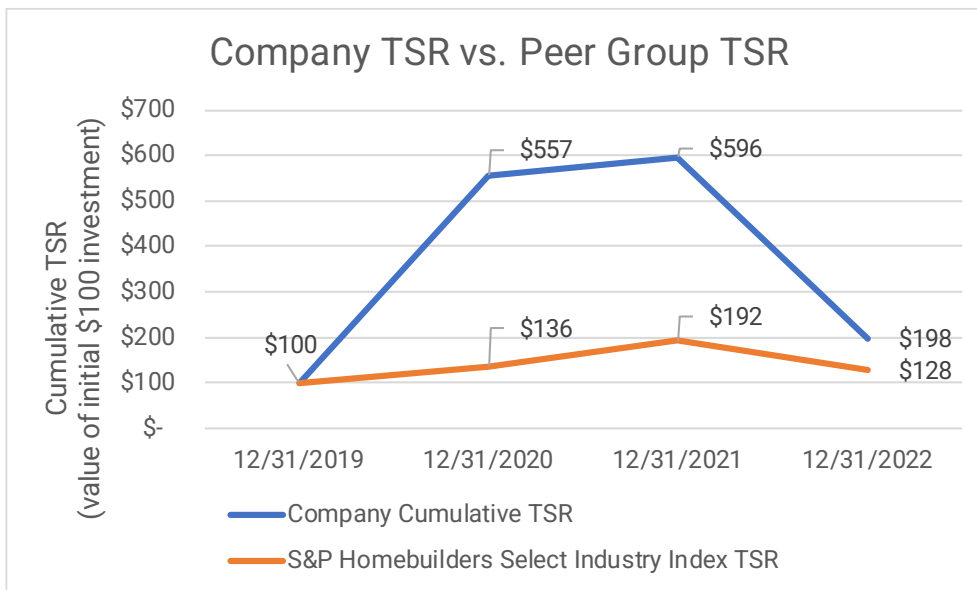
Compensation Actually Paid and Company TSR



Compensation Actually Paid and Net Income



Cumulative TSR of the Company and Cumulative TSR of the Peer Group



Beneficial Ownership of Common Stock

The following table provides certain information regarding the ownership of our common stock, as of January 31, 2023 (except as otherwise indicated) by each person known to us to own more than 5% of our outstanding common stock; each of our named executive officers; each of our directors; and all of our executive officers and directors as a group.

The number of shares of common stock beneficially owned by each person is determined under the rules of the SEC. Under these rules, beneficial ownership includes any shares as to which the individual has sole or shared voting power or investment power and also any shares that the individual has the right to acquire by April 1, 2023 (sixty days after January 31, 2023) through the exercise or conversion of a security or other right. Unless otherwise indicated, each person has sole investment and voting power, or shares such power with a family member, with respect to the shares set forth in the following table. The inclusion in this table of any shares deemed beneficially owned does not constitute an admission of beneficial ownership of those shares for any other purpose. Unless otherwise noted below, the address of each person listed on the table is c/o eXp World Holdings, Inc., 2219 Rimland Drive, Suite 301, Bellingham, WA 98226.

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership ⁽¹⁾	Percentage of Class ⁽²⁾
More than 5% stockholders:			
Common Stock	Penny Sanford	27,284,043 ⁽³⁾	17.86%
Common Stock	The Vanguard Group 100 Vanguard Blvd. Malvern, PA 19355	10,487,220 ⁽⁴⁾	6.86%
Directors and named executive officers:			
Common Stock	Glenn Sanford	43,941,026 ⁽³⁾⁽⁵⁾	28.76%
Common Stock	Gene Frederick	4,960,430 ⁽³⁾⁽⁶⁾	3.25%
Common Stock	Darren Jacklin	129,798 ⁽⁷⁾	*
Common Stock	Jason Gesing	2,507,908 ⁽³⁾⁽⁸⁾	1.64%
Common Stock	Randall Miles	677,716 ⁽⁹⁾	*
Common Stock	Dan Cahir	153,401 ⁽¹⁰⁾	*
Common Stock	Monica Weakley	7,951 ⁽¹¹⁾	*
Common Stock	Peggie Pelosi	1,854 ⁽¹²⁾	*
Common Stock	Jeff Whiteside	490,150 ⁽¹³⁾	*
Common Stock	Michael Valdes	112,461 ⁽¹⁴⁾	*
Common Stock	Shoeb Ansari	75,000 ⁽¹⁵⁾	*
Common Stock	All executive officers and directors as a group (15 persons)	53,349,945 ⁽¹⁶⁾	34.92%

* - Less than one percent.

⁽¹⁾ Except as otherwise indicated, we believe that the beneficial owners of the common stock listed above, based on information furnished by such owners, have sole investment and voting power with respect to such shares, subject to community property laws where applicable. Beneficial ownership is determined in accordance with the rules of the SEC and generally includes voting or investment power with respect to securities.

⁽²⁾ Percentage of ownership is based on 152,794,389 shares of our common stock issued and outstanding as of January 31, 2023. Common stock subject to options or warrants exercisable within 60 days of January 31, 2023 are deemed outstanding for purposes of computing the percentage ownership of the person holding such option or warrants, but are not deemed outstanding for purposes of computing the percentage ownership of any other person.

- (3) On March 8, 2021, Mr. Sanford, Ms. Sanford, Mr. Gesing and Mr. Frederick (collectively, the “Group Members”) filed a Schedule 13D/A with the SEC (as amended from time-to-time, the “Schedule 13D/A”) indicating that they had entered into an agreement to vote their shares as a group with respect to the election of directors and any other matter on which our shares of common stock are entitled to vote. By virtue of the relationship described in the Schedule 13D/A, the Group Members may be deemed to constitute a “group” within the meaning of Rule 13d-5 under the Act. As a member of a group, each Group Member may be deemed to share voting and dispositive power with respect to, and therefore beneficially own, the securities of the Company beneficially owned by the Group Members as a whole. As of January 31, 2023, the Group Members are collectively the beneficial owners of 78,693,407 shares of our common stock. Such shares of common stock represent beneficial ownership of 51.5% of outstanding shares of common stock.
- (4) Represents shares of the Company’s common stock beneficially owned as of December 30, 2022, based on a Schedule 13G/A filed with the SEC on February 9, 2023, by The Vanguard Group. The Vanguard Group lists its address as 100 Vanguard Blvd., Malvern, PA 19355, and indicates that it has shared voting power with respect to 115,150 shares of the Company’s common stock, sole dispositive power with respect to 10,305,485 shares of the Company’s common stock, and shared dispositive power with respect to 181,735 shares of the Company’s common stock.
- (5) Includes 42,034,338 shares of our common stock and 1,638,888 shares of our common stock exercisable within 60 days of January 31, 2023 and 267,800 shares of our common stock owned by Deborah Biery.
- (6) Includes 4,937,347 shares of our common stock and 288 shares of our common stock exercisable within 60 days of January 31, 2023 and 22,795 shares of our common stock owned by Susan Frederick.
- (7) Includes 119,592 shares of our common stock and stock options to acquire 10,206 shares of our common stock exercisable within 60 days of January 31, 2023.
- (8) Includes 2,345,312 shares of our common stock and stock options to acquire 162,596 shares of our common stock exercisable within 60 days of January 31, 2023.
- (9) Includes 621,380 shares of our common stock and stock options to acquire 56,336 shares of our common stock exercisable within 60 days of January 31, 2023.
- (10) Includes stock options to acquire 153,401 shares of our common stock exercisable within 60 days of January 31, 2023.
- (11) Includes 5,276 shares of our common stock and stock options to acquire 2,675 shares of our common stock exercisable within 60 days of January 31, 2023.
- (12) Includes stock options to acquire 1,854 shares of our common stock exercisable within 60 days of January 31, 2023.
- (13) Includes 150 shares of our common stock and stock options to acquire 490,000 shares of our common stock exercisable within 60 days of January 31, 2023.
- (14) Includes 56,157 shares of our common stock and stock options to acquire 56,304 shares of our common stock exercisable within 60 days of January 31, 2023.
- (15) Includes stock options to acquire 75,000 shares of our common stock exercisable within 60 days of January 31, 2023.
- (16) Includes beneficial ownership of the directors and executive officers listed above, together with James Bramble, Kent Cheng, Courtney Keating, and Leo Pareja.

Other Matters

Certain Relationships and Related Transactions

The Company has an unwritten policy requiring that a majority of the Board's independent directors approve any related party, in conformance with Section 144 of Delaware's General Corporation Law. Pursuant to the Company's Code of Business Conduct and Ethics and the Audit Committee charter, each director and executive officer must promptly notify the Chief Executive Officer and the Audit Committee of the Board of any matter that he or she believes may raise doubt regarding his or her ability to act objectively and in the Company's best interest. In determining whether to approve, ratify, disapprove or reject such related party transaction, the Audit Committee and the Board may take into account, among other factors it deems appropriate, whether such related party transaction is entered into on terms no less favorable to the Company than terms generally available to an unaffiliated third-party under the same or similar circumstances. During fiscal year 2022, we have not been a participant in any related party transaction in which the amount involved in the transaction exceeds or will exceed \$120,000 and in which any of our directors, director nominees, executive officers, or holders of more than 5% of our capital stock, or any immediate family member of, or person sharing the household with, any of these individuals, had or will have a direct or indirect material interest.

None of our current or former directors or executive officers is indebted to us, nor are any of these individuals indebted to another entity which indebtedness is the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by us.

Delinquent Section 16(a) Reports

Section 16(a) of the Exchange Act requires the Company's directors, executive officers and persons who owned more than 10% of the Company's common stock (collectively, "Reporting Persons") to file reports of ownership and changes in ownership of common stock and other securities of the Company on Forms 3, 4 and 5 with the SEC. Reporting Persons were required by SEC regulations to furnish the Company with copies of all Section 16(a) forms they filed.

Based solely on review of reports received by the Company or written representations from the Reporting Persons, the Company believes that with respect to the fiscal year ended December 31, 2022, all Reporting Persons complied with all applicable Section 16(a) filings, except for the following, which were inadvertently omitted due to administrative oversight: (i) Mr. Glenn Sanford filed a late Form 4 on January 6, 2022 to report the exercise of derivative securities and sale of non-derivative securities on January 3, 2022, and a late Form 4 on February 25, 2022 to report the exercise of derivative securities and the sale of non-derivative securities on February 22, 2022; (ii) Ms. Penny Sanford filed a late Form 4 on January 20, 2022 to report the disposition of a gift of non-derivative securities on December 31, 2022; (iii) Mr. Jason Gesing filed a late Form 4 on February 25, 2022 to report the exercise of derivative securities on February 22, 2022; and (iv) Mr. Shoeb Ansari filed a late Form 4 on March 24, 2022 to report the grant of non-derivative securities on March 21, 2022.

EXHIBIT V

**QUARTERLY REPORT ON FORM 10-Q FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2023,
FILED BY EXP WORLD HOLDINGS, INC. WITH THE SEC ON MAY 2, 2023**

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549
FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2023

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission File Number: 001-38493



EXP WORLD HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation or organization)

98-0681092

(I.R.S. Employer
Identification No.)

2219 Rimland Drive, Suite 301, Bellingham, WA

(Address of principal executive offices)

98226

(Zip Code)

(360) 685-4206

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

(Title of Each Class)

Common Stock, \$0.00001 par value per share

(Trading Symbol)

EXPI

(Name of each exchange on which registered)

The Nasdaq Stock Market

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files).

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

Accelerated filer

Non-accelerated filer

Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

There were 153,442,421 shares of the registrant's Common Stock, \$0.00001 par value, outstanding as of March 31, 2023.

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CAUTIONARY NOTE REGARDING FORWARD LOOKING STATEMENTS

This Quarterly Report on Form 10-Q (this "Quarterly Report") contains statements that are not historical fact and may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are not based on historical facts but rather represent current expectations and assumptions of future events. These statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements.

Many of these risks and other factors are beyond our ability to control or predict. Forward-looking statements can be identified by words such as "believe," "expect," "anticipate," "estimate," "project," "plan," "should," "intend," "may," "will," "could," "can," "would," "potential," "seek," "goal" and similar expressions of the future. These risks and uncertainties, as well as other risks and uncertainties that could cause our actual results to differ significantly from management's expectations, including, but not limited to:

- the impact of macroeconomic conditions on the strength of the residential real estate market;*
- the impact of monetary policies of the U.S. federal government and its agencies on our operations;*
- the impact of changes in consumer attitudes on home sale transaction volume;*
- the impact of excessive or insufficient home inventory supply on home sale transaction value;*
- our ability to effectively manage rapid growth in our business;*
- our ability to attract and retain additional qualified personnel;*
- changes in tax laws and regulations that may have a material adverse effect on our business;*
- our ability to protect our intellectual property rights;*
- the impact of security breaches, interruptions, delays and failures in our systems and operations on our business;*
- financial condition and reputation;*
- our ability to predict the demand or growth of our new products and services;*
- our ability to maintain our agent growth rate; and*
- the effect of inflation and rising interest rates on real estate transaction values and our operating results, profits and cash flows.*

Other factors not identified above, including those described under the heading "Risk Factors" in Part I, Item 1A, and elsewhere in our Annual Report on Form 10-K for the fiscal year ended December 31, 2022, may also cause actual results to differ materially from those described in our forward-looking statements. Most of these factors are difficult to anticipate and are generally beyond our control. You should consider these factors in connection with considering any forward-looking statements that may be made by us.

Forward-looking statements are based on currently available operating, financial and market information and are inherently uncertain. Investors should not place undue reliance on forward-looking statements, which speak only as of the date they are made and are not guarantees of future performance. Actual future results and trends may differ materially from such forward-looking statements. We undertake no obligation to publicly update or revise any forward-looking statements whether as a result of new information, future developments or otherwise, except as may be required by law.

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PART 1 – FINANCIAL INFORMATION

Item 1. FINANCIAL STATEMENTS (UNAUDITED)

EXP WORLD HOLDINGS, INC.
 CONDENSED CONSOLIDATED BALANCE SHEETS
 (In thousands, except share amounts)
 (UNAUDITED)

	March 31, 2023	December 31, 2022
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 122,769	\$ 121,594
Restricted cash	55,365	37,789
Accounts receivable, net of allowance for credit losses of \$2,224 and \$4,014, respectively	99,860	87,262
Prepays and other assets	12,253	8,468
TOTAL CURRENT ASSETS	290,247	255,113
Property, plant, and equipment, net	14,075	18,151
Operating lease right-of-use assets	2,075	2,127
Other noncurrent assets	1,711	1,703
Intangible assets, net	11,565	8,700
Deferred tax assets	68,399	68,676
Goodwill	27,261	27,212
TOTAL ASSETS	\$ 415,333	\$ 381,682
LIABILITIES AND EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 9,080	\$ 10,391
Customer deposits	55,171	37,789
Accrued expenses	97,137	78,944
Current portion of lease obligation - operating lease	159	175
TOTAL CURRENT LIABILITIES	161,547	127,299
Long-term payable	5	4,697
Long-term lease obligation - operating lease, net of current portion	694	694
TOTAL LIABILITIES	162,246	132,690
EQUITY		
Common Stock, \$0.00001 par value 900,000,000 shares authorized; 174,532,043 issued and 153,442,421 outstanding at March 31, 2023; 171,656,030 issued and 152,839,239 outstanding at December 31, 2022	2	2
Additional paid-in capital	650,383	611,872
Treasury stock, at cost: 21,089,622 and 18,816,791 shares held, respectively	(414,926)	(385,010)
Accumulated earnings	15,580	20,723
Accumulated other comprehensive income	879	236
Total eXp World Holdings, Inc. stockholders' equity	251,918	247,823
Equity attributable to noncontrolling interest	1,169	1,169
TOTAL EQUITY	253,087	248,992
TOTAL LIABILITIES AND EQUITY	\$ 415,333	\$ 381,682

The accompanying notes are an integral part of these condensed consolidated financial statements.

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EXP WORLD HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(In thousands, except share amounts and per share data)
(UNAUDITED)

	Three Months Ended March 31,	
	2023	2022
Revenues	\$ 850,616	\$ 1,010,731
Operating expenses		
Commissions and other agent-related costs	777,559	927,267
General and administrative expenses	71,767	75,322
Sales and marketing expenses	2,963	3,700
Total operating expenses	852,289	1,006,289
Operating (loss) income	(1,673)	4,442
Other (income) expense		
Other (income) expense, net	(880)	410
Equity in losses of unconsolidated affiliates	342	317
Total other (income) expense, net	(538)	727
(Loss) income before income tax expense	(1,135)	3,715
Income tax benefit	(2,588)	(5,149)
Net income	1,453	8,864
Net income attributable to noncontrolling interest	-	18
Net income attributable to eXp World Holdings, Inc.	\$ 1,453	\$ 8,882
Earnings per share		
Basic	\$ 0.01	\$ 0.06
Diluted	\$ 0.01	\$ 0.06
Weighted average shares outstanding		
Basic	152,546,766	149,226,166
Diluted	155,668,712	156,842,721
Comprehensive income:		
Net income	\$ 1,453	\$ 8,864
Comprehensive loss attributable to noncontrolling interests	-	18
Net income attributable to eXp World Holdings, Inc.	1,453	8,882
Other comprehensive income:		
Foreign currency translation gain (loss), net of tax	643	41
Comprehensive income attributable to eXp World Holdings, Inc.	\$ 2,096	\$ 8,923

The accompanying notes are an integral part of these condensed consolidated financial statements.

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EXP WORLD HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF EQUITY
(In thousands)
(UNAUDITED)

	Three Months Ended March 31,	
	2023	2022
Common stock:		
Balance, beginning of period	\$ 2	\$ 1
Agent equity stock compensation	-	1
Balance, end of period	2	2
Treasury stock:		
Balance, beginning of period	(385,010)	(210,009)
Repurchases of common stock	(29,916)	(29,956)
Balance, end of period	(414,926)	(239,965)
Additional paid-in capital:		
Balance, beginning of period	611,872	401,479
Shares issued for stock options exercised	307	498
Agent growth incentive stock compensation	8,668	6,582
Agent equity stock compensation	26,775	38,500
Stock option compensation	2,761	3,511
Balance, end of period	650,383	450,570
Accumulated earnings (deficit):		
Balance, beginning of period	20,723	30,510
Net income	1,453	8,882
Dividends declared and paid	(6,596)	(5,859)
Balance, end of period	15,580	33,533
Accumulated other comprehensive income (loss):		
Balance, beginning of period	236	188
Foreign currency translation gain (loss)	643	41
Balance, end of period	879	229
Noncontrolling interest:		
Balance, beginning of period	1,169	1,364
Net loss	-	(18)
Transactions with noncontrolling interests	-	(177)
Balance, end of period	1,169	1,169
Total equity	\$ 253,087	\$ 245,538

The accompanying notes are an integral part of these condensed consolidated financial statements.

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EXP WORLD HOLDINGS, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)
(UNAUDITED)

	Three Months Ended March 31,	
	2023	2022
OPERATING ACTIVITIES		
Net income	\$ 1,453	\$ 8,864
Reconciliation of net income to net cash provided by operating activities:		
Depreciation expense	2,067	1,616
Amortization expense - intangible assets	512	342
Loss on dissolution of consolidated affiliates	-	361
Allowance for credit losses on receivables/bad debt on receivables	(1,790)	219
Equity in loss of unconsolidated affiliates	342	317
Agent growth incentive stock compensation expense	9,660	7,798
Stock option compensation	2,761	3,511
Agent equity stock compensation expense	26,775	38,500
Deferred income taxes, net	277	(5,901)
Changes in operating assets and liabilities:		
Accounts receivable	(10,808)	(9,846)
Prepays and other assets	(3,722)	496
Customer deposits	17,382	49,266
Accounts payable	(1,310)	74
Accrued expenses	17,200	15,854
Long term payable	(4,692)	-
Other operating activities	37	36
NET CASH PROVIDED BY OPERATING ACTIVITIES	56,144	111,507
INVESTING ACTIVITIES		
Purchases of property, plant, equipment & intangible assets	(1,432)	(4,684)
Investments in unconsolidated affiliates	(350)	-
NET CASH USED IN INVESTING ACTIVITIES	(1,782)	(4,684)
FINANCING ACTIVITIES		
Repurchase of common stock	(29,916)	(29,956)
Proceeds from exercise of options	307	498
Transactions with noncontrolling interests	-	(426)
Dividends declared and paid	(6,596)	(5,859)
NET CASH USED IN FINANCING ACTIVITIES	(36,205)	(35,743)
Effect of changes in exchange rates on cash, cash equivalents and restricted cash	594	41
Net change in cash, cash equivalents and restricted cash	18,751	71,121
Cash, cash equivalents and restricted cash, beginning balance	159,383	175,910
CASH, CASH EQUIVALENTS AND RESTRICTED CASH, ENDING BALANCE	\$ 178,134	\$ 247,031
SUPPLEMENTAL DISCLOSURE OF CASH FLOWS INFORMATION:		
Cash paid for income taxes	\$ 1,089	\$ 483
SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES:		
Property, plant and equipment purchases in accounts payable	-	246

The accompanying notes are an integral part of these condensed consolidated financial statements.

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eXp World Holdings, Inc.
Notes to the Condensed Consolidated Financial Statements
(UNAUDITED)

(Amounts in thousands, except share amounts and per share data or noted otherwise)

1. DESCRIPTION OF BUSINESS AND BASIS OF PRESENTATION

eXp World Holdings, Inc. (“eXp,” or, collectively with its subsidiaries, the “Company,” “we,” “us,” or “our”) owns and operates a diversified portfolio of service-based businesses whose operations benefit substantially from utilizing our technology platform. We strategically prioritize our efforts to grow our real estate brokerage by strengthening our agent value proposition, developing immersive and cloud-based technology to enable our model and providing affiliate and media services supporting those efforts. Our real estate brokerage is now one of the largest and fastest-growing real estate brokerage companies in the United States and Canada and is rapidly expanding internationally.

The accompanying interim unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (“U.S. GAAP”) for interim financial information and with the instructions to Form 10-Q and Article 10-01 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for complete financial statements.

These interim financial statements should be read in conjunction with the audited consolidated financial statements and related notes contained in the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2022, filed with the SEC on February 28, 2023 (“2022 Annual Report”).

In our opinion, the accompanying interim unaudited condensed consolidated financial statements reflect all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation. Operating results for the three months ended March 31, 2023 are not necessarily indicative of the results that may be expected for the year ending December 31, 2023.

Effective in December 2022, the Company revised the presentation of segment information to reflect changes in the way the Company manages and evaluates the business. As such, we now report operating results through four reportable segments: North American Realty, International Realty, Virbela and Other Affiliated Services, as further discussed in *Note 11 – Segment Information*. Accordingly, certain amounts in the prior years’ consolidated financial statements have been revised to conform to the current year presentation. See additional information in *Note 11 – Segment Information*.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Principles of Consolidation

The accompanying condensed consolidated financial statements include the accounts of eXp and its consolidated subsidiaries, including those entities in which we have a variable interest of which we are the primary beneficiary. If the Company has a variable interest in an entity but it is not the primary beneficiary of the entity or exercises control over the operations and has less than 50% ownership, it will use the equity method or the cost method of accounting for investments. Entities in which the Company has less than a 20% investment and where the Company does not exercise significant influence are accounted for under the cost method. Intercompany transactions and balances are eliminated upon consolidation.

Variable interest entities and noncontrolling interests

A company is deemed to be the primary beneficiary of a variable interest entity (“VIE”) and must consolidate the entity if the company has both: (i) the power to direct the activities of a VIE that most significantly impact the VIE’s economic performance, and (ii) the obligation to absorb losses of the VIE that could potentially be significant to the VIE or the right to receive benefits from the VIE that could potentially be significant to the VIE.

Joint ventures

A joint venture is a contractual arrangement whereby the Company and other parties undertake an economic activity through a jointly controlled entity. Joint control exists when strategic, financial, and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control. Joint ventures are accounted for using the equity method and are recognized initially at cost.

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Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The Company regularly evaluates estimates and assumptions related to allowance for credit losses, legal contingencies, income taxes, revenue recognition, stock-based compensation, goodwill, and deferred income tax asset valuation allowances. The Company bases its estimates and assumptions on current facts, historical experience and various other factors that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the accrual of costs and expenses that are not readily apparent from other sources. The actual results experienced by the Company may differ materially and adversely from the Company's estimates. To the extent there are material differences between the estimates and the actual results, future results of operations will be affected.

Reclassifications

When necessary, the Company will reclassify certain amounts in prior-period financial statements to conform to the current period's presentation. No reclassifications occurred during the current period.

Restricted cash

Restricted cash consists of cash held in escrow by the Company on behalf of real estate buyers. The Company recognizes a corresponding customer deposit liability until the funds are released. Once the cash transfers from escrow, the Company reduces the respective customers' deposit liability.

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the condensed consolidated balance sheets that sum to the total of the same such amounts shown on the condensed consolidated statements of cash flows.

	Cash and cash equivalents	Restricted cash	Total
Balance, December 31, 2021	\$ 108,237	\$ 67,673	\$ 175,910
Balance, March 31, 2022	\$ 130,092	\$ 116,939	\$ 247,031
Balance, December 31, 2022	\$ 121,594	\$ 37,789	\$ 159,383
Balance, March 31, 2023	\$ 122,769	\$ 55,365	\$ 178,134

3. EXPECTED CREDIT LOSSES

The Company is exposed to credit losses primarily through trade and other financing receivables arising from revenue transactions. The Company uses the aging schedule method to estimate current expected credit losses ("CECL") based on days of delinquency, including information about past events and current economic conditions. The Company's accounts receivable is separated into three categories to evaluate allowance under the CECL impairment model. The receivables in each category share similar risk characteristics. The three categories include agent non-commission based fees, agent short-term advances, and commissions receivable for real estate property settlements.

The Company increases the allowance for expected credits losses when the Company determines all or a portion of a receivable is uncollectable. The Company recognizes recoveries as a decrease to the allowance for expected credit losses.

As of the first quarter of 2022, the Company provided an allowance for potential credit losses of real estate transactions.

Receivables from real estate property settlements totaled \$94,724 and \$79,135 of which the Company recognized expected credit losses of \$758 and \$3,127, respectively as of March 31, 2023 and December 31, 2022. As of March 31, 2023 and December 31, 2022 agent non-commission based fees receivable and short-term advances totaled \$7,360 and \$12,141, of which the Company recognized expected credit losses of \$1,466 and \$887, respectively.

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4. PLANT, PROPERTY AND EQUIPMENT, NET

Plant, property and equipment, net consisted of the following:

	March 31, 2023	December 31, 2022
Computer hardware and software	\$ 34,263	\$ 34,206
Furniture, fixture, and equipment	52	20
Total depreciable property and equipment	34,315	34,226
Less: accumulated depreciation	(21,434)	(19,282)
Depreciable property, net	12,881	14,944
Assets under development	1,194	3,207
Property, plant, and equipment, net	<u>\$ 14,075</u>	<u>\$ 18,151</u>

For the three months ended March 31, 2023 and 2022 depreciation expense was \$2,067 and \$1,616, respectively.

5. GOODWILL AND INTANGIBLE ASSETS

Goodwill was \$27,261 as of March 31, 2023 and \$27,212 as of December 31, 2022. In the first quarter of 2023, the Company recorded cumulative translation adjustment of \$73 related to Canadian goodwill. The Company has a risk of future impairment to the extent that individual reporting unit performance does not meet projections. Additionally, if current assumptions and estimates, including projected revenues and income growth rates, terminal growth rates, competitive and consumer trends, market-based discount rates, and other market factors, are not met, or if valuation factors outside of the Company's control change unfavorably, the estimated fair value of goodwill could be adversely affected, leading to a potential impairment in the future. For the three months ended March 31, 2023, no events occurred that indicated it was more likely than not that goodwill was impaired.

Definite-lived intangible assets were as follows:

	March 31, 2023			December 31, 2022		
	Gross Amount	Accumulated Amortization	Net Carrying Amount	Gross Amount	Accumulated Amortization	Net Carrying Amount
Trade name	\$ 3,461	(\$ 913)	\$ 2,548	\$ 3,459	(\$ 841)	\$ 2,618
Existing technology	7,368	(2,833)	4,535	3,995	(2,458)	1,537
Non-competition agreements	462	(125)	337	461	(125)	336
Customer relationships	1,895	(598)	1,297	1,895	(551)	1,344
Licensing agreement	210	(198)	12	210	(181)	29
Intellectual property	2,836	-	2,836	2,836	-	2,836
Total intangible assets	<u>\$ 16,232</u>	<u>(\$ 4,667)</u>	<u>\$ 11,565</u>	<u>\$ 12,856</u>	<u>(\$ 4,156)</u>	<u>\$ 8,700</u>

Definite-lived intangible assets are amortized using the straight-line method over an asset's estimated useful life. Amortization expense for definite-lived intangible assets for the three months ended March 31, 2023 and 2022 was \$512 and \$342, respectively. The Company has no indefinite-lived assets.

6. STOCKHOLDERS' EQUITY

The following table represents a share reconciliation of the Company's common stock issued for the periods presented:

	Three Months Ended March 31,	
	2023	2022
Common stock:		
Balance, beginning of year	171,656,030	155,516,284
Shares issued for stock options exercised	113,208	723,194
Agent growth incentive stock compensation	656,436	510,672
Agent equity stock compensation	2,106,369	1,550,455
Balance, end of quarter	<u>174,532,043</u>	<u>158,300,605</u>

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The Company’s stockholder approved equity plans described below are administered under the 2013 Stock Option Plan and the 2015 Equity Incentive Plan. Although a limited number of awards under the plan remain outstanding, no awards have been granted under the 2013 Stock Option Plan since 2015. The purpose of the equity plans is to retain the services of valued employees, directors, officers, agents, and consultants and to incentivize such persons to make contributions to the Company and motivate excellent performance.

Agent Equity Program

The Company provides agents and brokers the opportunity to elect to receive 5% of commissions earned from each completed real estate transaction in the form of common stock (the “Agent Equity Program” or “AEP”). If agents and brokers elect to receive portions of their commissions in common stock, they are entitled to receive the equivalent number of shares of common stock, based on the fixed monetary value of the commission payable. The Company recognizes a 10% discount on these issuances as an additional cost of sales charge during the periods presented.

During the three months ended March 31, 2023 and 2022, the Company issued 2,106,369 and 1,550,455 shares of common stock, respectively, to agents and brokers with a value of \$26,775 and \$38,500, respectively, inclusive of discount.

Agent Growth Incentive Program

The Company administers an equity incentive program whereby agents and brokers become eligible to receive awards of the Company’s common stock through agent attraction and performance benchmarks (the “Agent Growth Incentive Program” or “AGIP”). The incentive program encourages greater performance and awards agents with common stock based on achievement of performance milestones. Awards typically vest after performance benchmarks are reached and three years of subsequent service is provided to the Company. Share-based performance awards are based on a fixed-dollar amount of shares based on the achievement of performance metrics. As such, the awards are classified as liabilities until the number of share awards becomes fixed once the performance metric is achieved.

For the three months ended March 31, 2023 and 2022 the Company’s stock compensation expense attributable to the Agent Growth Incentive Program was \$9,660 and \$7,798, respectively, of which the total amount of stock compensation attributable to liability classified awards was \$993 and \$1,906, respectively.

The following table illustrates changes in the Company’s stock compensation liability for the periods presented:

	Amount
Stock grant liability balance at December 31, 2021	\$ 4,341
Stock grant liability increase year to date	2,056
Stock grants reclassified from liability to equity year to date	(2,512)
Balance, December 31, 2022	\$ 3,885
Stock grant liability increase year to date	993
Stock grants reclassified from liability to equity year to date	-
Balance, March 31, 2023	<u>\$ 4,878</u>

Stock Option Awards

Stock options are granted to directors, officers, certain employees and consultants with an exercise price equal to the fair market value of common stock on the grant date and the stock options expire 10 years from the date of grant. These options have time-based restrictions with equal and periodically graded vesting over a three-year period.

During the three months ended March 31, 2023, and 2022, the Company granted 88,553 and 484,378 stock options, respectively, to employees with an estimated grant date fair value of \$8.18 and \$26.04 per share, respectively. The fair value was calculated using a Black Scholes-Merton option pricing model.

Stock Repurchase Plan

In December 2018, the Company’s board of directors (the “Board”) approved a stock repurchase program authorizing the Company to purchase up to \$25.0 million of its common stock, which was later amended in November 2019 increasing the authorized repurchase amount to \$75.0 million. In December 2020, the Board approved another amendment to the repurchase plan, increasing the total amount authorized to be purchased from \$75.0 million to \$400.0 million. In May 2022, the Board approved an increase to the total amount of its buyback program from \$400.0 million to \$500.0 million. Purchases under the repurchase program may be made in the open market or through

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a 10b5-1 plan and are expected to comply with Rule 10b-18 under the Exchange Act, as amended. The timing and number of shares repurchased depends upon market conditions. The repurchase program does not require the Company to acquire a specific number of shares. The cost of the shares that are repurchased is funded from cash and cash equivalents on hand.

10b5-1 Repurchase Plan

The Company maintains an internal stock repurchase program with program changes subject to Board consent. From time to time, the Company adopts written trading plans pursuant to Rule 10b5-1 of the Exchange Act to conduct repurchases on the open market.

On January 10, 2022, the Company and Stephens Inc. entered into a form of Issuer Repurchase Plan (“Issuer Repurchase Plan”) which authorized Stephens to repurchase up to \$10.0 million of its common stock per month. On May 3, 2022, the Board approved a form of first amendment to the Issuer Repurchase Plan to increase monthly repurchases from \$10.0 million of its common stock per month up to \$20.0 million, which amendment was signed May 6, 2022. On September 27, 2022, the Board approved and the Company entered into, a form of second amendment to the Issuer Repurchase Plan, to decrease the monthly repurchases from \$20.0 million of its common stock per month to \$13.3 million, in anticipation of volume decreases in connection with the contraction in the real estate market. On December 27, 2022, the Board approved and the Company entered into, a form of third amendment to the Issuer Repurchase Plan, to decrease the monthly repurchases from \$13.3 million of its common stock per month to \$10.0 million, in connection with ongoing contractions in the real estate market.

For accounting purposes, common stock repurchased under the stock repurchase programs is recorded based upon the settlement date of the applicable trade. Such repurchased shares are held in treasury and are presented using the cost method. These shares are considered issued but not outstanding.

The following table shows the changes in treasury stock for the periods presented:

	Three Months Ended March 31,	
	2023	2022
Treasury stock:		
Balance, beginning of year	18,816,791	6,751,692
Repurchases of common stock	2,272,831	1,132,048
Balance, end of quarter	<u>21,089,622</u>	<u>7,883,740</u>

7. EARNINGS PER SHARE

Basic earnings per share is computed based on net income attributable to eXp stockholders divided by the basic weighted-average shares outstanding during the period. Dilutive earnings per share is computed consistently with the basic computation while giving effect to all dilutive potential common shares and common share equivalents that were outstanding during the period. The Company uses the treasury stock method to reflect the potential dilutive effect of unvested stock awards and unexercised options.

The following table sets forth the calculation of basic and diluted earnings per share attributable to common stock during the periods presented:

	Three Months Ended March 31,	
	2023	2022
Numerator:		
Net income attributable to common stock	\$ 1,453	\$ 8,882
Denominator:		
Weighted average shares - basic	152,546,766	149,226,166
Dilutive effect of common stock equivalents	3,121,946	7,616,555
Weighted average shares - diluted	<u>155,668,712</u>	<u>156,842,721</u>
Earnings per share:		
Earnings per share attributable to common stock- basic	\$ 0.01	\$ 0.06
Earnings per share attributable to common stock- diluted	\$ 0.01	\$ 0.06

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For three months ended March 31, 2023 and 2022 total outstanding shares of common stock excluded 635,343 and 392,483 shares, respectively, from the computation of diluted earnings per share because their effect would have been anti-dilutive.

8. INCOME TAXES

Our quarterly tax provision is computed by applying the estimated annual effective tax rate to the year-to-date pre-tax income or loss plus discrete tax items arising in the period. Our provision for (benefit from) income taxes amounted to (\$2.59) million and (\$5.15) million for the three months ended March 31, 2023 and 2022, which represent effective tax rates of positive 237.56% and negative 137.97%, respectively. The decrease in income tax benefit was primarily attributable to lower deductible stock-based compensation windfalls. The effective tax rate differs from our statutory rates in both periods primarily due to the impact of the stock-based compensation and R&D tax credit.

9. FAIR VALUE MEASUREMENT

The fair value of a financial instrument is the amount that could be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Financial assets are marked to bid prices and financial liabilities are marked to offer prices. Fair value measurements do not include transaction costs. The fair value hierarchy prioritizes the quality and reliability of the information used to determine fair values. Categorization within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The fair value hierarchy is defined into the following three categories:

- Level 1 – Inputs are quoted market prices in active markets for identical assets or liabilities (these are observable market inputs).
- Level 2 – Inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability (includes quoted market prices for similar assets or identical or similar assets in markets in which there are few transactions, prices that are not current or prices that vary substantially).
- Level 3 – Inputs are unobservable inputs that reflect the entity's own assumptions in pricing the asset or liability (used when little or no market data is available).

The Company holds funds in a money market account, which are considered Level 1 assets. The Company values its money market funds at fair value on a recurring basis.

As of March 31, 2023 and December 31, 2022, the fair value of the Company's money market funds was \$44,539 and \$44,062, respectively.

There have been no transfers between Level 1, Level 2 and Level 3 in the period presented. The Company did not have any Level 2 or Level 3 financial assets or liabilities in the period presented.

10. COMMITMENTS AND CONTINGENCIES

From time to time, the Company is subject to potential liability under laws and government regulations and various claims and legal actions that may be asserted against us that could have a material adverse effect on the business, reputation, results of operations or financial condition. Such litigation may include, but is not limited to, actions or claims relating to sensitive data, including proprietary business information and intellectual property and that of clients and personally identifiable information of employees and contractors, cyber-attacks, data breaches and non-compliance with contractual or other legal obligations.

There are no matters pending or, to the Company's knowledge, threatened that are expected to have a material adverse impact on the business, reputation, results of operations, or financial condition.

There are no proceedings in which any of the Company's directors, officers or affiliates, or any registered or beneficial stockholder is an adverse party or has a material interest adverse to the Company's interest.

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11. SEGMENT INFORMATION

The reportable segments presented below represent the Company’s segments for which separate financial information is available and which is utilized on a regular basis by its chief operating decision maker to assess performance and to allocate resources. In identifying its reportable segments, the Company also considers the nature of services provided by its segments.

Management evaluates the operating results of each of its reportable segments based upon revenue and Adjusted EBITDA. Adjusted Segment EBITDA is defined by us as operating profit plus depreciation and amortization and stock-based compensation expenses. The Company’s presentation of Adjusted Segment EBITDA may not be comparable to similar measures used by other companies. The Company’s four reportable segments as follows:

- North American Realty: includes real estate brokerage operations in the United States and Canada, as well as lead-generation and other real estate support services provided in North America.
- International Realty: includes real estate brokerage operations in all other international locations.
- Virbela: includes Virbela enterprise metaverse technology and the support services offered by eXp World Technologies.
- Other Affiliated Services: includes our SUCCESS® Magazine and other smaller ventures.

The Company also reports corporate expenses, as further detailed below, as “Corporate and other” which include expenses incurred in connection with business development support provided to the agents as well as resources, including administrative, brokerage operations and legal functions.

All segments follow the same basis of presentation and accounting policies as those described throughout the Notes to the Audited Consolidated Financial Statements included herein. The following table provides information about the Company’s reportable segments and a reconciliation of the total segment Revenues to consolidated Revenues and Adjusted Segment EBITDA to the consolidated operating (loss) profit (in thousands). Financial information for the comparable prior periods presented have been revised to conform with the current year presentation.

	Revenues	
	Three Months Ended March 31,	
	2023	2022
North American Realty	\$ 837,114	\$ 1,001,880
International Realty	10,758	7,094
Virbela	2,163	1,813
Other Affiliated Services	1,677	838
Revenues reconciliation:		
Segment eliminations	(1,096)	(894)
Consolidated revenues	\$ 850,616	\$ 1,010,731

	Adjusted EBITDA	
	Three Months Ended March 31,	
	2023	2022
North American Realty	\$ 21,203	\$ 28,770
International Realty	(3,676)	(1,956)
Virbela	(1,296)	(2,771)
Other Affiliated Services	(681)	(829)
Corporate expenses and other	(2,223)	(5,505)
Consolidated Adjusted EBITDA	\$ 13,327	\$ 17,709
Operating Profit Reconciliation:		
Depreciation and amortization expense	2,579	1,958
Stock compensation expense	9,660	7,798
Stock option expense	2,761	3,511
Consolidated operating (loss) profit	(\$ 1,673)	\$ 4,442

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The Company does not use segment assets to allocate resources or to assess performance of the segments and therefore, total segment assets have not been disclosed.

12. SUBSEQUENT EVENTS

Quarterly Cash Dividend

On April 27, 2023, the Company's Board of Directors declared a dividend of \$0.045 per share which is expected to be payable on May 31, 2023, to stockholders of record as of the close of business on May 12, 2023. The ex-dividend date is expected to be May 30, 2023. The dividend will be paid in cash.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read together with our condensed consolidated financial statements and related notes included elsewhere in this report. Management's Discussion and Analysis of Financial Conditions and Results of Operations contain forward-looking statements. Our actual results could differ materially from those anticipated in these forward-looking statements. See "Item 1 A. – Risk Factors" in our 2022 Annual Report for a discussion of certain risks, uncertainties and assumptions associated with these statements.

This MD&A is divided into the following sections:

- Overview
- Market Conditions and Industry Trends
- Key Business Metrics
- Results of Operations
- Business Segment Disclosures
- Non-U.S. GAAP Financial Measures
- Liquidity and Capital Resources
- Critical Accounting Policies and Estimates
- Non-U.S. GAAP Financial Measures

All dollar amounts are in USD thousands except share amounts and per share data and as otherwise noted.

OVERVIEW

eXp World Holdings empowers the new economy through its people, technology platforms and personal and professional development solutions. Through our brokerage, eXp Realty, we operate one of the world's fastest-growing real estate brokerages. We are focused on being the most agent-centric company on the planet and offer our agents a generous commission model, and a thriving community built on our proprietary and unique cloud-based brokerage and collaboration suite.

eXp manages its operations in four operating business segments: North American Realty; International Realty; Virbela; and Other Affiliated Services.

While we do not consider acquisitions a critical element of our ongoing business, we seek opportunities to expand and enhance our portfolio of solutions.

Strategy

Our strategy is to grow organically in North America and certain international markets by increasing our independent agent and broker network. Through our cloud-based operations and technology platform, we strive to achieve customer-focused efficiencies that allow us to increase market share and attain strong returns as we scale our business within the markets in which we operate. By building partnerships and strategically deploying capital, we seek to grow the business and enter into attractive verticals and associated businesses.

Throughout 2022, and during the first three months of 2023, we continued to make progress in achieving our strategic goals, including a 12% increase in our agent count, going from 78,196 agents as of March 31, 2022 to 87,327 agents

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as of March 31, 2023. The expected outcome of these activities will be to better position us to deliver on our full potential, to provide a platform for future growth opportunities, and to achieve our long-term financial goals.

MARKET CONDITIONS AND INDUSTRY TRENDS

In March of 2023, the existing home sales market declined 22%, compared to March of 2022 according to the National Association of Realtors (“NAR”). Due to the increasing interest rates and increasing inflation, the market began a contraction trend in the second quarter of 2022.

The Company believes it continues to be well positioned to grow in the current economic climate. We have a strong base of agent support, which should drive organic market share growth, retention and productivity. Additionally, we have an efficient operating model with lower fixed costs driven by our cloud-based model, with no brick-and-mortar locations.

Regardless of whether the housing market continues to slow or begins to recover, we believe that we are positioned to leverage our low-cost, high-engagement model, affording agents and brokers increased income and ownership opportunities while offering a scalable solution to brokerage owners looking to survive and thrive during fluctuations in economic activity.

National Housing Inventory

According to NAR, inventory of existing homes for sale in the U.S. was 980,000 as of March 2023 (preliminary) compared to 930,000 at the end of March 2022.

Mortgage Interest Rates

The sharp increase in mortgage rates have continued to negatively impact the demand for homebuying. Based on Freddie Mac data, the average rate for a 30-year, conventional, fixed rate mortgage was 6.3% in March 2023 vs 4.7% in March 2022.

Housing Affordability Index

According to NAR, the composite housing affordability index decreased to 103.9 for February 2023 (preliminary) from 129.4 for February 2022. When the index is above 100, it indicates that a family earning the median income has sufficient income to purchase a median-priced home, assuming a 20% down payment and ability to qualify for a mortgage. The favorable housing affordability index has been declining year over year due to increasing mortgage rates.

Existing Home Sales Transactions and Prices

According to NAR, seasonally adjusted existing home sale transactions decreased to an annual rate of 4.4 million in March 2023 (preliminary) compared to 5.7 million in March 2022.

According to NAR, the nationwide existing home sales median price for March of 2023 (preliminary) was \$375,700 compared to \$379,300 in March 2022, a decline of 0.9%. Housing inventory was also up to 2.6 months of inventory compared to 2.0 months last year.

KEY BUSINESS METRICS

Management uses our results of operations, financial condition, cash flows, and key business metrics related to our business and industry to evaluate our performance and make strategic decisions.

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The following table outlines the key business metrics that we periodically review:

	Three Months Ended March 31,	
	2023	2022
Performance:		
Agent count	87,327	78,196
Transactions	102,305	114,305
Volume	\$ 33,241,616	\$ 41,379,500
Revenue	\$ 850,616	\$ 1,010,731
Gross profit	\$ 73,057	\$ 83,464
Gross margin (%)	8.6%	8.3%
Adjusted EBITDA ⁽¹⁾	\$ 13,327	\$ 17,709

⁽¹⁾ Adjusted EBITDA is not a measurement of our financial performance under generally accepted accounting principles in the U.S. and should not be considered as an alternative to net income, operating income, or any other measures derived in accordance with U.S. GAAP. For a definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to net income, see “Non-U.S. GAAP Financial Measures”.

We periodically evaluate trends in certain metrics to track the Company’s performance.

Our strength is attracting real estate agent and broker professionals that contribute to our growth. Brokerage real estate transactions are recorded when our agents and brokers represent buyers and/or sellers in the purchase or sale, respectively, of a home. The number of real estate transactions is a key driver of our revenue and profitability. Real estate transaction volume represents the total sales value for all homes sold by our agents and brokers and is influenced by several market factors, including, but not limited to, the pricing and quality of our services and market conditions that affect home sales, such as macroeconomic factors, local inventory levels, mortgage interest rates, and seasonality. Real estate transaction revenue represents the commission revenue earned by the Company for closed brokerage real estate transactions.

We continue to increase our agents and brokers significantly in the United States and Canada through the execution of our growth strategies. The rate of growth of our agent and broker base is difficult to predict and is subject to many factors outside of our control, including macroeconomic factors affecting the real estate industry in general. With our unique business model, we anticipate being able to continue to grow for the remainder of the year, despite the less favorable economic outlook.

Settled home sales transactions and volume resulted from closed real estate transactions and typically change directionally with changes in the market’s existing home sales transactions as reported by NAR, as disproportionate variances are representative of company-specific improvements or shortfalls to the norm. Our home sale transaction performance was directly related to the performance of our agent base over the prior comparative period.

We utilize gross profit and gross margin, financial statement measures based on generally accepted accounting principles in the U.S. (“U.S. GAAP”) to assess eXP’s financial performance from period to period.

Gross profit is calculated from U.S. GAAP reported amounts and equals the difference between revenue and cost of sales. Gross margin is the calculation of gross profit as a percentage of total revenue. Commissions and other agent-related costs represent the cost of sales for the Company. The cost of sales does not include depreciation or amortization expenses as the Company’s assets are not directly used in the production of revenue. Gross profit is based on the information provided in our results of operations or our consolidated statements of comprehensive income and is an important measure of our potential profitability and brokerage performance. For the three months ended March 31, 2023 and 2022 gross profit was \$73.1 million, and \$83.5 million, respectively. For the three months ended March 31, 2023, and 2022, gross margin was 8.6% and 8.3%, respectively. Gross profit in the first quarter of 2023 reflects lower revenue related to the slowdown in the housing market in early 2023. However, for the three months ended March 31, 2023, gross margin increased year-over-year primarily due to a lower increase in commissions and agent-related costs due to a lower percentage of agents reaching their commission capping requirements, entitling them to a lower percentage of the home sale commission.

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Management also reviews Adjusted EBITDA, which is a non-U.S. GAAP financial measure, to understand and evaluate our core operating performance. Adjusted EBITDA has declined for the three months ended March 31, 2023 ended compared to the same period in 2022 due to lower revenue partially offset by lower operating costs.

Agent and Employee Experience

The Company has embarked on an initiative to better understand both its agents' and employees' experiences. In doing so, we have adopted many of the principles of the Net Promoter Score® ("NPS") across many aspects of our organization. NPS is a measure of customer satisfaction and is measured on a scale between -100 and 100. An NPS above 50 is considered excellent. The Company's agent NPS was 70 in the first quarter of 2023.

The NPS measure is an important vehicle for delivering on our core value of transparency. While we strive for high satisfaction, it is equally important to investigate a low or unfavorable trending of NPS. As NPS scores are often leading indicators to agents and employees' future actions, we are able to learn quickly what may be a 'pain point' or product that is not meeting its desired objective. We then take that information and translate it into action with an effort to remediate the specific root cause(s) driving the lower score. Our fast and iterative approach has already led to improvements in parts of our business such as agent onboarding, commission transaction processing, and employee benefits.

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Results of Operations

Three Months Ended March 31, 2023 compared to the Three Months Ended March 31, 2022

	Three Months Ended March 31, 2023		Three Months Ended March 31, 2022		Change 2023 vs. 2022	
		% of Revenue		% of Revenue	\$	%
Statement of Operations Data:						
Revenues	\$ 850,616	100%	\$ 1,010,731	100%	(\$ 160,115)	(16)%
Operating expenses						
Commissions and other agent-related costs	777,559	91%	927,267	92%	(149,708)	(16)%
General and administrative expenses	71,767	8%	75,322	7%	(3,555)	(5)%
Sales and marketing expenses	2,963	-%	3,700	-%	(737)	(20)%
Total operating expenses	852,289	100%	1,006,289	100%	(154,000)	(15)%
Operating (loss) income	(1,673)	-%	4,442	-%	(6,115)	(138)%
Other (income) expense						
Other (income) expense, net	(880)	-%	410	-%	(1,290)	(315)%
Equity in losses of unconsolidated affiliates	342	-%	317	-%	25	8%
Other (income) expense, net	(538)	-%	727	-%	(1,265)	(174)%
(Loss) income before income tax expense	(1,135)	-%	3,715	-%	(4,850)	(131)%
Income tax benefit	(2,588)	-%	(5,149)	(1)%	2,561	(50)%
Net (loss) income	1,453	-%	8,864	1%	(7,411)	(84)%
Add back: Net loss attributable to noncontrolling interest	-	-%	18	-%	(18)	(100)%
Net (loss) income attributable to eXp World Holdings, Inc.	1,453	-%	8,882	1%	(7,429)	(84)%
Adjusted EBITDA ⁽¹⁾	\$ 13,327	2%	\$ 17,709	2%	(\$ 4,382)	(25)%
Earnings per share						
Basic	\$ 0.01		\$ 0.06		(\$ 0.05)	(83)%
Diluted	\$ 0.01		\$ 0.06		(\$ 0.05)	(83)%
Weighted average shares outstanding						
Basic	152,546,766		149,226,166			
Diluted	155,668,712		156,842,721			

⁽¹⁾ Adjusted EBITDA is not a measurement of our financial performance under U.S. GAAP and should not be considered as an alternative to net income, operating income or any other measures derived in accordance with U.S. GAAP. For a definition of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to net income, see "Non-U.S. GAAP Financial Measures."

First Quarter 2023 consolidated financial highlights as compared to the same year-ago quarter:

- Revenue decreased 16% to \$850.6 million.
- Gross profit decreased 12% to \$73.1 million.
- Net income of \$1.5 million. Earnings per diluted share of \$0.01 compared to earnings per diluted share of \$0.06 in the year ago quarter.
- Adjusted EBITDA (a non-GAAP financial measure) of \$13.3 million.
- As of March 31, 2023, cash and cash equivalents totaled \$122.8 million. The company repurchased approximately \$29.9 million of common stock during the first quarter of 2023.

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- The Company paid a cash dividend for the first quarter of 2022 of \$0.045 per share of common stock on March 31, 2023. On April 27, 2023, the Company's Board of Directors declared a cash dividend of \$0.045 per share of common stock for the second quarter of 2023, expected to be paid on May 31, 2023 to stockholders of record on May 12, 2023

Revenue

Our total revenues were \$850.6 million for the three months ended March 31, 2023 compared to \$1,010.7 million for the same period in 2022, a decrease of (\$160.1) million, or (16)%. Total revenues decreased in the first quarter of 2023 as a result of a decrease in real estate transactions and home prices compared to the same period in 2022 due to the decline of the US and Canada residential real estate market.

Commission and Other Agent-Related Costs

Commission and other agent-related costs were \$777.6 million for the three months ended March 31, 2023 compared to \$927.3 million for the same period in 2022, a decrease (\$149.7) million, or (16)%. Commissions and other agent-related costs decreased as a result of a decrease in real estate transactions and home prices compared to the three months ended March 31, 2022 due to the decline of the U.S. and Canada residential real estate market.

General and Administrative Expense

General and administrative expenses were \$71.8 million for the three months ended March 31, 2023 compared to \$75.3 million for the same period in 2022, a decrease of (\$3.6) million or (5)%. General and administrative expenses include costs related to wages, including stock compensation, and other general overhead expenses. General and administrative expenses decreased as a result of lower stock-based compensation, partially offset by increased personnel expenses due to the Company's increase in employee count to continue to support our agent growth strategy.

Sales and Marketing

Sales and marketing expenses decreased to \$3.0 million for the three months ended March 31, 2023 compared to \$3.7 million the same period in 2022. The decrease of (\$0.7) million is due to decreased advertising to offset the contraction in the real estate market.

Other (Income) Expense

Other (income) in the first quarter of 2023 relates primarily to increased interest income when compared to the first quarter of 2022.

Income Tax Benefit

The Company's provision for (benefit from) income taxes amounted to (\$2.59) million and (\$5.15) million for the three months ended March 31, 2023 and 2022, respectively, which represented effective tax rates of positive 237.56% and negative 137.97%, respectively. The increase in income tax benefit was primarily attributable to lower deductible stock-based compensation windfalls.

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BUSINESS SEGMENT DISCLOSURES

See Note 11 – Segment Information to the consolidated financial statements for additional information regarding our business segments. The following table reflects the results of each of our reportable segments during the three months ended March 31, 2023 and 2022:

	Three Months Ended March 31, 2023	Three Months Ended March 31, 2022	Change 2023 vs. 2022 \$	%
<i>(In thousands, except share amounts and per share data)</i>				
Statement of Operations Data:				
Revenues				
North American Realty	\$ 837,114	\$ 1,001,880	(\$ 164,766)	(16)%
International Realty	10,758	7,094	3,664	52%
Virbela	2,163	1,813	350	19%
Other Affiliated Services	1,677	838	839	100%
Segment eliminations	(1,096)	(894)	(202)	23%
Total Consolidated Revenues	\$ 850,616	\$ 1,010,731	(\$ 160,115)	(16)%
Adjusted Segment EBITDA ⁽¹⁾				
North American Realty	21,203	28,770	(\$ 7,567)	(26)%
International Realty	(3,676)	(1,956)	(1,720)	88%
Virbela	(1,296)	(2,771)	1,475	(53)%
Other Affiliated Services	(681)	(829)	148	(18)%
Corporate expenses and other	(2,223)	(5,505)	3,282	(60)%
Total Reported Adjusted EBITDA	\$ 13,327	\$ 17,709	(\$ 4,382)	(25)%

North American Realty revenue decreased 16% in the first quarter of 2023 compared to the same period in 2022 primarily due to decreased real estate transactions and home prices driven by the slowdown in the real estate markets. Adjusted EBITDA decreased 26% due to lower revenue, as well as increased general and administrative costs primarily related to increased compensation and personnel related expenses.

International Realty revenue increased 52% in the first quarter of 2023 compared to the same period in 2022 primarily due to increased real estate transactions driven by a higher agent count and increased productivity in previously launched markets. Adjusted EBITDA (loss) increased 88% in the first quarter of 2022 compared to the same period in 2022 due to growing selling, general and administrative expenses to support the incremental production in existing operations.

Virbela revenue increased 19% due to additional enterprise customer base. Adjusted EBITDA (loss) decreased 53% primarily due to workforce reductions and decrease in marketing and advertising expenses.

Other Affiliated Services revenue increased 100% due to expansion of SUCCESS® Coaching and SUCCESS® Media, primarily SUCCESS® magazine. The increases in revenue directly contributed to Adjusted EBITDA (loss) decrease of 18%.

Corporate expenses and other contain the costs incurred to operate the corporate parent of eXp Realty. The decrease in these costs (decrease in Adjusted EBITDA (loss) of 60% in the first quarter of 2023 compared to the same period of 2022) reflect decreased costs primarily due to cost containment initiatives.

NON-U.S. GAAP FINANCIAL MEASURES

To supplement our condensed consolidated financial statements, which are prepared and presented in accordance with U.S. GAAP, we use Adjusted EBITDA, a non-U.S. GAAP financial measure, to understand and evaluate our 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 our financial performance and should not be considered a substitute for, or superior to, the financial information prepared and presented in accordance with U.S. GAAP.

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We define the non-U.S. GAAP financial measure of Consolidated Adjusted EBITDA to mean net income, excluding other income (expense), income tax benefit (expense), depreciation, amortization, impairment charges, stock-based compensation expense and stock option expense. Adjusted Segment EBITDA is defined as operating profit plus depreciation and amortization and stock-based compensation expenses. We believe that Consolidated Adjusted EBITDA and Adjusted Segment EBITDA provides useful information about our 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 our management for financial and operational decision-making. We believe that Adjusted Segment EBITDA helps identify underlying trends in our business that otherwise could be masked by the effect of the expenses that we exclude in Adjusted Segment EBITDA. In particular, we believe the exclusion of stock and stock option expenses, provides a useful supplemental measure in evaluating the performance of our underlying operations and provides better transparency into our results of operations.

We are presenting the non-U.S. GAAP measure of Adjusted EBITDA to assist investors in seeing our financial performance through the eyes of management, and because we believe this measure provides an additional tool for investors to use in comparing our core financial performance over multiple periods with other companies in our industry.

Adjusted EBITDA should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with U.S. GAAP. There are a number of limitations related to the use of Adjusted EBITDA compared to Net Income (Loss), the closest comparable U.S. GAAP measure. Some of these limitations are that:

- Adjusted EBITDA excludes stock-based compensation expense related to our agent growth incentive program and stock option expense, which have been, and will continue to be for the foreseeable future, significant recurring expenses in our business and an important part of our compensation strategy; and
- Adjusted EBITDA excludes certain recurring, non-cash charges such as depreciation of fixed assets, amortization of intangible assets, and impairment charges related to these long-lived assets, and, although these are non-cash charges, the assets being depreciated, amortized, or impaired may have to be replaced in the future.

The following tables present a reconciliation of Adjusted EBITDA to net loss, the most comparable U.S. GAAP financial measure, for each of the periods presented:

	Three Months Ended March 31,	
	2023	2022
Net income	\$ 1,453	\$ 8,864
Other (income) expense, net	(538)	727
Income tax benefit	(2,588)	(5,149)
Depreciation and amortization	2,579	1,958
Stock compensation expense ⁽¹⁾	9,660	7,798
Stock option expense	2,761	3,511
Adjusted EBITDA	<u>\$ 13,327</u>	<u>\$ 17,709</u>

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

LIQUIDITY AND CAPITAL RESOURCES

Our primary sources of liquidity are our cash and cash equivalents on hand and cash flows generated from our business operations. Our ability to generate sufficient cash flow from operations or to access certain capital markets, including banks, is necessary to fund our operations and capital expenditures, repurchase our common stock, and meet obligations as they become due. At present, our cash and cash equivalents balances and cash flows from operations have strengthened primarily due to transaction volume growth and improved cost leverage over the prior five years, attributable to the expansion of our independent agent and broker network and, to a lesser extent, increased average prices of home sales.

Currently, our primary use of cash on hand is to sustain and grow our business operations, including, but not limited to, commission and revenue share payments to agents and brokers and cash outflows for operating expenses and dividend payments. In addition, the Company has no known material cash requirements as of March 31, 2023, relating to capital expenditures, commitments, or human capital (except as passthrough commissions to agents and brokers concurrent with settled real estate transactions).

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For information regarding the Company’s expected cash requirement related to settlement costs, see *Note 10 – Commitments and Contingencies*.

We believe that our existing balances of cash and cash equivalents and cash flows expected to be generated from our operations will be sufficient to satisfy our operating requirements for at least the next twelve months. Our future capital requirements will depend on many factors, including our level of investment in technology, our rate of growth into new markets, and cash used to repurchase shares of the Company’s common stock. Our capital requirements may be affected by factors which we cannot control such as the changes in the residential real estate market, interest rates, and other monetary and fiscal policy changes to the manner in which we currently operate. In order to support and achieve our future growth plans, we may need or seek advantageously to obtain additional funding through equity or debt financing. We believe that our current operating structure will facilitate sufficient cash flows from operations to satisfy our expected long-term liquidity requirements beyond the next twelve months.

Net Working Capital

Net working capital is calculated as the Company’s total current assets less its total current liabilities. The following table presents our net working capital as of March 31, 2023 and December 31, 2022:

	March 31, 2023	December 31, 2022
Current assets	\$ 290,247	\$ 255,113
Current liabilities	(161,547)	(127,299)
Net working capital	<u>\$ 128,700</u>	<u>\$ 127,814</u>

For the three months ended March 31, 2023, net working capital increased \$0.9 million, or 1%, compared to December 31, 2022.

Cash Flows

The following table presents our cash flows for the three months ended March 31, 2023 and 2022:

	Three Months Ended March 31,	
	2023	2022
Cash provided by operating activities	\$ 56,144	\$ 111,507
Cash used in investment activities	(1,782)	(4,684)
Cash used in financing activities	(36,205)	(35,743)
Effect of changes in exchange rates on cash, cash equivalents and restricted cash	594	41
Net change in cash, cash equivalents and restricted cash	<u>\$ 18,751</u>	<u>\$ 71,121</u>

For the three months ended March 31, 2023, cash provided by operating activities decreased (\$55.4) million compared to the same period in 2022. The change resulted primarily from decreased real estate transactions.

For the three months ended March 31, 2023, cash used in our investing activities decreased primarily due to fewer capital expenditures.

For the three months ended March 31, 2023, the increase in cash flows used in financing activities primarily were related to an increase in the payment of cash dividends from 2022 to 2023.

Acquisitions

While we do not consider acquisitions a critical element of our ongoing business, we seek opportunities to expand and enhance our portfolio of solutions, access new revenue streams, or otherwise complement or accelerate the growth of our existing operations. We may fund acquisitions or investments in complementary businesses with various sources of capital including existing cash balances and cash flow from operations.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The condensed consolidated financial statements should be read in conjunction with the consolidated financial statements included in the Annual Report on Form 10-K for the year ended December 31, 2022, which provides a

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description of our critical accounting policies. There were no changes to critical accounting policies or estimates as reflected in our 2022 Annual Report. For additional information regarding our critical accounting policies and estimates, see the Critical Accounting Policies and Estimates section of MD&A included in our 2022 Annual Report.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

There have been no material changes in our exposures to market risk since December 31, 2022. For details on the Company's interest rate and foreign currency exchange, see "Item 7A. Quantitative and Qualitative Information About Market Risks" in our 2022 Annual Report.

Item 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Management is responsible for establishing and maintaining disclosure controls and procedures that are designed to ensure that information required to be disclosed in its reports under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms, and that such information is accumulated and communicated to management, including our Chief Executive Officer (as the principal executive officer) and Chief Financial Officer (as the principal financial officer), to allow timely decisions regarding required disclosures.

As of March 31, 2023, an evaluation was conducted by the Company under the supervision and with the participation of its management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of its disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). Based on this evaluation, our Chief Executive Officer and Chief Financial Officer each concluded that the Company's disclosure controls and procedures were effective at the reasonable assurance level as of March 31, 2023.

Changes in Internal Control over Financial Reporting

There were no material changes in our internal control over financial reporting that occurred during the quarter ended March 31, 2023 that have materially affected, or are reasonably believed to be likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. LEGAL PROCEEDINGS

From time to time, we are involved in ordinary routine litigation incidental to the conduct of our business, including matters that may be certified as class or collective actions. The Company believes that it has adequately and appropriately accrued for legal matters. We recognize expense for legal claims when payments associated with the claims become probable and can be reasonably estimated.

Litigation and other legal matters are inherently unpredictable and subject to substantial uncertainties and adverse resolutions could occur. In addition, litigation and other legal matters, including class action lawsuits, government investigations and regulatory proceedings can be costly to defend and, depending on the class size and claims, could be costly to settle. As such, the Company could incur judgments, penalties, sanctions, fines or enter into settlements of claims with liability that are materially in excess of amounts accrued and these settlements could have a material adverse effect on the Company's financial condition, results of operations or cash flows in any particular period.

Item 1A. RISK FACTORS

The business, financial condition and operating results of the Company can be affected by a number of risks, whether currently known or unknown. For a discussion of our potential risks and uncertainties, please see in Part I, Item 1A of the 2022 Annual Report under the heading "Risk Factors". Additional risks not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or results of operations in future periods. Any of these factors, in whole or in part, could materially and adversely affect the Company's business, financial condition, operating results and stock price. Except for the risk factors disclosed in Part I, Item 1A of 2022 Annual Report, which are hereby incorporated by reference into this Part II, Item 1A of this Form 10-Q, there have been no material changes to the Company's risk factors as disclosed in the 2022 Annual Report.

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Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

Issuer Purchases of Equity Securities

The following table provides information about repurchases of our common stock through the quarter ended March 31, 2023:

<u>Period</u>	<u>Total number of shares purchased</u>	<u>Average price paid per share</u>	<u>Total number of shares purchased as part of publicly announced plans or programs ⁽¹⁾</u>	<u>Approximate dollar value of shares that may yet be purchased under the plans or programs</u>
1/1/2023-1/31/2023	761,823	\$ 13.29	761,823	\$ 81,498,629
2/1/2023-2/28/2023	669,068	15.14	669,068	71,505,180
3/1/2023-3/31/2023	841,940	11.85	841,940	61,513,137
Total	<u>2,272,831</u>	<u>\$ 13.42</u>	<u>2,272,831</u>	

⁽¹⁾ In December 2018, the Company's board of directors approved a stock repurchase program authorizing the Company to purchase its common stock. In November 2019, the Board amended the repurchase program, increasing the total amount authorized to be purchased from \$25.0 million to \$75.0 million. In December 2020, the Board approved another amendment to the repurchase program, increasing the total amount authorized to be purchased from \$75.0 million to \$400.0 million. In May 2022, the Board approved an increase to the total amount of its buyback program from \$400.0 million to \$500.0 million. The stock repurchase program is more fully disclosed in *Note 6 – Stockholders' Equity* to the consolidated financial statements.

Item 3. DEFAULTS UPON SENIOR SECURITIES

None.

Item 4. MINE SAFETY DISCLOSURES

Not applicable.

Item 5. OTHER INFORMATION

None.

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Item 6. EXHIBITS

Exhibit Number	Exhibit Description	Form	Exhibit	Incorporated by Reference Filing Date/Period End Date
3.1	Restated Certificate of Incorporation	10-K	3.1	2/28/2023
3.2	Restated Bylaws	10-K	3.2	2/28/2023
4.1	Description of Securities	10-K	4.1	2/28/2023
13.1	Annual Report on Form 10-K	10-K	NA	2/28/2023
31.1*	Certification of the Chief Executive Officer pursuant to Rule 13a 14(a) under the Securities Exchange Act of 1934			
31.2*	Certification of the Chief Financial Officer pursuant to Rule 13a 14(a) under the Securities Exchange Act of 1934			
32.1**	Certification of the Chief Executive Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002			
32.2**	Certification of the Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002			
101.INS	Inline XBRL Instance Document			
101.SCH	Inline XBRL Taxonomy Extension Schema Document			
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document			
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document			
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document			
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document			
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)			

* Filed herewith

** Furnished herewith

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

May 2, 2023

eXp World Holdings, Inc.
(Registrant)

/s/ Jeff Whiteside

Jeff Whiteside
Chief Financial Officer (Principal Financial Officer)

Exhibit 31.1

**Certification of the Chief Executive Officer pursuant to Rule
13a-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002**

I, Glenn Sanford, hereby certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of eXp World Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2023

By: /s/ Glenn Sanford
Glenn Sanford
Chief Executive Officer (Principal Executive Officer)

Exhibit 31.2

**Certification of the Chief Financial Officer pursuant to Rule
13a-14(a) under the Securities Exchange Act of 1934, as adopted pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002**

I, Jeff Whiteside, hereby certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of eXp World Holdings, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to me by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 2, 2023

By: /s/ Jeff Whiteside
Jeff Whiteside
Chief Financial Officer (Principal Financial Officer)

Exhibit 32.1

**Certification of Chief Executive Officer pursuant to 18 U.S.C.
1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the annual report of eXp World Holdings, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2023 as filed with the Securities and Exchange Commission (the "Report"), I, Glenn Sanford, the Chief Executive Officer of the Company, hereby certify pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 2, 2023

By: /s/ Glenn Sanford
Glenn Sanford
Chief Executive Officer (Principal Executive Officer)

Exhibit 32.2

**Certification of Chief Financial Officer pursuant to 18 U.S.C.
1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002**

In connection with the annual report of eXp World Holdings, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2023 as filed with the Securities and Exchange Commission (the "Report"), I, Jeff Whiteside, the Chief Financial Officer of the Company, hereby certify pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: May 2, 2023

By: /s/ Jeff Whiteside
Jeff Whiteside
Chief Financial Officer (Principal Financial Officer)

EXHIBIT VI

**RESTATED CERTIFICATE OF INCORPORATION OF
EXP WORLD HOLDINGS, INC.**

EXHIBIT A

**RESTATED CERTIFICATE OF INCORPORATION
OF
EXP WORLD HOLDINGS, INC.**

ARTICLE I

Indemnification

SECTION 1.01. Name. The name of the Corporation is “eXp World Holdings, Inc.” (the “Corporation”).

ARTICLE II

Purpose

SECTION 2.01. Purpose. The purpose for which the Corporation is organized is to engage in any lawful act or activity for which corporations may be organized under the Delaware General Corporation Law (“DGCL”).

ARTICLE III

Capital Stock

SECTION 3.01. Amount. The total number of shares of stock which the Corporation has authority to issue is 900,000,000 shares initially all of which are designated as Common Stock, par value of \$0.0001 per share (“Common Stock”).

SECTION 3.02 Common Stock.

(A) The holders of shares of Common Stock shall be entitled to one vote for each such share on each matter submitted to the stockholders on which the holders of shares of Common Stock are entitled to vote. Except as otherwise required by law or this Amended and Restated Certificate of Incorporation, and at any annual or special meeting of the stockholders the holders of shares of Common Stock shall have the right to vote for the election of directors and on all other matters submitted to a vote of the stockholders; provided, however, that, except as otherwise required by law.

(B) The holders of shares of Common Stock shall be entitled to receive such dividends and other distributions (payable in cash, property, or capital stock of the Corporation) when, as and if declared thereon by the Board of Directors from time to time out of any assets or funds of the Corporation legally available therefor, and shall share equally on a per share basis in such dividends and distributions.

(C) In the event of any voluntary or involuntary liquidation, dissolution, or winding-up of the Corporation, after payment or provision for payment of the debts and other liabilities of the Corporation, and the holders of shares of Common Stock shall be entitled to receive all the remaining assets of the Corporation available for distribution to its stockholders, ratably in proportion to the number of shares of Common Stock held by them.

(D) Any action required or permitted to be taken at any annual or special meeting of stockholders of the Corporation may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding common stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an office or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded; provided, however if at any time Glenn Sanford and Penny Sanford no longer are the beneficial owners, in the aggregate, of at least a majority in voting power of all shares entitled to vote in the election of directors, then any action required or permitted to be taken by the holders of the Common Stock of the Corporation must be effected at a duly called annual or special meeting of such holders and may no longer be effected by any consent in writing by such holders.

ARTICLE IV

Directors

SECTION 4.01. Management of the Corporation. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Director of the Corporation.

SECTION 4.02. Number. The number of directors of the Corporation shall be limited as provided in the Bylaws and determined exclusively by resolution adopted by a majority of the Whole Board. For purposes of this Amended and Restated Certificate of Incorporation, the term “Whole Board” means the total number of authorized directors whether or not there exist any vacancies in previously authorized directorships.

SECTION 4.03. Election of Directors. The directors shall be elected at the annual meeting of stockholders by such stockholders as have the right to vote on such election. Directors need not be stockholders of the Corporation. Unless required by the Bylaws, the election of the Board of Directors need not be by written ballot.

SECTION 4.04. Vacancies. Any vacancy in the Board of Directors, however occurring, including a vacancy resulting from an enlargement of the Board of Directors, may be filled only by vote of a majority of the directors then in office, even if less than a quorum, or by a sole remaining director.

SECTION 4.05. Amendment of the Bylaws by the Board. The Board of Directors of the Corporation is expressly authorized to adopt, amend or repeal the Bylaws of the Corporation.

ARTICLE V

Indemnification

SECTION 5.01. Right to Indemnification and Advancement. The Corporation shall indemnify (and advance expenses to) its officers and directors to the fullest extent permitted by the DGCL, as amended from time to time

ARTICLE VI

Director Liability

SECTION 6.01. Waiver of Liability. A director of the Corporation shall not be personally liable either to the Corporation or to any of its stockholders for monetary damages for breach of fiduciary duty as a director, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL. Any amendment or modification or repeal of the foregoing sentence or of the DGCL shall not adversely affect any right or protection of a director of the Corporation hereunder in respect of any act or omission occurring prior to the time of such amendment, modification, or repeal. If the DGCL hereafter is amended to further eliminate or limit the liability of a director, then a director of the Corporation, in addition to the circumstances in which a director is not personally liable a set forth in the preceding sentence, shall not be liable to the fullest extent permitted by the amended DGCL.

ARTICLE VII

Registered Agent and Registered Office

SECTION 7.01. Registered Agent and Office. The name and street address of the registered agent at the Corporation's registered office are:

CORPORATION SERVICE COMPANY
251 LITTLE FALLS DRIVE
WILMINGTON, NEW CASTLE COUNTY
DE, 19808

ARTICLE VIII

Quorum Requirement

SECTION 8.01. Quorum. The holders representing a majority of the combined voting power of the capital stock issued and outstanding and entitled to vote at a meeting, present in person or represented by proxy, shall constitute a quorum.

ARTICLE IX

Cumulative Voting

SECTION 9.01. No Cumulative Voting. No holder of any shares of any class of stock of the Corporation shall be entitled to cumulative voting rights in any circumstances.

ARTICLE X

Preemptive Rights

SECTION 10.01. No Preemptive Rights. No stockholder shall have any preemptive rights to acquire unissued shares of the Corporation or securities of the Corporation convertible into or carrying a right to subscribe to or acquire shares.

ARTICLE XI

Internal Corporate Claims

SECTION 11.01. Venue for Internal Corporate Claims. Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery in the State of Delaware shall be the sole and exclusive forum for all “internal corporate claims.” “Internal corporate claims” mean claims, including claims in the right of the Corporation, (i) that are based upon a violation of a duty by a current or former director or officer or stockholder in such capacity or (ii) as to which Title 8 of the Delaware Code confers jurisdiction upon the Court of Chancery, except for, as to each of (i) through (ii) above, any claim as to which the Court of Chancery determines that there is an indispensable party not subject to the jurisdiction of the Court of Chancery (and the indispensable party does not consent to the personal jurisdiction of the Court of Chancery within ten days following such determination), which is vested in the exclusive jurisdiction of a court or forum other than the Court of Chancery, or for which the Court of Chancery does not have subject matter jurisdiction. If any provision or provisions of this Article XI shall be held to be invalid, illegal or unenforceable as applied to any person or entity or circumstance for any reason whatsoever, then, to the fullest extent permitted by law, the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Article XI (including, without limitation, each portion of any sentence of this Article XI containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) and the application of such provision to other persons or entities and circumstances shall not in any way be affected or impaired thereby.

ARTICLE XII

Supermajority Provisions

SECTION 12.01. Amendment of the Certificate of Incorporation by Stockholders. The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Amended and Restated Certificate of Incorporation, in the manner now or hereafter prescribed by statute, and all rights conferred upon stockholders herein are granted subject to this reservation; provided, however, that, notwithstanding any other provision of the Amended and Restated Certificate of Incorporation or any provision of law that might otherwise permit a lesser vote or no vote, but in addition to any vote of the holders of any class or series of the stock of the Corporation

required by law or by this Amended and Restated Certificate of Incorporation, the affirmative vote of the holders of at least fifty-one percent (51%) of the voting power of the outstanding shares of stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class, shall be required to amend or repeal, or adopt any provision of this Amended and Restated Certificate of Incorporation inconsistent with Articles IV, V, XI and XII.

SECTION 12.02. Amendments to Bylaws by Stockholders. The stockholders shall also have the power to adopt, amend or repeal the Bylaws of the Corporation; provided, however, that, in addition to any vote of the holders of any class or series of stock of the Corporation required by law or by this Amended and Restated Certificate of Incorporation, the amendment of the Bylaws by the Corporation's stockholders shall require the affirmative vote of the holders of at least fifty-one percent (51%) of the voting power of all of the then outstanding shares of the capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class.

EXHIBIT VII
RESTATED BYLAWS OF EXP WORLD HOLDINGS, INC.

EXHIBIT A

RESTATED BYLAWS OF EXP WORLD HOLDINGS, INC.

ARTICLE I

Meeting of Stockholders

Section 1.1. Annual Meetings. If required by applicable law, an annual meeting of stockholders shall be held for the election of directors at such date, time and place, if any, either within or without the State of Delaware, as may be designated by resolution of the board of directors (the "Board of Directors") of eXp World Holdings, Inc., a Delaware corporation (the "Corporation") from time to time. Any other proper business may be transacted at the annual meeting.

Section 1.2. Special Meetings. Special meetings of stockholders for any purpose or purposes, unless otherwise prescribed by statute or by the Corporation's certificate of incorporation, as amended, restated, supplemented or otherwise modified (the "Certificate of Incorporation"), may be called at any time by the Secretary pursuant to a resolution adopted by a majority of the Whole Board (as defined below). Business transacted at any special meeting of stockholders shall be limited to the purposes stated in the notice. For purposes of these Bylaws, the term "Whole Board" shall mean the total number of authorized directors whether or not there exist any vacancies in previously authorized directorships.

Section 1.3. Notice of Meetings. Whenever stockholders are required or permitted to take any action at a meeting, a notice of the meeting shall be given that shall state the place, if any, date and hour of the meeting, the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such meeting, the record date for determining the stockholders entitled to vote at the meeting (if such date is different from the record date for stockholders entitled to notice of the meeting) and, in the case of a special meeting, the purpose or purposes for which the meeting is called. Unless otherwise provided by law, the Certificate of Incorporation or these Bylaws, the notice of any meeting shall be given not less than ten (10) nor more than sixty (60) days before the date of the meeting to each stockholder entitled to vote at the meeting as of the record date for determining the stockholders entitled to notice of the meeting. If mailed, such notice shall be deemed to be given when deposited in the United States mail, postage prepaid, directed to the stockholder at such stockholder's address as it appears on the records of the Corporation.

Section 1.4. Adjournments. Any meeting of stockholders, annual or special, may adjourn from time to time to reconvene at the same or some other place, and notice need not be given of any such adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken. At the adjourned meeting the Corporation may transact any business which might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for determination of

stockholders entitled to vote is fixed for the adjourned meeting, the Board of Directors shall fix as the record date for determining stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote at the adjourned meeting, and shall give notice of the adjourned meeting to each stockholder of record as of the record date so fixed for notice of such adjourned meeting.

Section 1.5. Quorum. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, at each meeting of stockholders the presence in person or by proxy of the holders of not less than a majority of the outstanding shares of stock entitled to vote at the meeting shall be necessary and sufficient to constitute a quorum. In the absence of a quorum, then either (i) the chairperson of the meeting or (ii) a majority of the outstanding shares of stock present (in person or by proxy) and entitled to vote may adjourn the meeting from time to time in the manner provided in Section 1.4 of these Bylaws until a quorum shall attend.

Section 1.6. Organization. Meetings of stockholders shall be presided over by a Chairperson of the meeting designated by the Board of Directors or, in the absence of such designation, by a Chairperson chosen at the meeting by the stockholders. The Secretary shall act as secretary of the meeting, but in his or her absence the Chairperson of the meeting may appoint any person to act as secretary of the meeting.

Section 1.7. Voting; Proxies. Except as otherwise provided by or pursuant to the provisions of the Certificate of Incorporation, each stockholder entitled to vote at any meeting of stockholders shall be entitled to one vote for each share of stock held by such stockholder upon the matter in question. Each stockholder entitled to vote at a meeting of stockholders may authorize another person or persons to act for such stockholder by proxy, but no such proxy shall be voted or acted upon after three years from its date, unless the proxy provides for a longer period. A proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by delivering to the Secretary of the Corporation a revocation of the proxy or a new proxy bearing a later date. Voting at meetings of stockholders need not be by written ballot. At meetings of stockholders for the election of directors at which a quorum is present where the number of director nominees is equal to the number of positions on the Board of Directors to be filled through election and proxies are solicited for such election of directors solely by the Corporation, the affirmative vote of a majority of the shares of stock of the Corporation which are voting in the election of directors shall be required to elect. In all other meetings of stockholders for the election of directors at which a quorum is present, a plurality of the votes cast shall be sufficient to elect. All other questions presented to the stockholders at a meeting at which a quorum is present shall, unless otherwise provided by the Certificate of Incorporation, these Bylaws, the rules or regulations of any stock exchange applicable to the Corporation, or applicable law or pursuant to any regulation applicable to the Corporation or its securities, be decided by the affirmative vote of the holders of a majority of the shares of stock of the Corporation which are voting on the matter.

Section 1.8. Fixing Date for Determination of Stockholders of Record.

(A) In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board of Directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall, unless otherwise required by law, not be more than sixty (60) nor less than ten (10) days before the date of such meeting. If the Board of Directors so fixes a date, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the Board of Directors determines, at the time it fixes such record date, that a later date on or before the date of the meeting shall be the date for making such determination. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance herewith at the adjourned meeting.

(B) In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the Board of Directors may fix a record date, which shall not be more than sixty (60) days prior to such other action. If no such record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board of Directors adopts the resolution relating thereto.

Section 1.9. List of Stockholders Entitled to Vote. The officer who has charge of the stock ledger shall prepare and make a complete list of the stockholders entitled to vote at the meeting (provided, however, if the record date for determining the stockholders entitled to vote is less than ten (10) days before the date of the meeting, the list shall reflect the stockholders entitled to vote as of the tenth day before the meeting date), arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting at least ten (10) days prior to the meeting (i) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of meeting or (ii) during ordinary business hours at the principal place of business of the Corporation. If the meeting is to be held at a place, then a list of stockholders entitled to vote at the meeting shall be produced and kept at the time and place of the meeting during the whole time thereof and may be examined by any stockholder who is present. If the meeting is to be held solely by means of remote communication, then the list shall also be open to the examination of any stockholder during the whole time of the meeting on a reasonably accessible electronic network, and the information required to access such list shall be provided with the notice of the

meeting. Except as otherwise provided by law, the stock ledger shall be the only evidence as to who are the stockholders entitled to examine the list of stockholders required by this Section 1.9 or to vote in person or by proxy at any meeting of stockholders.

Section 1.10. Action by Written or Electronic Consent of Stockholders Without a Meeting. Any action required or permitted to be taken at any annual or special meeting of stockholders of the Corporation may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation by delivery to its registered office in the State of Delaware, its principal place of business, or an office or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded; provided, however if at any time the Company is no longer a “controlled company” under the rules of the Nasdaq Stock Market, then any action required or permitted to be taken by the holders of the Common Stock of the Corporation must be effected at a duly called annual or special meeting of such holders and may no longer be effected by any consent in writing by such holders.

Section 1.11. Inspectors of Election. The Corporation may, and shall if required by law, in advance of any meeting of stockholders, appoint one or more inspectors of election, who may be employees of the Corporation or a subsidiary, to act at the meeting or any adjournment thereof and to make a written report thereof. The Corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. In the event that no inspector so appointed or designated is able to act at a meeting of stockholders, the person presiding at the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of his or her duties, shall take and sign an oath to execute faithfully the duties of inspector with strict impartiality and according to the best of his or her ability. The inspector or inspectors so appointed or designated shall (i) ascertain the number of shares of capital stock of the Corporation outstanding, (ii) determine the shares of capital stock of the Corporation represented at the meeting and the validity of proxies and ballots, (iii) count all votes and ballots, (iv) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors, and (v) certify their determination of the number of shares of capital stock of the Corporation represented at the meeting and such inspectors' count of all votes and ballots. Such certification and report shall specify such other information as may be required by law. The inspectors may appoint or retain other persons or entities to assist the inspectors in the performance of their duties. Unless otherwise provided by the Board of Directors, the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting. No ballot, proxies, votes or any revocation thereof or change thereto, shall be accepted by the inspectors after the closing of the polls unless the Court of Chancery of the State of Delaware upon application by a stockholder shall determine otherwise. In determining the validity and counting of proxies and ballots cast at any meeting of stockholders of the Corporation, the inspectors may consider such information as is permitted by applicable law. No person who is a candidate for an office at an election may serve as an inspector at such election.

Section 1.12. Conduct of Meetings. The date and time of the opening and the closing of the polls for each matter upon which the stockholders will vote at a meeting shall be announced at the meeting by the person presiding over the meeting. The Board of Directors may adopt by resolution such rules and regulations for the conduct of the meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with such rules and regulations as adopted by the Board of Directors, the person presiding over any meeting of stockholders shall have the right and authority to convene and (for any or no reason) to adjourn the meeting, to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such presiding person, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the presiding person of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders entitled to vote at the meeting, their duly authorized and constituted proxies or such other persons as the presiding person of the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. The presiding person at any meeting of stockholders, in addition to making any other determinations that may be appropriate to the conduct of the meeting, shall, if the facts warrant, determine and declare to the meeting that a matter or business was not properly brought before the meeting and if such presiding person should so determine, such presiding person shall so declare to the meeting and any such matter or business not properly brought before the meeting shall not be transacted or considered. Unless and to the extent determined by the Board of Directors or the person presiding over the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

Section 1.13. Notice of Stockholder Business and Nominations.

(A) *Annual Meetings of Stockholders*.

(1) Nominations of persons for election to the Board of Directors of the Corporation and the proposal of other business to be considered by the stockholders may be made at an annual meeting of stockholders only (a) pursuant to the Corporation's notice of meeting (or any supplement thereto), (b) by or at the direction of the Board of Directors or any committee thereof or (c) by any stockholder of the Corporation who was a stockholder of record of the Corporation at the time the notice provided for in this Section 1.13 is delivered to the Secretary of the Corporation, who is entitled to vote at the meeting and who complies with the notice procedures set forth in this Section 1.13.

(2) For any nominations or other business to be properly brought before an annual meeting by a stockholder pursuant to clause (c) of paragraph (A)(1) of this Section 1.13, the stockholder must have given timely notice thereof in writing to the Secretary of the Corporation and any such proposed business (other than the nominations of persons for election to the Board of Directors) must constitute a proper matter for stockholder action. To be timely, a stockholder's notice shall be

delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the ninetieth (90th) day, nor earlier than the close of business on the one hundred twentieth (120th) day, prior to the first anniversary of the preceding year's annual meeting (provided, however, that in the event that no annual meeting was held in the previous year or if the date of the annual meeting is more than thirty (30) days before or more than seventy (70) days after such anniversary date, notice by the stockholder must be so delivered not earlier than the close of business on the one hundred twentieth (120th) day prior to such annual meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such annual meeting or the tenth (10th) day following the day on which public announcement of the date of such meeting is first made by the Corporation). In no event shall the public announcement of an adjournment or postponement of an annual meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above. Such stockholder's notice shall set forth: (a) as to each person whom the stockholder proposes to nominate for election as a director (i) all information relating to such person that is required to be disclosed in solicitations of proxies for election of directors in an election contest, or is otherwise required, in each case pursuant to and in accordance with Section 14(a) of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and the rules and regulations promulgated thereunder, and (ii) such person's written consent to being named in the proxy statement as a nominee and to serving as a director if elected; (b) as to any other business that the stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend the Bylaws of the Corporation, the language of the proposed amendment), the reasons for conducting such business at the meeting and any material interest in such business of such stockholder and the beneficial owner, if any, on whose behalf the proposal is made; and (c) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination or proposal is made (i) the name and address of such stockholder, as they appear on the Corporation's books, and of such beneficial owner, (ii) the class or series and number of shares of capital stock of the Corporation which are owned beneficially and of record by such stockholder and such beneficial owner, (iii) a description of any agreement, arrangement or understanding with respect to the nomination or proposal between or among such stockholder and/or such beneficial owner, any of their respective affiliates or associates, and any others acting in concert with any of the foregoing, including, in the case of a nomination, the nominee, (iv) a description of any agreement, arrangement or understanding (including any derivative or short positions, profit interests, options, warrants, convertible securities, stock appreciation or similar rights, hedging transactions, and borrowed or loaned shares) that has been entered into as of the date of the stockholder's notice by, or on behalf of, such stockholder and such beneficial owners, whether or not such instrument or right shall be subject to settlement in underlying shares of capital stock of the Corporation, the effect or intent of which is to mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of, such

stockholder or such beneficial owner, with respect to securities of the Corporation, (v) a representation that the stockholder is a holder of record of stock of the Corporation entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to propose such business or nomination, (vi) a representation whether the stockholder or the beneficial owner, if any, intends or is part of a group which intends (a) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's outstanding capital stock required to approve or adopt the proposal or elect the nominee and/or (b) otherwise to solicit proxies or votes from stockholders in support of such proposal or nomination, and (vii) any other information relating to such stockholder and beneficial owner, if any, required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal and/or for the election of directors in an election contest pursuant to and in accordance with Section 14(a) of the Exchange Act and the rules and regulations promulgated thereunder. The foregoing notice requirements of this Section 1.13 shall be deemed satisfied by a stockholder with respect to business other than a nomination if the stockholder has notified the Corporation of his, her or its intention to present a proposal at an annual meeting in compliance with applicable rules and regulations promulgated under the Exchange Act and such stockholder's proposal has been included in a proxy statement that has been prepared by the Corporation to solicit proxies for such annual meeting. The Corporation may require any proposed nominee to furnish such other information as the Corporation may reasonably require to determine the eligibility of such proposed nominee to serve as a director of the Corporation.

(3) Notwithstanding anything in the second sentence of paragraph (A)(2) of this Section 1.13 to the contrary, in the event that the number of directors to be elected to the Board of Directors of the Corporation at the annual meeting is increased effective after the time period for which nominations would otherwise be due under paragraph (A)(2) of this Section 1.13 and there is no public announcement by the Corporation naming the nominees for the additional directorships at least one hundred (100) days prior to the first anniversary of the preceding year's annual meeting, a stockholder's notice required by this Section 1.13 shall also be considered timely, but only with respect to nominees for the additional directorships, if it shall be delivered to the Secretary at the principal executive offices of the Corporation not later than the close of business on the tenth (10th) day following the day on which such public announcement is first made by the Corporation.

(B) *Special Meetings of Stockholders.* Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation's notice of meeting. Nominations of persons for election to the Board of Directors may be made at a special meeting of stockholders at which directors are to be elected pursuant to the Corporation's notice of meeting (1) by or at the direction of the Board of Directors or any committee thereof or (2) provided that the Board of Directors has determined that directors shall be elected at such meeting, by any stockholder of the

Corporation who is a stockholder of record at the time the notice provided for in this Section 1.13 is delivered to the Secretary of the Corporation, who is entitled to vote at the meeting and upon such election and who complies with the notice procedures set forth in this Section 1.13. In the event the Corporation calls a special meeting of stockholders for the purpose of electing one or more directors to the Board of Directors, any such stockholder entitled to vote in such election of directors may nominate a person or persons (as the case may be) for election to such position(s) as specified in the Corporation's notice of meeting, if the stockholder's notice required by paragraph (A)(2) of this Section 1.13 shall be delivered to the Secretary at the principal executive offices of the Corporation not earlier than the close of business on the one hundred twentieth (120th) day prior to such special meeting and not later than the close of business on the later of the ninetieth (90th) day prior to such special meeting or the tenth (10th) day following the day on which public announcement is first made of the date of the special meeting and of the nominees proposed by the Board of Directors to be elected at such meeting. In no event shall the public announcement of an adjournment or postponement of a special meeting commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.

(C) *General.*

(1) Except as otherwise expressly provided in any applicable rule or regulation promulgated under the Exchange Act, only such persons who are nominated in accordance with the procedures set forth in this Section 1.13 shall be eligible to be elected at an annual or special meeting of stockholders of the Corporation to serve as directors and only such business shall be conducted at a meeting of stockholders as shall have been brought before the meeting in accordance with the procedures set forth in this Section 1.13. Except as otherwise provided by law, the Chairperson of the meeting shall have the power and duty (a) to determine whether a nomination or any business proposed to be brought before the meeting was made or proposed, as the case may be, in accordance with the procedures set forth in this Section 1.13 (including whether the stockholder or beneficial owner, if any, on whose behalf the nomination or proposal is made solicited (or is part of a group which solicited) or did not so solicit, as the case may be, proxies or votes in support of such stockholder's nominee or proposal in compliance with such stockholder's representation as required by clause (A)(2)(c)(vi) of this Section 1.13) and (b) if any proposed nomination or business was not made or proposed in compliance with this Section 1.13, to declare that such nomination shall be disregarded or that such proposed business shall not be transacted. Notwithstanding the foregoing provisions of this Section 1.13, unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder) does not appear at the annual or special meeting of stockholders of the Corporation to present a nomination or proposed business, such nomination shall be disregarded and such proposed business shall not be transacted, notwithstanding that proxies in respect of such vote may have been received by the Corporation. For purposes of this Section 1.13, to be considered a qualified representative of the stockholder, a person must be a duly authorized officer, manager or partner of such

stockholder or must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, at the meeting of stockholders.

(2) For purposes of this Section 1.13, “public announcement” shall include disclosure in a press release reported by the Dow Jones News Service, Associated Press or other national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act and the rules and regulations promulgated thereunder.

(3) Notwithstanding the foregoing provisions of this Section 1.13, a stockholder shall also comply with all applicable requirements of the Exchange Act and the rules and regulations promulgated thereunder with respect to the matters set forth in this Section 1.13; provided however, that any references in these Bylaws to the Exchange Act or the rules and regulations promulgated thereunder are not intended to and shall not limit any requirements applicable to nominations or proposals as to any other business to be considered pursuant to this Section 1.13 (including paragraphs (A)(1)(c) and (B) hereof), and compliance with paragraphs (A)(1)(c) and (B) of this Section 1.13 shall be the exclusive means for a stockholder to make nominations or submit other business (other than, as provided in the penultimate sentence of (A)(2), business other than nominations brought properly under and in compliance with Rule 14a-8 of the Exchange Act, as may be amended from time to time). Nothing in this Section 1.13 shall be deemed to affect any rights (a) of stockholders to request inclusion of proposals or nominations in the Corporation’s proxy statement pursuant to applicable rules and regulations promulgated under the Exchange Act or (b) of the holders of any series of preferred stock to elect directors pursuant to any applicable provisions of the Certificate of Incorporation.

ARTICLE II

Board of Directors

Section 2.1. Number; Qualifications. Subject to the Certificate of Incorporation, the Board of Directors shall consist of not less than three members nor more than eleven members, the number thereof to be determined from time to time by resolution of the Whole Board. Directors need not be stockholders.

Section 2.2. Election; Resignation; Vacancies. All directors shall be elected for terms lasting until the next annual meeting of stockholders following their election, and until their successors are elected and qualified, subject to their earlier death, resignation or removal from the Board of Directors. Any director may resign at any time upon notice given in writing or by electronic transmission to the Corporation. Such resignation shall take effect when such notice is

given unless the notice specifies (a) a later effective date, or (b) an effective date determined upon the happening of an event or events. Unless otherwise specified in the notice of resignation, the acceptance of such resignation shall not be necessary to make it effective. Unless otherwise provided by law or the Certificate of Incorporation, any newly created directorship or any vacancy occurring in the Board of Directors for any cause may be filled only by the affirmative votes of a majority of the remaining members of the Board of Directors, although such majority is less than a quorum, and each director so elected shall hold office until the expiration of the term of office of the director whom he or she has replaced or until his or her successor is elected and qualified.

Section 2.3. Removal. Any one or more or all of the directors may be removed, with or without cause, by the holders of at least a majority of the outstanding shares of capital stock then entitled to vote at an election of directors.

Section 2.4. Regular Meetings. Regular meetings of the Board of Directors may be held at such places within or without the State of Delaware and at such times as the Board of Directors may from time to time determine.

Section 2.5. Special Meetings. Special meetings of the Board of Directors may be held at any time or place within or without the State of Delaware whenever called by any two members of the Board of Directors. Notice of a special meeting of the Board of Directors shall be given by the person or persons calling the meeting either by first class United States mail at least three days before such special meeting, or by overnight mail, courier service, electronic transmission, or hand delivery at least 48 hours before the special meeting or such shorter period as is reasonable under the circumstances.

Section 2.6. Telephonic Meetings Permitted. Members of the Board of Directors, or any committee designated by the Board of Directors, may participate in a meeting thereof by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this by-law shall constitute presence in person at such meeting.

Section 2.7. Quorum; Vote Required for Action. At all meetings of the Board of Directors the directors entitled to cast a majority of the votes of the Whole Board shall constitute a quorum for the transaction of business. In the event one or more of the directors shall be disqualified to vote at any meeting, then the required quorum shall be reduced by one for each such director so disqualified; provided, however, that in no case shall less than one-third (1/3) of the total number of directors constitute a quorum. Except in cases in which the Certificate of Incorporation, these Bylaws or applicable law otherwise provides, a majority of the votes entitled to be cast by the directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 2.8. Organization. Meetings of the Board of Directors shall be presided over by the Chairperson of the Board of Directors or, in his or her absence, by a Chairperson chosen at the meeting. The Secretary shall act as secretary of the meeting, but in his or her absence, the Chairperson of the meeting may appoint any person to act as secretary of the meeting.

Section 2.9. Action by Unanimous Consent of Directors. Unless otherwise restricted by the Certificate of Incorporation or these Bylaws, any action required or permitted to be taken at any meeting of the Board of Directors, or of any committee thereof, may be taken without a meeting if all members of the Board of Directors or such committee, as the case may be, consent thereto in writing or by electronic transmission and the writing or writings or electronic transmissions are filed with the minutes of proceedings of the board or committee in accordance with applicable law.

Section 2.10. Chairperson of the Board and Vice-Chairperson of the Board. The Board of Directors may elect one or more of its members to serve as Chairperson or Vice Chairperson of the Board and may fill any vacancy in such position at such time and in such manner as the Board of Directors shall determine. The Chairperson of the Board, if any, shall preside at all meetings of the Board of Directors at which he or she is present and shall perform such duties and possess such powers as are designated by the Board of Directors. If the Board of Director appoints a Vice Chairperson of the Board, he or she shall, in the absence or disability of the Chairperson of the Board perform the duties and exercise the powers of the Chairperson of the Board and shall perform such other duties and possess such other powers as may from time to time be designated by the Board of Directors. The fact that a person serves as either Chairperson or Vice Chairperson of the Board shall not make such person considered an officer of the Corporation.

ARTICLE III

Committees

Section 3.1. Committees. The Board of Directors may designate one or more committees, each committee to consist of one or more of the directors of the Corporation. The Board of Directors may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member of the committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he, she or they constitute a quorum, may unanimously appoint another member of the Board of Directors to act at the meeting in place of any such absent or disqualified member. Any such committee, to the extent permitted by law and to the extent provided in the resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it.

Section 3.2. Committee Rules. Unless the Board of Directors otherwise provides, each committee designated by the Board of Directors may make, alter and repeal rules for the conduct of its business. In the absence of such rules each committee shall conduct its business in the same manner as the Board of Directors conducts its business pursuant to Article II of these Bylaws.

ARTICLE IV

Officers

Section 4.1. Officers. The officers of the Corporation shall consist of a Chief Executive Officer, a Chief Financial Officer, a President, one or more Vice Presidents, a Secretary, a Treasurer and such other officers as the Board of Directors may from time to time determine, which may include, without limitation, one or more Vice Presidents, Assistant Secretaries or Assistant Treasurers. Each of the Corporation's officers shall be elected by the Board of Directors, each to have such authority, functions or duties as set forth in these Bylaws or as determined by the Board of Directors. Each officer shall be chosen by the Board of Directors and shall hold office for such term as may be prescribed by the Board of Directors and until such person's successor shall have been duly chosen and qualified, or until such person's earlier death, disqualification, resignation or removal.

Section 4.2. Removal, Resignation and Vacancies. Any officer of the Corporation may be removed, with or without cause, by the Board of Directors, without prejudice to the rights, if any, of such officer under any contract to which it is a party. Any officer may resign at any time upon notice given in writing or by electronic transmission to the Corporation. Such resignation shall take effect when such notice is given unless the notice specifies (a) a later effective date, or (b) an effective date determined upon the happening of an event or events, such as the failure to receive the required vote for reelection as a director and the acceptance of such resignation by the Board of Directors. Unless otherwise specified in the notice of resignation, the acceptance of such resignation shall not be necessary to make it effective. If any vacancy occurs in any office of the Corporation, the Board of Directors may elect a successor to fill such vacancy for the remainder of the unexpired term and until a successor shall have been duly chosen and qualified.

Section 4.3. Chief Executive Officer. The Chief Executive Officer shall have general supervision and direction of the business and affairs of the Corporation and shall be responsible for corporate policy and strategy. Unless otherwise provided in these Bylaws or by the Board, all other officers of the Corporation shall report directly to the Chief Executive Officer. In the absence of a separately appointed President, the Chief Executive Officer shall be the President.

Section 4.4. President. The President shall perform such duties as the Board of Directors may from time to time determine. The President shall, when requested, counsel with and advise the other officers of the Corporation.

Section 4.5. Chief Operating Officer. The Chief Operating Officer shall be the chief operating officer of the Corporation, with general responsibility for the management and control of the operations of the Corporation and shall perform such other duties as the Board of Directors may from time to time determine. The Chief Operating Officer shall, when requested, counsel with and advise the other officers of the Corporation.

Section 4.6. Chief Financial Officer. The Chief Financial Officer shall exercise all the powers and perform the duties of the office of the chief financial officer and in general have overall supervision of the financial operations of the Corporation and shall keep and maintain, or cause to be kept and maintained, adequate and correct books and records of accounts of the properties and business transactions of the Corporation, including accounts of its assets, liabilities, receipts, disbursements, gains, losses, capital retained earnings, and shares. The Chief Financial Officer shall, when requested, counsel with and advise the other officers of the Corporation and shall

perform such other duties as the Board of Directors may from time to time determine. In the absence of a separately appointed Treasurer, the Chief Financial Officer shall be the Treasurer.

Section 4.7. Vice Presidents. The Vice President shall have such powers and duties as shall be prescribed by his or her superior officer or the Chief Executive Officer. A Vice President shall, when requested, counsel with and advise the other officers of the Corporation and shall perform such other duties as the Board of Directors may from time to time determine.

Section 4.8. Treasurer. The Treasurer shall supervise and be responsible for all the funds and securities of the Corporation, the deposit of all moneys and other valuables to the credit of the Corporation in depositories of the Corporation, borrowings and compliance with the provisions of all indentures, agreements and instruments governing such borrowings to which the Corporation is a party, the disbursement of funds of the Corporation and the investment of its funds, and in general shall perform all of the duties incident to the office of the Treasurer. The Treasurer shall, when requested, counsel with and advise the other officers of the Corporation and shall perform such other duties as the Board of Directors may from time to time determine.

Section 4.9. Secretary. The secretary shall attend all sessions of the Board of Directors and all meetings of the stockholders and record all votes and the minutes of all proceedings in a book to be kept for that purpose and shall perform like duties for committees when required. He or she shall give, or cause to be given, notice of all meetings of the stockholders and meetings of the Board of Directors, and shall perform such other duties as may be prescribed by the Board of Directors or the president. The secretary shall keep in safe custody the seal of the Corporation and have authority to affix the seal to all documents requiring it and attest to the same.

Section 4.10. Additional Matters. The Chief Executive Officer and the Chief Financial Officer of the Corporation shall have the authority to designate employees of the Corporation to have the title of Assistant Vice President, Assistant Treasurer or Assistant Secretary. Any employee so designated shall have the powers and duties determined by the officer making such designation. The persons upon whom such titles are conferred shall not be deemed officers of the Corporation unless elected by the Board of Directors.

Section 4.11. Execution of Contracts and Instruments. All contracts, deeds, mortgages, bonds, certificates, checks, drafts, bills of exchange, notes and other instruments or documents to be executed by or in the name of the Corporation shall be signed on the corporation's behalf by such officer or officers, or other person or persons, as may be so authorized (i) by the Board of Directors, or (ii) subject to such limitations, if any, as the Board of Directors may impose, by the Chief Executive Officer. Such authority may be general or confined to specific instances and, if the Board of Directors or Chief Executive Officer (whichever grants authority) so authorizes or otherwise directs, may be delegated by the authorized officers to other persons. Unless otherwise provided in such resolution, any resolution of the Board of Directors or a committee thereof authorizing the Corporation to enter into any such instruments or documents or authorizing their execution by or on behalf of the Corporation shall be deemed to authorize the execution thereof on its behalf by the Chief Executive Officer, the President, Chief Financial Officer or any Vice President (an "Authorized Officer"). Furthermore, each Authorized Officer shall be authorized to enter into any contract or execute any instrument in the name of and on behalf of the Corporation

in matters arising in the ordinary course of the Corporation's business and to the extent incident to the normal performance of such Authorized Officer's duties.

ARTICLE V

Stock

Section 5.1. Certificates. The shares of the Corporation may be certificated or uncertificated in accordance with the Delaware General Corporation Law and shall be entered in the books of the Corporation and registered as they are issued. The issue of shares in uncertificated form shall not affect shares represented by a certificate until the certificate is surrendered to the Corporation. Any certificates representing shares of the Corporation's stock shall be in such form as may be prescribed by law and by the Board of Directors, certifying the number and class of shares owned by such stockholder in the Corporation. Every holder of stock represented by certificates shall be entitled to have a certificate signed by any two authorized officers of the Corporation certifying the number of shares owned by such holder in the Corporation. Any of or all the signatures on the certificate may be a facsimile. In case any officer, transfer agent or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued by the Corporation with the same effect as if such person were such officer, transfer agent, or registrar at the date of issue.

Section 5.2. Lost, Stolen or Destroyed Stock Certificates; Issuance of New Certificates. The Corporation may issue (i) a new certificate of stock or (ii) uncertificated shares in the place of any certificate theretofore issued by it, alleged to have been lost, stolen or destroyed, and the Corporation may require the owner of the lost, stolen or destroyed certificate, or such owner's legal representative, to give the Corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss, theft or destruction of any such certificate or the issuance of such new certificate.

ARTICLE VI

Indemnification and Advancement of Expenses

Section 6.1. Right to Indemnification. The Corporation shall indemnify and hold harmless, to the fullest extent permitted by applicable law as it presently exists or may hereafter be amended, any person (a "Covered Person") who was or is made or is threatened to be made a party or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding"), by reason of the fact that he or she, or a person for whom he or she is the legal representative, is or was a director or officer of the Corporation or, while a director or officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation or of a partnership, limited liability company, joint venture, trust, enterprise or nonprofit entity, including service with respect to employee benefit plans, against all liability and loss suffered and expenses (including attorneys' fees) reasonably incurred by such Covered Person. Notwithstanding the preceding sentence, except as otherwise provided in Section 6.3, the Corporation shall be required to indemnify a Covered

Person in connection with a proceeding (or part thereof) commenced by such Covered Person only if the commencement of such proceeding (or part thereof) by the Covered Person was authorized in the specific case by the Board of Directors of the Corporation.

Section 6.2. Prepayment of Expenses. The Corporation shall to the fullest extent not prohibited by applicable law pay the expenses (including attorneys' fees) incurred by a Covered Person in defending any proceeding in advance of its final disposition, provided, however, that, to the extent required by law, such payment of expenses in advance of the final disposition of the proceeding shall be made only upon receipt of an undertaking by the Covered Person to repay all amounts advanced if it should be ultimately determined that the Covered Person is not entitled to be indemnified under this Article VI or otherwise.

Section 6.3. Claims. If a claim for indemnification (following the final disposition of such proceeding) or advancement of expenses under this Article VI is not paid in full within thirty (30) days after a written claim therefor by the Covered Person has been received by the Corporation, the Covered Person may file suit to recover the unpaid amount of such claim and, if successful in whole or in part, shall be entitled to be paid the expense of prosecuting such claim to the fullest extent permitted by law. In any such action, the Corporation shall have the burden of proving that the Covered Person is not entitled to the requested indemnification or advancement of expenses under applicable law.

Section 6.4. Nonexclusivity of Rights. The rights conferred on any Covered Person by this Article VI shall not be exclusive of any other rights which such Covered Person may have or hereafter acquire under any statute, provision of the Certificate of Incorporation, these Bylaws, agreement, vote of stockholders or disinterested directors or otherwise.

Section 6.5. Other Sources. The Corporation's obligation, if any, to indemnify or to advance expenses to any Covered Person who was or is serving at its request as a director, officer, employee or agent of another corporation, partnership, limited liability company, joint venture, trust, enterprise or nonprofit entity shall be reduced by any amount such Covered Person may collect as indemnification or advancement of expenses from such other corporation, partnership, joint venture, trust, enterprise or non-profit enterprise.

Section 6.6. Amendment or Repeal. Any right to indemnification or to advancement of expenses of any Covered Person arising hereunder shall not be eliminated or impaired by an amendment to or repeal of these Bylaws after the occurrence of the act or omission that is the subject of the civil, criminal, administrative or investigative action, suit or proceeding for which indemnification or advancement of expenses is sought.

Section 6.7. Other Indemnification and Advancement of Expenses. This Article VI shall not limit the right of the Corporation, to the extent and in the manner permitted by law, to indemnify and to advance expenses to persons other than Covered Persons when and as authorized by appropriate corporate action.

ARTICLE VII

Miscellaneous

Section 7.1. Fiscal Year. The fiscal year of the Corporation shall be determined by resolution of the Board of Directors.

Section 7.2. Seal. The corporate seal shall have the name of the Corporation inscribed thereon and shall be in such form as may be approved from time to time by the Board of Directors.

Section 7.3. Method of Notice. Whenever notice is required by law, the Certificate of Incorporation or these Bylaws to be given by the Corporation to any director, committee member or stockholder, personal notice shall not be required and any such notice may be given in writing (a) by mail, addressed to such director, committee member or stockholder at his or her address as it appears on the books of the Corporation, or (b) by any other method permitted by law (including, but not limited to, overnight courier service, facsimile, electronic mail or other means of electronic transmission) directed to the addressee at his, her or its address most recently provided to the Corporation. Any notice given by the Corporation by mail shall be deemed to have been given at the time when deposited in the United States mail. Any notice given by the Corporation by overnight courier service shall be deemed to have been given when delivered to such service. Any notice given by the Corporation by facsimile, electronic mail or other means of electronic transmission that generally can be accessed by or on behalf of the receiving party at substantially the same time as it is transmitted shall be deemed to have been given when transmitted, unless the Corporation receives a prompt reply that such transmission is undeliverable to the address to which it was directed.

Section 7.4. Waiver of Notice. Whenever any notice is required to be given under the provisions of the statutes or of the Certificate of Incorporation or of these Bylaws, a waiver thereof in writing, signed by the person or persons entitled to such notice, or a waiver by electronic transmission by the person entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting except when the person attends a meeting for the express purpose of objecting, at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

Section 7.5. Form of Records. Any records maintained by the Corporation in the regular course of its business, including its stock ledger, books of account, and minute books, may be kept on, or by means of, or be in the form of, any information storage device or method, provided that the records so kept can be converted into clearly legible paper form within a reasonable time.

Section 7.6. Amendment of Bylaws. Subject to any additional votes set forth in the Certificate of Incorporation or these Bylaws, these Bylaws may be amended or repealed or new Bylaws may be adopted by the stockholders or by the Board of Directors. Notwithstanding any provision of these Bylaws, the Certificate of Incorporation or any provision of law which might otherwise permit a lesser vote or no vote, in addition to any vote of the holders of any class or series of stock of the Corporation required by law or by the Certificate of Incorporation, the amendment or repeal of all or any portion of Articles I, II, VI, VIII or this Section 7.6 by the stockholders of the Corporation shall require the affirmative vote of the holders of at least fifty-

one percent (51%) of the then outstanding shares of capital stock entitled to vote generally in the election of directors.

Section 7.7. Registered Stockholders. The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends and to vote as such owner and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of another person, whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

Section 7.8. Facsimile Signature. In addition to the provisions for use of facsimile signatures elsewhere specifically authorized in these Bylaws, facsimile signatures of any officer or officers of the Corporation may be used whenever and as authorized by the Board of Directors or a committee thereof.

EXHIBIT VIII

**CURRENT REPORT ON FORM 8-K FILED BY EXP WORLD HOLDINGS, INC.
WITH THE SEC ON MAY 3, 2023**

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **May 2, 2023**



EXP WORLD HOLDINGS, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-38493
(Commission
File Number)

98-0681092
(IRS Employer
Identification No.)

2219 Rimland Drive, Suite 301, Bellingham, WA
(Address of principal executive offices)

98226
(Zip Code)

(360) 685-4206

(Registrant's telephone number, including area code)

Not applicable

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to section 12(b) of the Act:

Title of Each Class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.00001 par value per share	EXPI	The Nasdaq Stock Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 8.01 Other Events

eXp World Holdings, Inc. (the “Company”) has identified an inadvertent immaterial error in its Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2023 that was filed on May 2, 2023. In particular, the first sentence of Part I, Item 1: Financial Statements (Unaudited), Note 12, Subsequent Events, Quarterly Cash Dividend, incorrectly stated that we expect the ex-dividend date to be May 30, 2023 with respect to the cash dividend declared by the Board of Directors on April 27, 2023 in the amount of \$0.045 per share which is expected to be payable on May 31, 2023 to stockholders of record as of the close of business on May 12, 2023. Instead, the ex-dividend date with respect to that dividend has been assigned and is May 11, 2023.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
104	Cover Page Interactive Data File (embedded within the inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

eXp World Holdings, Inc.
(Registrant)

Date: May 3, 2023

/s/ James Bramble

James Bramble
General Counsel
