

# Investor Presentation

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Q1 2024

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HOLDINGS, INC.

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

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

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

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<sup>1</sup> *Within the meaning of the Private Securities Litigation Reform Act of 1995*

# The eXp Platform

A powerful platform providing end-to-end technology & services for agents

**eXp provides a platform to enable every agent to build their business, their brand, and their brokerage.**

## The eXp Platform

### North America Realty

### International Realty

### Other Affiliated Services

#### Training & Coaching

- Live and on-demand training from anywhere

#### Technology-Driven

- Cloud-based, no desk, royalty or franchise fees and work from anywhere
- Real-time support from dedicated staff

#### Competitive Compensation

- Competitive commissions
- Revenue share
- Stock equity programs

# Disrupting Traditional Brokerage Models

An efficient operating model drives increased opportunities for agents

## Traditional Brokerage

### Operating Model

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

### Agent Value Proposition

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

VS.

## eXp Realty

### Operating Model

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

### Agent Value Proposition

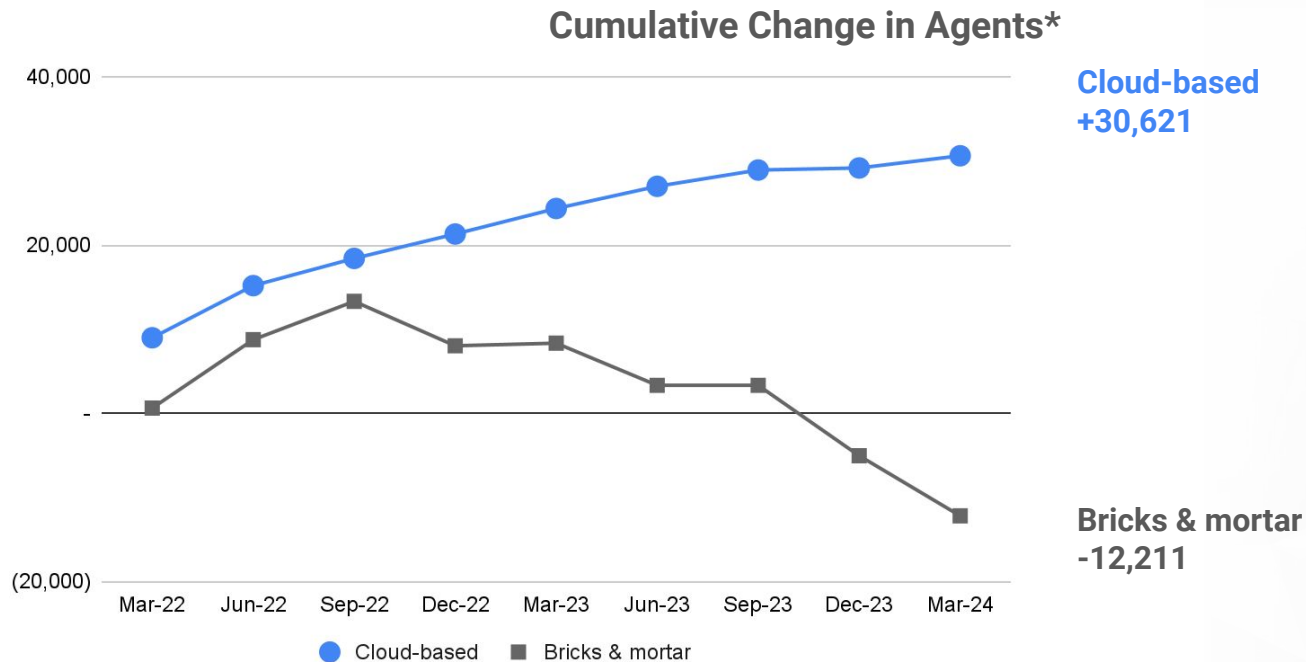
- High agent split with annual cap, revenue sharing, and equity opportunities\*
- Significant added incentives for agents (upside through attractive revenue sharing and equity programs\*)
- Ubiquitous back-office and training support helps agents scale and grow more efficiently

\* Equity opportunities available in participating jurisdictions.

1. Category king of the cloud-based real estate brokerage model
  - The only tech-enabled real estate brokerage operating at scale
2. Compelling agent value proposition
  - Revenue share, stock equity awards, competitive splits and benefits
3. Efficient technology-driven operations
  - Proprietary combined with best of breed technology stack
4. Superior financial model & debt-free balance sheet
5. Large TAM with multiple expansion opportunities
  - Global residential and commercial real estate, mortgage, title, escrow, coaching
6. Experienced management team
  - Strong residential real estate and technology backgrounds

# Category King of the Cloud-based Brokerage Model

# Cloud-based Models Continue to Gain Share



\* Cumulative change for the 9 quarters ended 03/31/2024 based on SEC filings. COMP includes total agents and RDFN includes average lead agents. **Note:** Cloud-based includes EXPI, FTHM, RDFN and REAX. Bricks-and-mortar includes COMP, HOUS and RMAX.

# The Only Cloud-based Brokerage at Scale

eXp exceeds all cloud-based brokerages across key business and financial metrics

## Compared to the next largest cloud-based brokerage...

- **5.1x Agents**
- **472% more Transactions**
- **489% more Transaction Volume**
- **24 Countries vs. 2**
- **460% more Revenue**
- **196% more Adj. EBITDA<sup>(1)</sup>**

**Note:** Represents LTM ending 03/31/24 data based on SEC filings. Cloud-based brokerages include FTHM, RDFN and REAX.

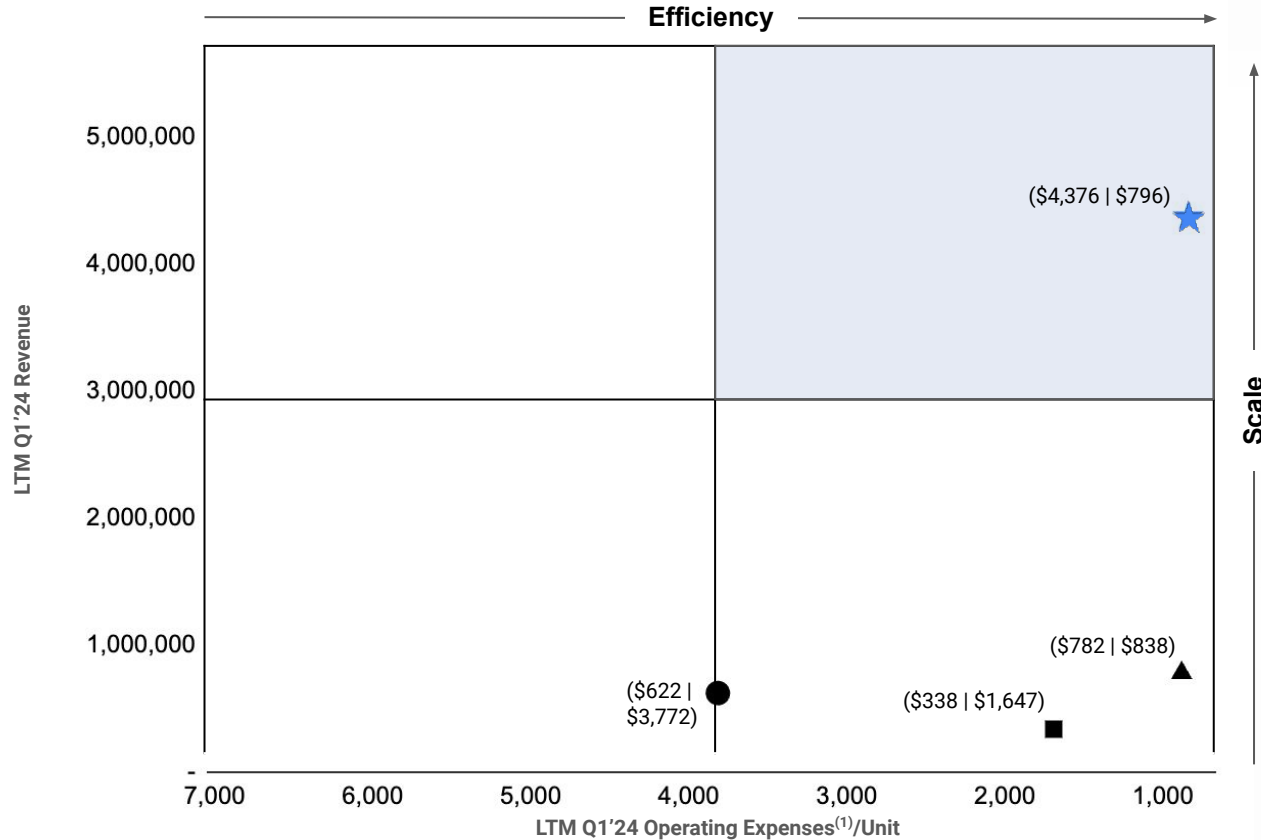
(1) A reconciliation of adjusted EBITDA to net (loss) income and a discussion of why management believes adjusted EBITDA, a non-GAAP measure, is useful is included in the Appendix. Adjusted EBITDA is a non-GAAP financial metric that can vary significantly between companies based on the unique adjustments they make to align with their financial reporting and business operations.

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# Scale & Efficiency Set eXp Apart

The only brokerage operating  
efficiently at scale



Most efficient  
operating at scale

(Revenue in Millions | Operating  
Expenses<sup>(1)</sup>/ Transaction)

- ★ EXPI
- RDFN RE Services
- FTHM
- ▲ REAX

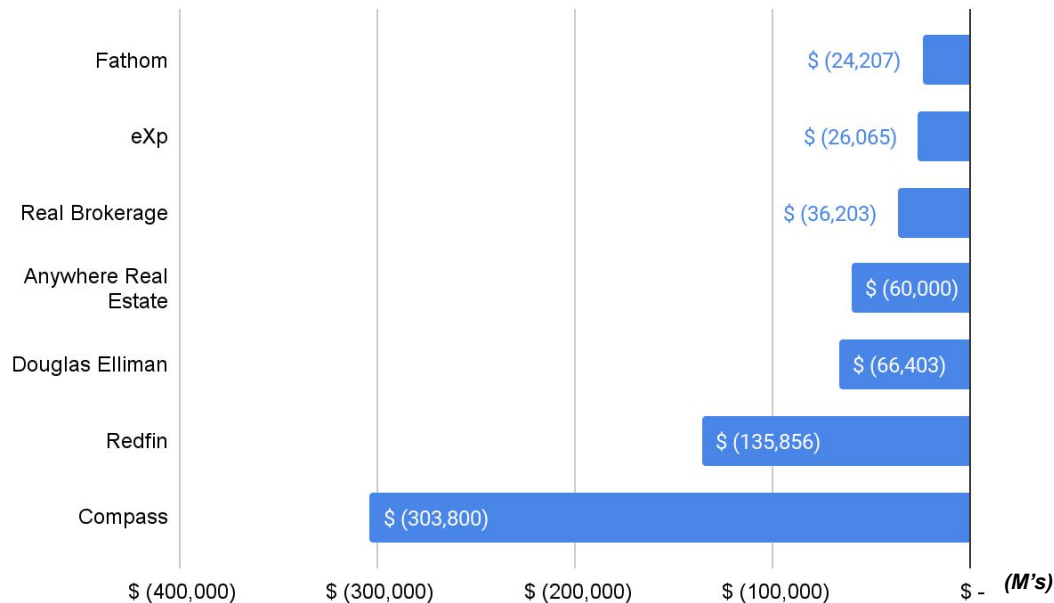
Note: Brokerages represented are Fathom, Redfin Real Estate Services Segment and The Real Brokerage.  
(1) Operating Expenses include sales and marketing, general and administrative expenses and, for the following: (a) EXPI: technology and development expenses; (b) FTHM: Operations and Support, Technology and Development and D&A; (c) REAX: Research and Development; and (d) Redfin RE Services: Technology & Development.

# Scale + Efficiency = Leading Profitability

eXp's superior model results  
in industry-leading profitability



## LTM Q1'24 Net Loss (in millions)



eXp Net (Loss) Income includes:

- \$16.0 million (net of tax, \$11.4 million) antitrust litigation contingency provision for the first quarter 2024;
- \$9.2 million (net of tax, \$7.1 million) impairment charge for goodwill and amortizable intangible assets related to the Virbela segment for the fourth quarter 2023.
- Excluding one-time charges net of tax, eXp's Adjusted Net Loss for the LTM was \$7.6 million.

# Compelling Agent Value Proposition

# Aligning Growth & Agent Success

Revenue Share 2.0 aligns incentives to drive growth and agent success



eXp provides 50% of the company's dollar to the Revenue Share Pool

- eXp has allocated \$201.2 million in revenue share to its agents in the last 12 months

Benefits of revenue sharing:

- Organic growth driver
- Additional income opportunity for agents
- Drives agent retention
- Creates a strong, team-focused culture

TIER	eXpansion Share Percentage	FLQA Count Needed	eXponential Share					Top % of Revenue Share Pool on Transactions in Each Tier Group
			0 - 4	5 - 9	10 - 14	15 - 29	30+	
TIER 1	///		17.5%	17.5%	17.5%	17.5%	17.5%	17.5%
TIER 2	1.0%		19.0%	19.0%	19.0%	19.0%	19.0%	20.0%
TIER 3	0.5%		12.0%	12.0%	12.0%	12.0%	12.0%	12.5%
TIER 4	0.5%		///	7.0%	7.0%	7.0%	7.0%	7.5%
TIER 5	0.5%		///	///	4.5%	4.5%	4.5%	5.0%
TIER 6	2.5%		///	///	///	10.0%	10.0%	12.5%
TIER 7	2.5%		///	///	///	///	22.5%	25.0%

(Note: All calculations are based on the Revenue Share Pool, which represents the 50% of the company dollar before expenses paid to agents in the form of revenue share. Any of the Revenue Share Pool not paid out is added back to level 1-3 payouts as an adjustment bonus on a monthly basis.

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

Agents & brokers are less likely to pursue other opportunities if they are shareholders

## Equity Awards Through Incentive Program

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

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

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

## Agent Equity Commission Program

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

~45% of agents and brokers participate in the program<sup>2</sup>

## ICON Agent Award

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

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

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

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

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

<sup>2</sup>As of 4/30/2024.

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

## **eXp UNIVERSITY**

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

## **MENTORSHIP**

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

## **MASTERMINDS & TASK FORCES**

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

## **BROKER SUPPORT**

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

# Enhancing the Lives of Our Agents and Our Communities



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

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



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

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



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**We are committed to wellbeing.**

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

# Efficient, Technology- driven Operations



# Cloud-First Operating System Creates Competitive Advantage



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

- **Frame** is a highly customizable spatial computing platform, letting users explore 3D models, 360 photos, documents, webcams, and more. It runs right from a user's browser on desktop, mobile, or immersive hardware like Meta Quest 3 and Apple Vision Pro.

## Proprietary agent platforms drive efficiency

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

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

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

## Portfolio of products to drive high-quality transactions

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

# Driving Productivity with Technology

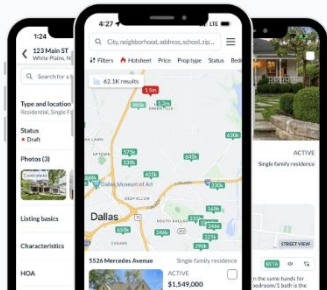
A Powerful Combination of AI,  
mobile & web-based technologies

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## Proprietary Technology



- eXp World/Frame: Next-gen spatial computing
- eXp Enterprise: Agent dashboard
- eXp Exclusives: Access to a vast network of on-and-off market listings
- Luna: GPT-4 powered services & support tool
- MyeXp: Access to eXp technology via one mobile app



## External Applications



- kvCore & 360 Home: Provides agents & their clients a “lifetime ownership solution” including tools that give high-touch engagement between agents and consumers via property searches, property alerts, market reports and other helpful interactions
- Oracle Cloud: Powers eXp’s financial systems and real-time payments
- Workplace & Workplace chat: Powered by Facebook



MY | **exp**  
REALTY



SKYSLOPE

FRAME

**kvCORE**  
PLATFORM

Workplace

## Productivity

- eXp World: agents can create their own spaces + meet with clients to give remote home tours in Frame
- LUNA delights agents by correctly answering most common questions resulting in a more streamlined, efficient organization long term
- Agents access commissions, settlements, rev share, and all of the eXp’s technology services from web or mobile devices from MyeXp app
- Workplace: Agents get referrals, post announcements, discuss topics, broadcast live and recorded videos, and ask questions.

# Superior Financial Model & Debt-Free Balance Sheet

# Financial Sustainability & Agility

## Low asset intensity driven by cloud-based model

- Strongest net cash position among industry peers<sup>(1)</sup>

## Industry-leading cost efficiency

- Lowest operating expenses per transaction<sup>(1)</sup>

## Strong operating cash flow

- \$857 million of cumulative Adjusted Operating Cash Flow<sup>(2)</sup> since 2017

## Commitment to return excess cash to shareholders

- \$674 million of cumulative share repurchases and dividends since 2020

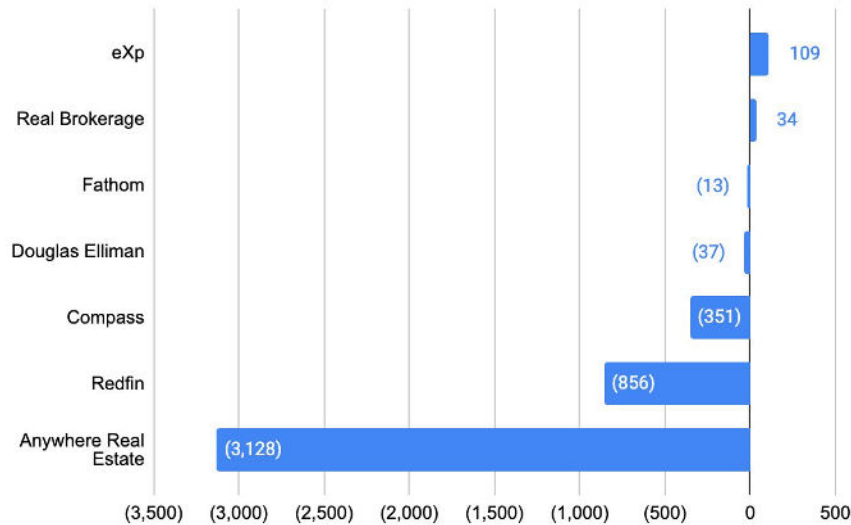
(1) Includes COMP, DOUG, FTHM, HOUS, RDFN, REAX. As of 03/31/24.

(2) Reconciliation of adjusted operating cash flow to operating cash flow and a discussion of why management believes adjusted operating cash flow, a non-GAAP measure, is useful is included in the Appendix.

# Model + Management = Leading Cash Position

## eXp's Superior Model & Financial Management Results in Industry-Leading Cash Position

Net Cash (Debt) as of 3/31/24 (in millions)



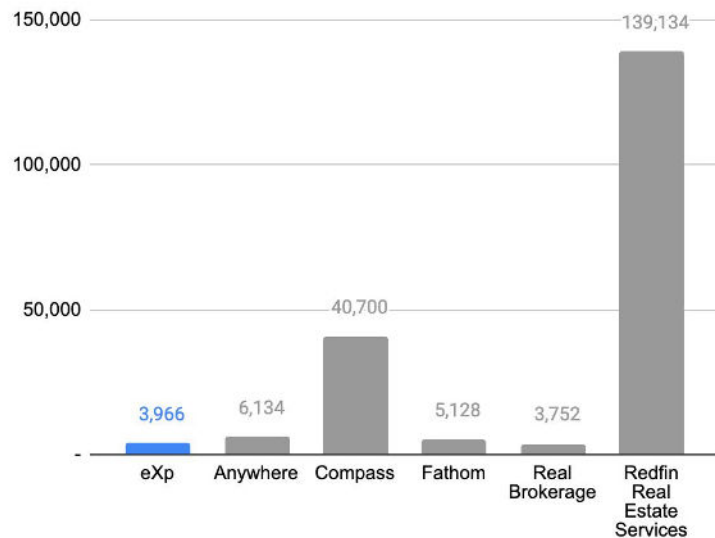
Source: SEC filings. Note: Net cash (debt) defined as the sum of (cash + short-term investments) less the sum of (short-term and long-term debt). Debt includes leases and asset-backed debt such as warehouse lines of credit, securitization obligations, non-recourse asset-backed debt and and concierge credit facility.

# Operating Efficiently

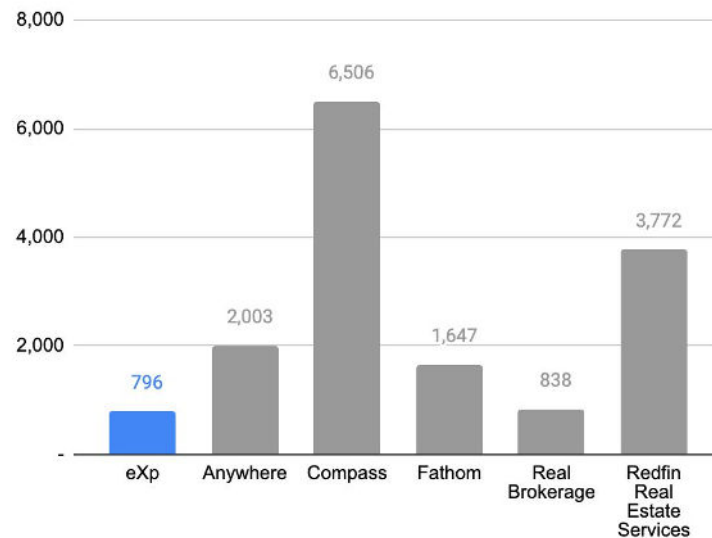
## Lowest Operating Expenses Per Transaction



### Operating Expenses <sup>(1)</sup> / Agent | LTM Q1'24



### Operating Expenses <sup>(1)</sup> / Transaction <sup>(2)</sup> | LTM Q1'24

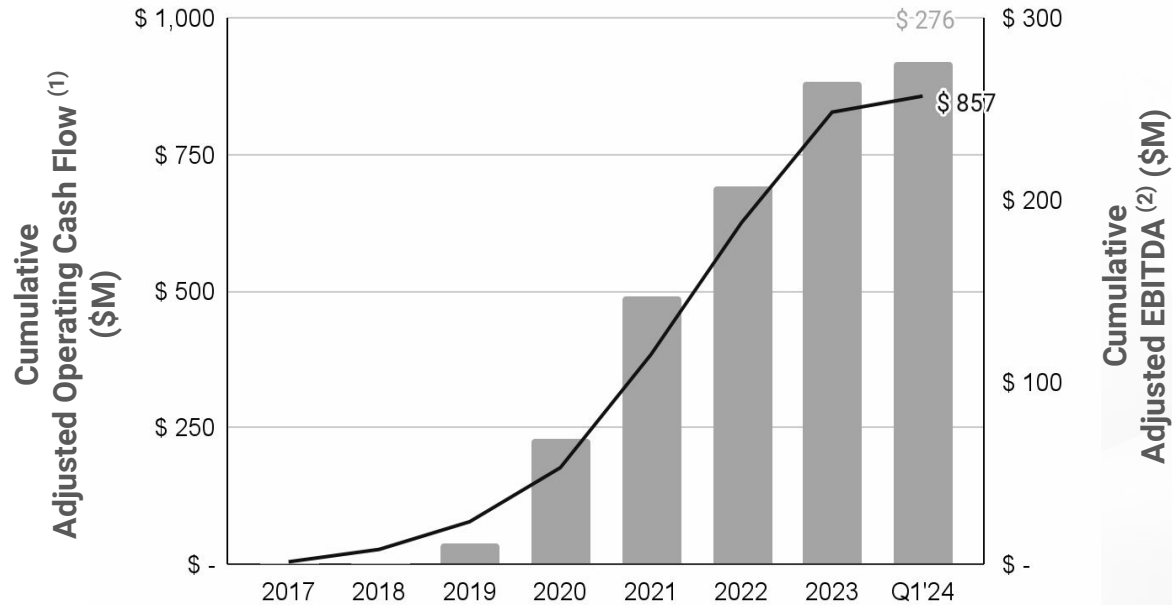


Source: Respective company SEC filings.

Note: Operating Expenses include sales and marketing, general and administrative expenses and, for the following: (a) eXp: technology and development expenses; (b) Anywhere: Operating and D&A; (c) Compass: Operations & Support, Research & Development and D&A; (d) Fathom: Operations and Support, Technology and Development and D&A; (e) Real Brokerage: Research and Development; and (f) Redfin Real Estate Services: Technology & Development; (2) Transactions represent real estate sales transactions.

# Track Record of Cash Flow Generation


\$857M Cumulative Adj. Operating Cash Flow <sup>(1)</sup> & \$276M Cumulative Adj. EBITDA <sup>(2)</sup> since 2017



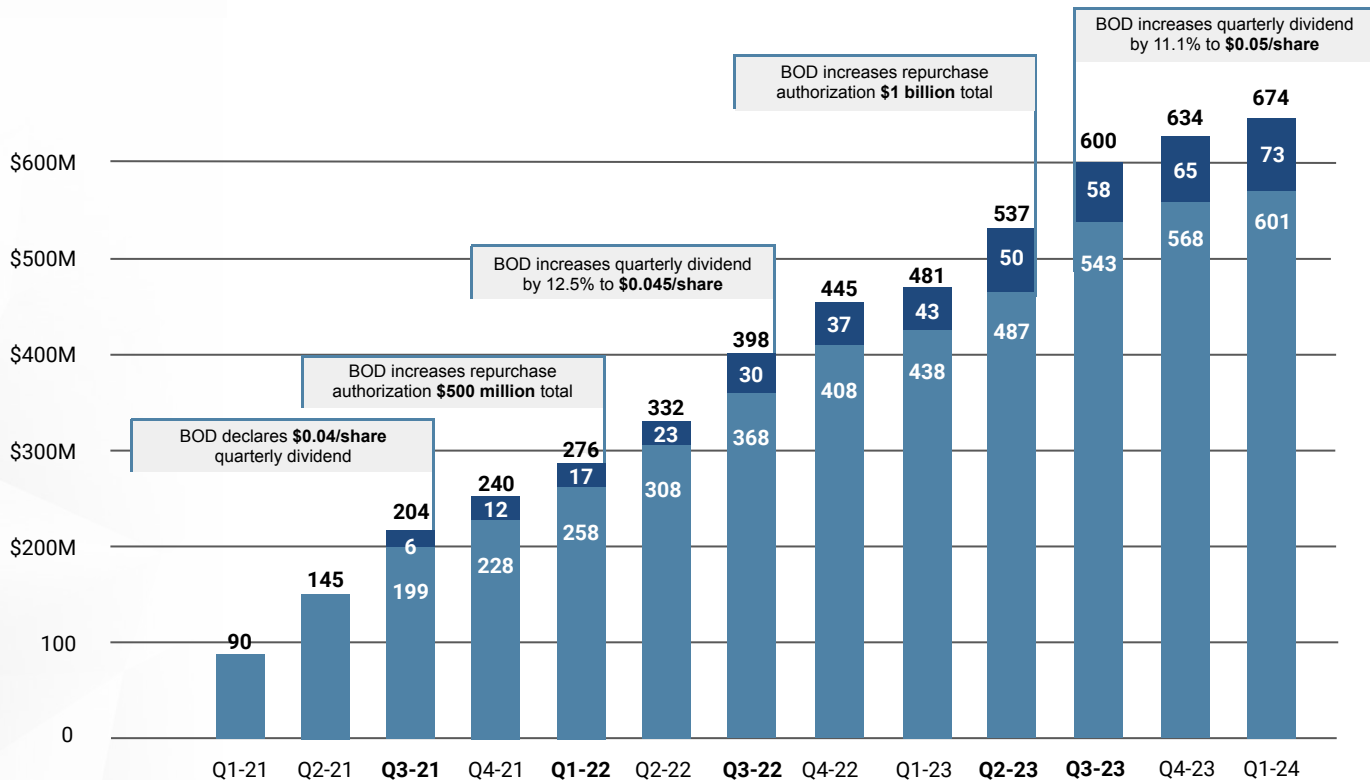
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# Returning Capital to Shareholders

## Significant Share Repurchases and Dividends

 Cumulative Share Repurchases

 Cumulative Dividends Paid





# Large TAM with Multiple Expansion Opportunities

# A Large & Underpenetrated Addressable Market

**Total Addressable Market**  
**+\$465B**

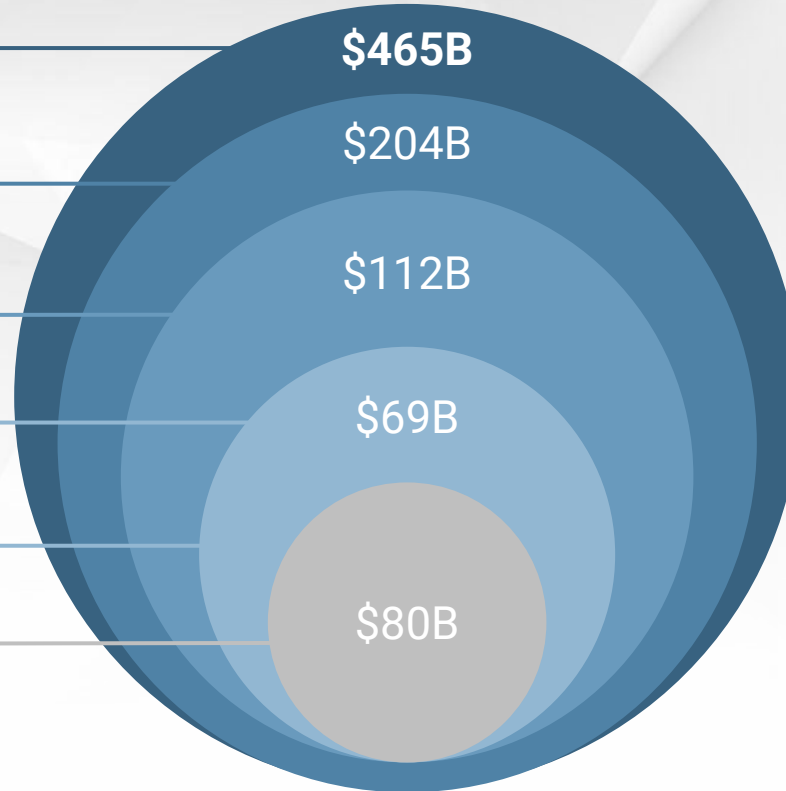
**Expanded Opportunity** 5  
International Residential Real Estate  
Brokerage  
**+\$204B**

**Expansion** 4  
U.S. Commercial Brokerage  
**+\$112B**

**Growth Verticals** 3  
Mortgage, Title & Escrow  
**+49B**

**Professional Coaching** 2  
**+\$20B**

**Core Market** 1  
U.S. Residential Real Estate Brokerage  
**\$80B**



- 1) [NAR - 2023 Existing Home Sales](#); Assumes 5% Commission
- 2) [2020 International Coaching Federation & PwC](#)
- 3) [IBISWorld - Mortgage; D&B - U.S. Commercial Brokerage](#)
- 4) [IBISWorld - Title](#)
- 5) [Fact.mr. assumes 64% of \\$750B global real estate brokerage market is residential. excludes ~62% of the market represented by North America & China](#)

# Segments Reflect eXp's Strategic Priorities

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

## North American Realty

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

## International Realty

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

## Other Affiliated Services

- Continue to develop the WebXR FrameVR platform, our virtual world technology
  - Focused on increasing agent adoption while optimizing costs
- SUCCESS® Magazine and Health
- Focused on leveraging eXp scale to build out high-margin ancillary service lines

# Strengthening Our Agent Value Proposition

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

## Enhancing Our Service Offerings

**REVENOS**

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

**exp** | SOLUTIONS

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

**exp** | REALTY | LUXURY

Elevating eXp agents' customer service offerings and luxury capabilities.

**exp** | REFERRAL DIVISION

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

## Expanding Success for Personal Development

**SUCCESS**<sup>®</sup>

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

**SUCCESS**<sup>®</sup>  
HEALTH™

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

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# One Brokerage Expanding Globally

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

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## Effective Operations In New Markets Driven By:

### ▶ **In-Country Leadership & Regional Shared Service Hubs**

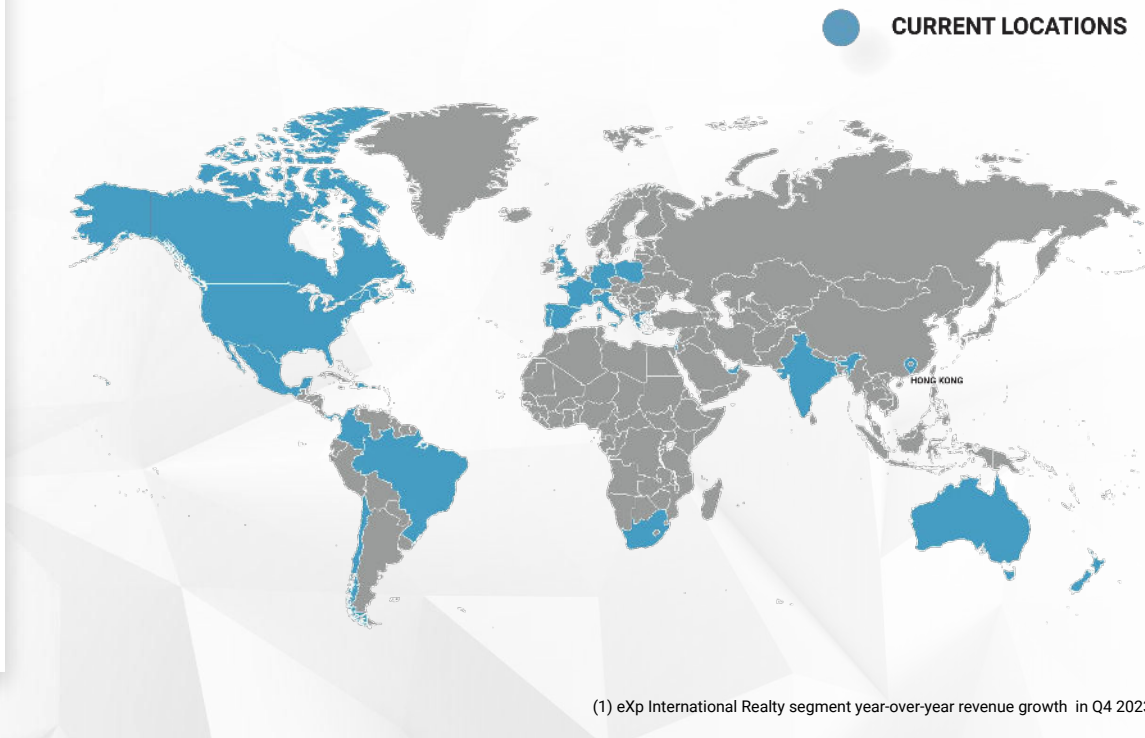
Experienced local teams in each geography are responsible for agent operations & services across all time zones

### ▶ **Cloud-Based Platform**

Enables low barriers & low cost to entry

### ▶ **Competitive Model**

Compensation structure is highly attractive relative to traditional models internationally



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

# Expanding the Metaverse Opportunity

Frame: Next Generation  
Spatial Computing

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## High Level

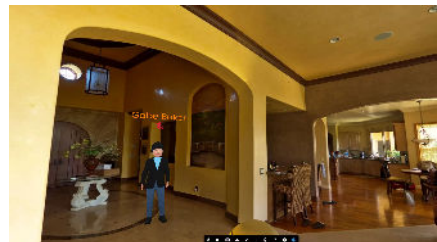
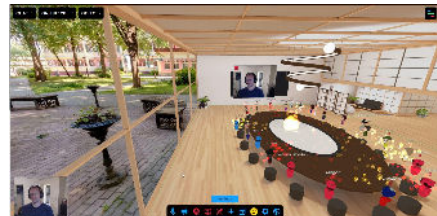
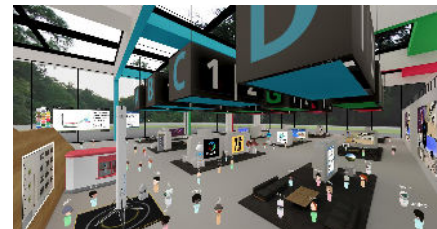
- Works on desktop, mobile, and immersive hardware like Meta Quest 3 and Apple Vision Pro
- Squarespace but for the spatial web. For other businesses, freemium SaaS plans launched in beta last year.
- Presented by the CTO of Microsoft at Microsoft Build 2023
- Frame powers exp.world, our new browser-based,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

## Agent-Facing Features

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

## AI Integrations

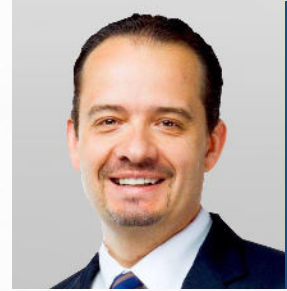
- Frame leverages AI for real-time translations and closed-captions, but also generative AI to help people create their own customized spaces
- AI-powered support agents that are trained on your listings and business documentation



# Experienced Management Team



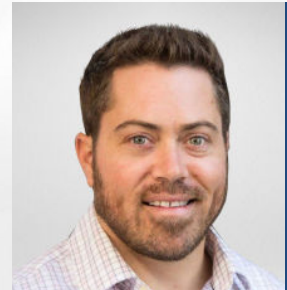
**Glenn  
Sanford**  
Founder &  
Chairman CEO,  
eXp World Holdings



**James  
Bramble**  
Chief Counsel  
& Corporate  
Secretary



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



**Alex  
Howland,  
Ph.D.**  
President,  
eXp World  
Technologies





**Leo Pareja**  
Chief  
Executive  
Officer



**Michael Valdes**  
Chief  
Growth  
Officer



**Patrick O'Neill**  
Chief  
Operating  
Officer



**Wendy Forsythe**  
Chief  
Marketing  
Officer



**Renee Kaspar**  
Chief  
Human  
Resources  
Officer



**Seth Siegler**  
Chief  
Innovation  
Officer



**Sumanth Kamath**  
Chief  
Technology  
Officer

# 2024 Financial Summary & Roadmap

# Q1 2024 Segment Financial Highlights

Q1 2024	N American Realty	International Realty	Other Affiliated Services	Corporate & Eliminations	eXp World Holdings
<b>Revenue</b>	\$927.1M	\$15.6M	\$1.8M	\$(1.5)M	\$943.1M
<i>Variance % y/y</i>	11%	45%	7%	-34%	11%
<b>Adj. EBITDA<sup>(1)</sup></b>	\$17.8M	\$(3.4)M	\$(0.8)M	\$(2.6)M	\$11.0M
<i>Variance % y/y</i>	-16%	9%	-13%	-19%	-24%

(1) A reconciliation of adjusted EBITDA to net (loss) income and a discussion of why management believes adjusted EBITDA, a non-GAAP measure, is useful is included in the Appendix. Adjusted EBITDA is a non-GAAP financial metric that can vary significantly between companies based on the unique adjustments they make to align with their financial reporting and business operations.

## Double down on multi-decade International opportunity

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Continued  
momentum with **45%**  
**y/y revenue growth** in  
Q1 2024

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

## Deliver new offerings & technology enhancements to drive agent success and eXp revenue growth

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

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

## Prudently manage expenses to drive Adjusted EBITDA<sup>(1)</sup> growth

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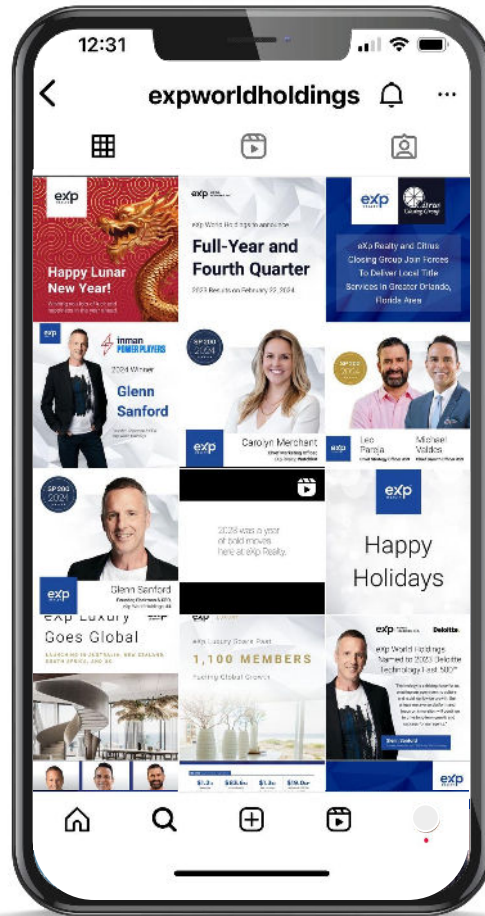
Leverage technology to  
drive **cost efficiencies** to  
fund growth investments

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

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# Investor Relations

CONTACT [investors@expworldholdings.com](mailto:investors@expworldholdings.com) | 360-685-4206  
2219 Rimland Dr, Suite 301, Bellingham, WA 98226  
[expworldholdings.com](http://expworldholdings.com)



# Appendix

# Unique Model Incentivizes Agents and Brokers

## Highly Attractive Commission Structure

### COMMISSION\*

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

### PER TRANSACTION FEE\*

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

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

- Capped Status Transaction Fee is lesser of 20% of GCI or \$250/Transaction (\$5,000 cap/year) then reduced to \$75/transaction
- \$25 Transaction Review Fee
- \$60 Risk Management Fee (\$750 cap/year)

## Very Low Startup Costs And Commitment

### ONE-TIME COSTS\*

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

### ONGOING COSTS\*

- \$85 monthly Cloud Brokerage Fee

\*U.S. eXp Realty-model (exceptions may apply)

\*\* Less applicable Agent Fees

# Use of Non-GAAP Financial Measures

To provide investors with additional information regarding our financial results, this chat deck includes references to adjusted EBITDA, adjusted net (loss) income, and adjusted operating cash flow, which are non-U.S. GAAP financial measures that may be different from similarly titled measures used by other companies. These measures are presented to enhance investors' overall understanding of the Company's financial performance and should not be considered a substitute for, or superior to, the financial information prepared and presented in accordance with U.S. GAAP.

The Company's non-GAAP financial measures provide useful information about financial performance, enhance the overall understanding of past performance and future prospects, and allow for greater transparency with respect to key metrics used by management for financial and operational decision-making. These measures may also provide an additional tool for investors to use in comparing core financial performance over multiple periods with other companies in the industry.

- **Adjusted EBITDA** helps identify underlying trends in the business that otherwise could be masked by the effect of the expenses that are excluded in adjusted EBITDA. In particular, the Company believes the exclusion of stock and stock option expenses provides a useful supplemental measure in evaluating the performance of operations and provides better transparency into results of operations. The Company defines adjusted EBITDA to mean net income (loss) from continuing operations, excluding other income (expense), income tax benefit (expense), depreciation, amortization, impairment charges, litigation contingency expenses, stock-based compensation expense, and stock option expense.
- **Adjusted net (loss) income** excludes significant non-operating related expenses that management does not consider on-going in nature. The Company defines adjusted net (loss) income to mean net (loss) income adjusted for net loss from discontinued operations and the after tax impact of the litigation contingency accrual.
- **Adjusted operating cash flow** helps investors see the Company's performance through the eyes of management. The Company defines adjusted operating cash flow to mean cash flows from operations excluding the change in customer deposits.

Adjusted EBITDA, adjusted net (loss) income, and adjusted operating cash flow should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with U.S. GAAP.



# Reconciliation of GAAP to Non-GAAP Operating Expenses

(in thousands, unaudited)	Three Months Ended March 31,	
	2024	2023
GAAP Commissions and other agent-related costs	\$ 864,746	776,838
Adjusted to exclude the following:		
Stock compensation expense	(8,133)	(9,581)
Non-GAAP Commissions and other agent-related costs	<u>\$ 856,614</u>	<u>\$ 767,257</u>
GAAP General and administrative expenses	\$ 62,408	54,518
Adjusted to exclude the following:		
Stock compensation expense	(694)	(79)
Stock option expense	(1,990)	(2,746)
Non-GAAP General and administrative expenses	<u>\$ 59,723</u>	<u>\$ 51,693</u>
GAAP Technology and development	\$ 14,935	14,168
Non-GAAP Technology and development	<u>\$ 14,935</u>	<u>\$ 14,168</u>
GAAP Sales and marketing expenses	\$ 3,139	2,927
Non-GAAP Sales and marketing expenses	<u>\$ 3,139</u>	<u>\$ 2,927</u>

# Reconciliation of GAAP to Non-GAAP Financial Measures

## Consolidated US GAAP Net Income to Adjusted EBITDA Reconciliation (in thousands)

	Three Months Ended March 31,	
	2024	2023
(Loss) income from continuing operations	\$ (13,830)	\$ 1,992
Other (income) expense, net	(1,039)	(532)
Income tax (benefit) expense	(3,305)	(1,458)
Depreciation and amortization	2,399	2,215
Litigation contingency	16,000	-
Stock compensation expense <sup>(1)</sup>	8,827	9,660
Stock option expense	1,990	2,746
Adjusted EBITDA	<u>\$ 11,042</u>	<u>\$ 14,623</u>

## Consolidated US GAAP Net Income to Adjusted Net Income Reconciliation (in thousands)

	Three Months Ended March 31,	
	2024	2023
Net (loss) income	\$ (15,639)	\$ 1,453
Add back:		
Net loss from discontinued operations	1,809	539
Litigation contingency	16,000	-
Tax benefit on litigation contingency	(4,595)	-
Adjusted net (loss) income	<u>\$ (2,425)</u>	<u>\$ 1,992</u>
(Loss) earnings per share:		
Adjusted diluted, net (loss) income	\$ (0.02)	\$ 0.01
Weighted average shares outstanding		
Basic	154,740,334	152,546,766
Diluted	154,740,334	155,668,712

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

# Reconciliation of GAAP to Non-GAAP Financial Measures

## Adjusted Operating Cash Flow (in thousands)

	<u>Three Months Ended March 31,</u>	
	<u>2024</u>	<u>2023</u>
Net cash provided by operating activities	\$ 60,654	\$ 56,144
Less: Customer deposits	31,239	17,382
Adjusted Operating Cash Flow	<u>\$ 29,415</u>	<u>\$ 38,762</u>

# Reconciliation of GAAP to Non-GAAP Financial Measures



## Consolidated U.S. GAAP Net Income to Adjusted EBITDA Reconciliation (in thousands)

	Year Ended December 31,						
	2023	2022	2021	2020	2019	2018	2017
Net (loss) income	\$ (8,973)	\$ 15,424	\$ 81,159	\$ 30,990	\$ (9,557)	\$ (22,430)	\$ (22,131)
Total other (income) expense, net	(3,026)	820	480	184	282	(32)	2
Income tax (benefit) expense	(4,462)	(10,836)	(47,487)	413	497	78	97
Depreciation and amortization	10,892	9,838	6,248	4,214	2,384	894	353
Impairment expense	9,203	-	-	-	-	-	-
Stock compensation expense <sup>(1)</sup>	43,178	30,861	24,493	15,239	13,959	19,053	10,962
Stock option expense	10,736	14,442	13,102	6,801	5,085	4,847	6,856
Adjusted EBITDA	<u>\$ 57,548</u>	<u>\$ 60,549</u>	<u>\$ 77,995</u>	<u>\$ 57,841</u>	<u>\$ 12,650</u>	<u>\$ 2,410</u>	<u>\$ (3,861)</u>

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

# Reconciliation of GAAP to Non-GAAP Financial Measures



## Adjusted Operating Cash Flow (in thousands)

	Year Ended December 31,						
	2023	2022	2021	2020	2019	2018	2017
Net cash provided by operating activities	\$ 209,131	\$ 210,535	\$ 246,892	\$ 119,659	\$ 55,186	\$ 24,311	\$ 4,568
Less: Customer deposits	6,761	(30,998)	39,892	20,794	4,421	1,597	441
Adjusted Operating Cash Flow	<u>\$ 202,370</u>	<u>\$ 241,533</u>	<u>\$ 207,000</u>	<u>\$ 98,865</u>	<u>\$ 50,765</u>	<u>\$ 22,714</u>	<u>\$ 4,127</u>

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