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| | <h1>COMPASS</h1> | |
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1Q 2022

Business Update & Supplementary Information

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Safe Harbor Statement

This presentation includes forward-looking statements, which are statements other than statements of historical facts, and statements in the future tense. These statements include, but are not limited to, statements regarding our future performance, including expected financial results for the second quarter and full year of 2022, long-term financial targets for full year of 2025, and our expectations for operational achievements. Forward-looking statements are based upon various estimates and assumptions, as well as information known to us as of the date of this presentation, and are subject to risks and uncertainties, including but not limited to: general economic conditions (including inflation and interest rates), the health of the U.S. real estate industry, and risks generally incident to the ownership of residential real estate, including seasonal and cyclical trends; our ability to continuously innovate, improve and expand our platform; our ability to attract new agents and retain current agents or increase agents' utilization of our platform; our ability to expand our brokerage and adjacent services businesses; our ability to offer additional adjacent services; our ability to grow revenue from adjacent services at our anticipated rate; our ability to achieve expected benefits from our mortgage business and our joint venture, OriginPoint; our rapid growth and rate of growth; our net losses and ability to achieve or sustain profitability in the future; any future impact of the ongoing COVID-19 pandemic on our business; our ability to compete successfully in the markets in which we operate; the effect of monetary policies of the federal government and its agencies; any decreases in our gross commission income or the percentage of commissions that we collect; fluctuation of our quarterly results and other operating metrics; our ability to successfully complete acquisitions and integrate target companies; the effect of the claims, lawsuits, government investigations and other proceedings that we are subject to from time to time; our ability to protect our intellectual property rights; and other general market, political, economic, and business conditions. Additionally, these forward-looking statements, particularly our expected financial results and long-term financial targets, involve risks, uncertainties and assumptions, including those related to the impacts of the ongoing COVID-19 pandemic and inflationary pressure on our clients' spending decisions. Significant variation from the assumptions underlying our forward-looking statements could cause our actual results to vary, and the impact could be significant. Accordingly, actual results could differ materially from those predicted or implied or such uncertainties could cause adverse effects on our results. Reported results should not be considered as an indication of future performance.

Additional risks and uncertainties that could affect our financial results are included under the caption "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2021 filed with the SEC on February 28, 2022, which is available on the Investor Relations page of our website at <https://investors.compass.com/> and on the SEC website at www.sec.gov. Additional information will also be set forth in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2022 when filed. All forward-looking statements contained herein are based on information available to us as of the date hereof, and we do not assume any obligation to update these statements as a result of new information or future events. Undue reliance should not be placed on the forward-looking statements in this presentation.

Non-GAAP Financial Measures

To supplement our condensed consolidated financial statements, which are prepared in accordance with GAAP, we present certain non-GAAP financial measures, such as Adjusted EBITDA, Adjusted EBITDA margin, non-GAAP C&O, non-GAAP S&M, non-GAAP O&S, non-GAAP R&D, non-GAAP G&A (collectively, non-GAAP financial measures), in this presentation. Our use of non-GAAP financial measures has limitations as an analytical tool, and these measures should not be considered in isolation or as a substitute for analysis of financial results as reported under GAAP.

Compass uses non-GAAP financial measures in conjunction with GAAP measures as part of our overall assessment of our performance, including the preparation of our annual operating budget and quarterly forecasts, to evaluate the effectiveness of our business strategies and to communicate with our board of directors concerning our financial performance. We believe non-GAAP financial measures are also helpful to investors, analysts and other interested parties because they can assist in providing a more consistent and comparable overview of our operations across our historical financial periods. Non-GAAP financial measures have limitations as analytical tools, therefore you should not consider them in isolation or as substitutes for analysis of our results as reported under GAAP. Because of these limitations, you should consider non-GAAP financial measures alongside other financial performance measures, including net loss and our other GAAP results. In evaluating non-GAAP financial measures, you should be aware that in the future we may incur expenses that are the same as or similar to some of the adjustments reflected in this presentation. Our presentation of non-GAAP financial measures should not be construed to imply that our future results will be unaffected by the types of items excluded from the calculation of non-GAAP financial measures. Non-GAAP financial measures are not presented in accordance with GAAP and the use of these terms varies from others in our industry.

Reconciliations of these non-GAAP financial measures have been provided in the financial statement tables included in this presentation and investors are encouraged to review these reconciliations.

Compass is ...

UNRIVALED, WITH TECH-DRIVEN VALUE PROPOSITION

Industry leading brand and network in 71 markets and 29 states in 1Q22

27,275

1Q22 Agents

\$264B

1Q22 LTM GTV⁽¹⁾

RAPIDLY GROWING MARKET SHARE

From 1.1% U.S. Market Share in 2018 to 5.8% in 1Q22 LTM; still covers only 48% of the total population

5.8%

1Q22 LTM National
Market Share

61%

Market Share CAGR
1Q19– 1Q22 LTM

INCREASING AGENT PRODUCTIVITY

Compass agents are more productive than average industry agents on transactions and GTV on LTM basis

7%

Increase in Transaction
per Agent 1Q22 LTM

\$10.6M

GTV Per Agent
1Q22 LTM

INDUSTRY LEADING IN AGENT RETENTION

High annual retention and strong culture

90%

Principal Agent⁽²⁾
Retention

71

FY21 NPS⁽³⁾

SHOWING IMPROVED & COMPELLING TRANSACTION ECONOMICS

Platform, not splits, attract agents; Non-GAAP Commission & Other (C&O) as a % of Revenue decreased by 90 basis points in 1Q22 LTM vs 1Q21 LTM

63%

of agents that joined in Q1
told us they paid higher split
than their previous brokerage

90bps

Improvement in 1Q22 LTM
Non-GAAP C&O as a % of
Revenue vs. 1Q21 LTM

FOCUSED ON PROFITABLE GROWTH

Strong 1Q22 Results; target adj. 10% EBITDA and 8%-9% free cash flow margins by 2025

10%

Target Adj. EBITDA
Margin in 2025

8%-9%

Target 2025 FCF
Margin

(1) "LTM" – Last Twelve Months; "GTV" – Gross Transaction Value

(2) Principal Agents represent agents who are leaders of their respective agent teams or individual agents operating independently on our platform during a given period

(3) Net Promoter Score

Growth in agent count and productivity have driven rapid market share gains

Our agents become more and more productive ...

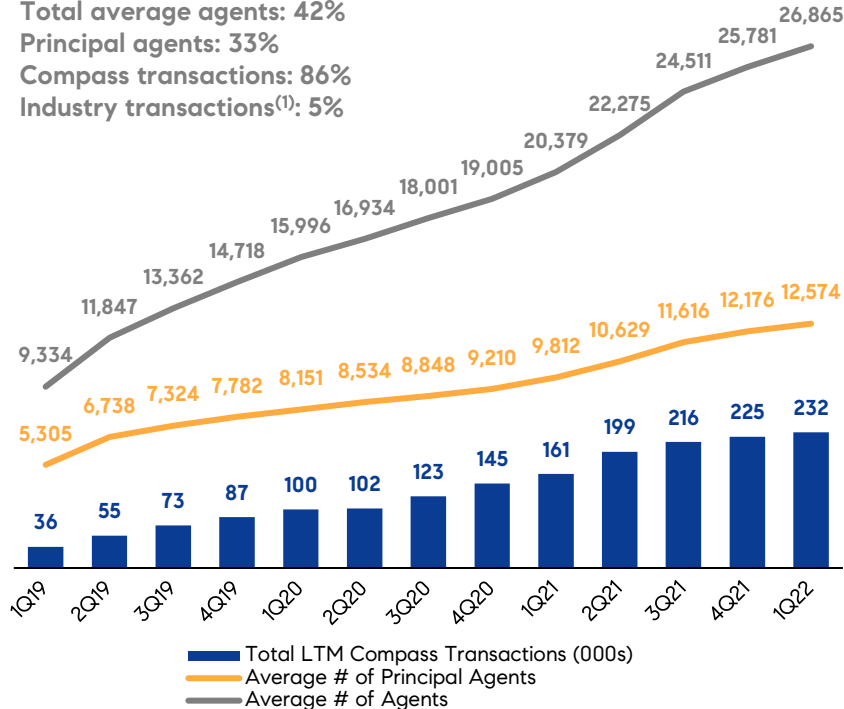
CAGRs 1Q19 – 1Q22:

Total average agents: 42%

Principal agents: 33%

Compass transactions: 86%

Industry transactions⁽¹⁾: 5%



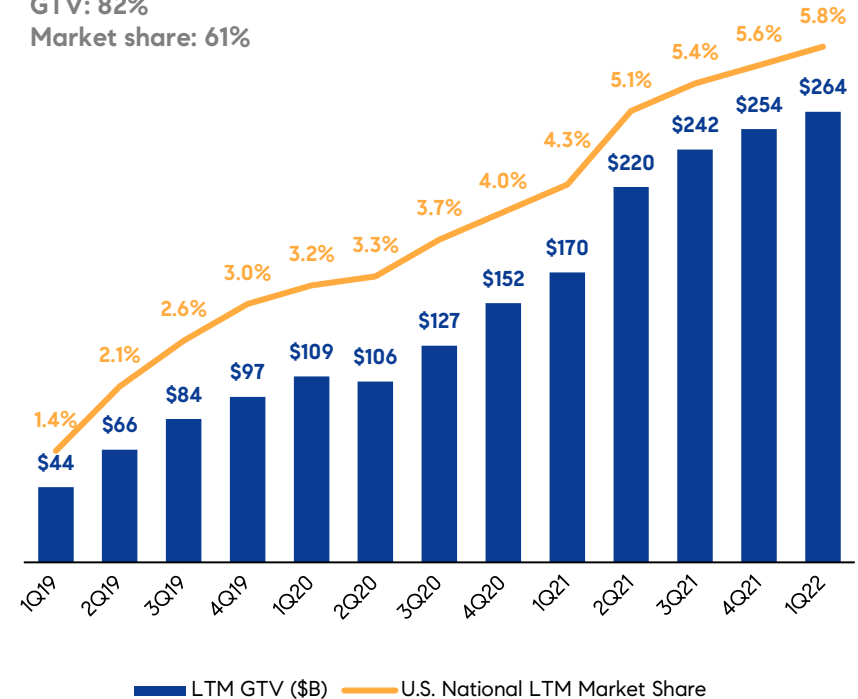
(1) As reported by NAR

... driving rapid GTV growth and market share gains

CAGRs 1Q19 – 1Q22:

GTV: 82%

Market share: 61%



Consistently growing share across large & small markets, price points & tenure

| Market (City Center) | 2018 | 2019 | 2020 | 2021 | Compass Avg. Price Point | Market Avg. Price Point ⁽²⁾ | Competitive Rank |
|--------------------------|-------|-------|-------|-------|--------------------------|--|------------------|
| Manhattan ⁽¹⁾ | 11.0% | 17.4% | 25.5% | 33.3% | \$1,493 | \$736 | 1 |
| Washington DC | 15.1% | 20.9% | 26.1% | 28.1% | \$761 | \$692 | 1 |
| Los Angeles | 11.9% | 15.1% | 19.6% | 18.9% | \$1,665 | \$918 | 1 |
| Boston | 7.9% | 12.2% | 14.9% | 15.4% | \$1,033 | \$696 | 1 |
| Miami Beach | 3.0% | 5.3% | 6.7% | 9.3% | \$1,055 | \$410 | 3 |
| San Francisco | 30.4% | 35.5% | 36.5% | 36.6% | \$1,611 | \$1,526 | 1 |
| Dallas | 4.5% | 11.8% | 15.6% | 15.4% | \$755 | \$287 | 1 |
| Chicago | 4.3% | 9.7% | 12.2% | 13.0% | \$553 | \$302 | 2 |
| Philadelphia | 0.8% | 5.9% | 10.5% | 12.4% | \$514 | \$227 | 2 |
| Seattle & Bellevue | 4.6% | 7.5% | 10.0% | 11.4% | \$1,057 | \$1,077 | 1 |
| San Diego | 1.0% | 5.9% | 9.0% | 10.5% | \$1,391 | \$871 | 2 |
| Austin | 0.1% | 5.5% | 10.0% | 11.1% | \$811 | \$606 | 3 |
| Houston | 0.1% | 5.3% | 7.6% | 9.7% | \$653 | \$239 | 1 |
| Denver | 0.3% | 3.4% | 8.1% | 9.8% | \$903 | \$571 | 1 |
| Nashville | 0.2% | 6.0% | 8.4% | 9.9% | \$632 | \$377 | 1 |
| Atlanta | 0.4% | 4.2% | 6.0% | 6.0% | \$506 | \$354 | 3 |
| Honolulu | - | - | 0.2% | 2.9% | \$1,519 | \$822 | NM |
| Orlando | - | - | 0.2% | 0.6% | \$431 | \$333 | NM |
| Charlotte | - | - | - | 0.7% | \$567 | \$349 | NM |
| Tampa | - | - | - | 1.9% | \$629 | \$359 | NM |
| Indianapolis | - | - | - | 0.5% | \$459 | \$204 | NM |
| Jacksonville | - | - | - | 0.3% | \$677 | \$270 | NM |
| Raleigh | - | - | - | 1.5% | \$493 | \$403 | NM |
| Kansas City | - | - | - | 1.0% | \$589 | \$112 | NM |

| Weighted Avg. Market Share | 2018 | 2019 | 2020 | 2021 | Average Tenure | Compass Avg. Price Point | Market Avg. Price Point ⁽²⁾ |
|------------------------------------|-------|-------|-------|-------|----------------|--------------------------|--|
| Markets with 5+ yrs. Tenure | 13.2% | 17.7% | 21.6% | 23.6% | 7.0 | \$1,261 | \$830 |
| Markets with 3.5 – 5 yrs. Tenure | 3.0% | 8.2% | 11.5% | 12.5% | 4.1 | \$854 | \$553 |
| Markets with 2.5 – 3.5 yrs. Tenure | 0.2% | 4.5% | 8.0% | 9.3% | 3.3 | \$701 | \$429 |
| Markets with < 2.5 yrs. Tenure | - | - | 0.1% | 1.2% | 0.8 | \$671 | \$369 |

Note:

Estimated GTV market share shown for city center only, excluding metro areas outside of the city center

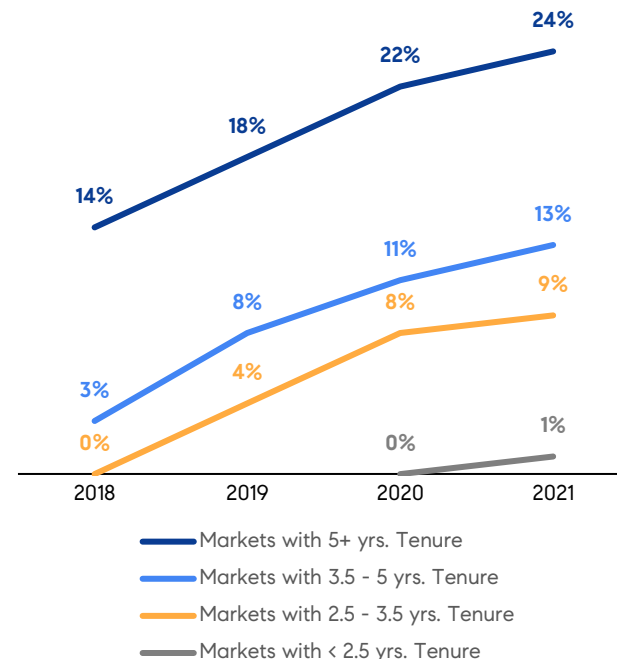
Data provided is from a single MLS in markets where there are multiple MLSs that cover the city center to avoid duplicate deals

Source: BrokerMetrics and MLS data

(1) Manhattan Market Share calculated using Internal Compass GTV for the Numerator, Douglas Elliman Real Estate Reports for the Denominator in 2019, 2020 and 2021, and RENBY Reports for 2018. Douglas Elliman Reports unavailable in 2018

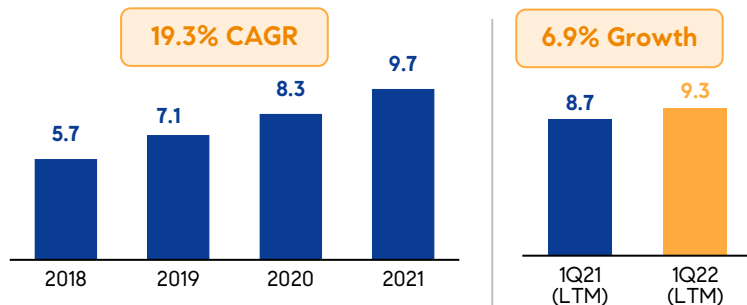
(2) Market Average Price Point per Zillow

Average City Center Market Share by Market Tenure

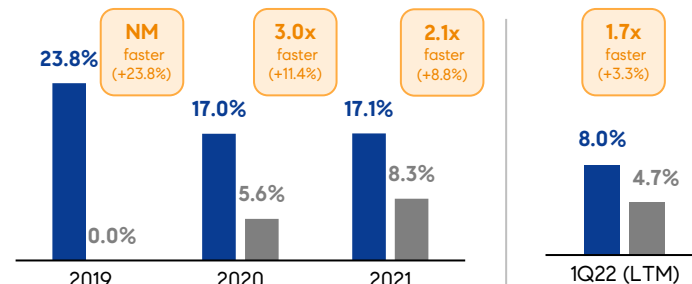


Compass agents also grow their transactions faster than the market

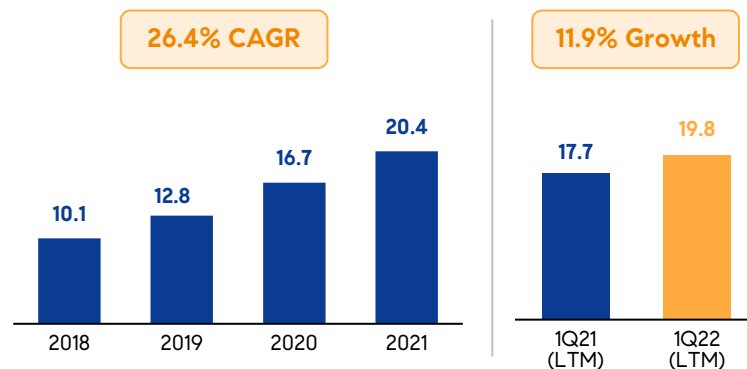
Transactions per Average Agent



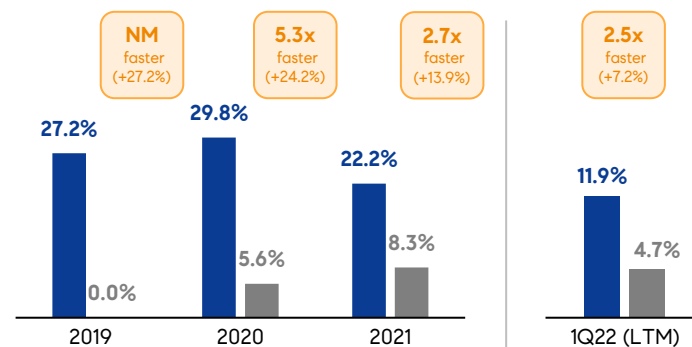
Growth in Transactions per Average Agent vs Industry⁽¹⁾



Transactions per Average Principal Agent



Growth in Transactions per Average Principal Agent vs Industry⁽¹⁾



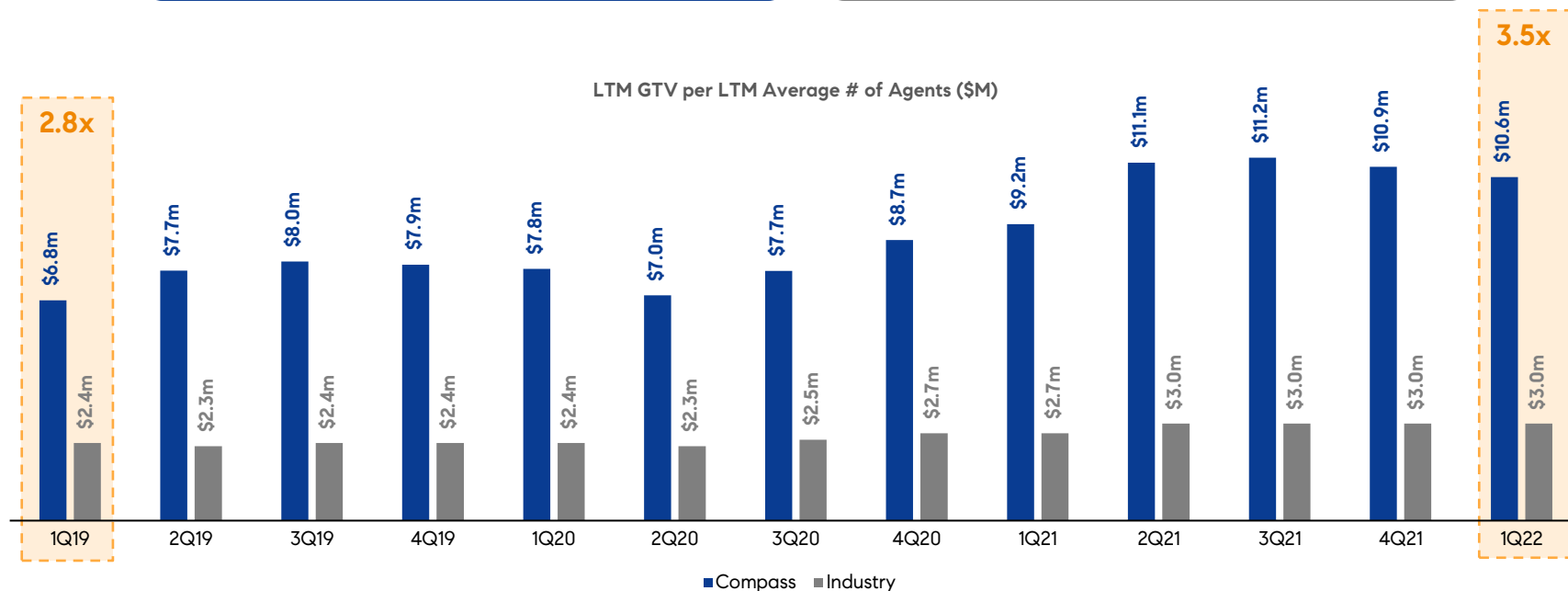
(1) Annual transaction growth as reported by NAR

GTV per average Compass agent is more than 3x the average NAR agent⁽¹⁾

Our agents have grown GTV per average agent from \$6.8M to \$10.6M – and now generate 3.5x the GTV of the average NAR agent (up from 2.8x in 1Q19)

LTM GTV per LTM average Compass agent
1Q19 – 1Q22 CAGR = 16%

LTM GTV per LTM average NAR agent
1Q19 – 1Q22 CAGR = 8%



(1) Annual gross transaction volume and number of realtors as reported by NAR

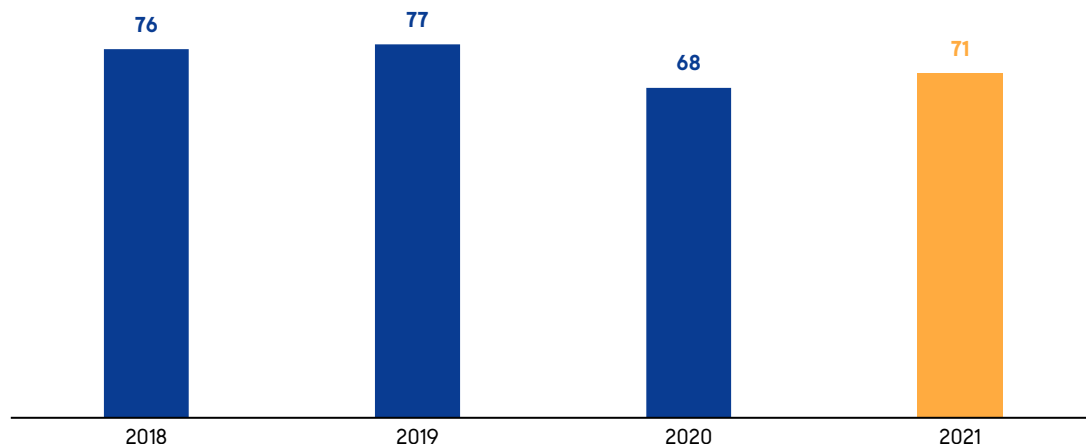
We expect a more diversified agent mix to drive ~190 bps of margin improvement by FY 2025 (33% of the total long-term opportunity of 584 bps)

| FY21 | Compass | Full Market | Delta to Market |
|--------------------------------|-------------------------|-------------|-----------------|
| Agents with: | % of Commission Revenue | | |
| Above \$1m in annual revenue | 60% | 14% | 45% |
| Below \$150k in annual revenue | 4% | 34% | (31%) |

- 1) Agents generating below \$150k of annual revenue generate Compass 900 bps more on average than \$1m+ agents
- 2) If Compass had the exact same distribution of agents as the market, it would result in 584 bps of additional margin
- 3) We assume 190 bps (33% of the total opportunity) will be realized by FY 2025, with the rest being realized in the longer term

Consistently High Agent Net Promoter Scores...

Historical Compass Agent NPS Scores



NPS Comparison with Other Leading Brands

amazon pharmacy

66

lyft

51



47

Microsoft

45

airbnb

43

TESLA

37

Top Reasons Why Agents Stay

- Culture & excitement about long-term vision
- Technology Platform
- Network of other Compass agents that supports business growth (e.g., referral)
- Support & coaching
- Inertia (inherent stickiness & high switching costs)
- Compass Brand
- Services (e.g., Concierge)

Top Reasons Why Agents Join

- Technology Platform
- Marketing capabilities
- Support & coaching

...Lead to Strong Principal Agent Retention in All Markets

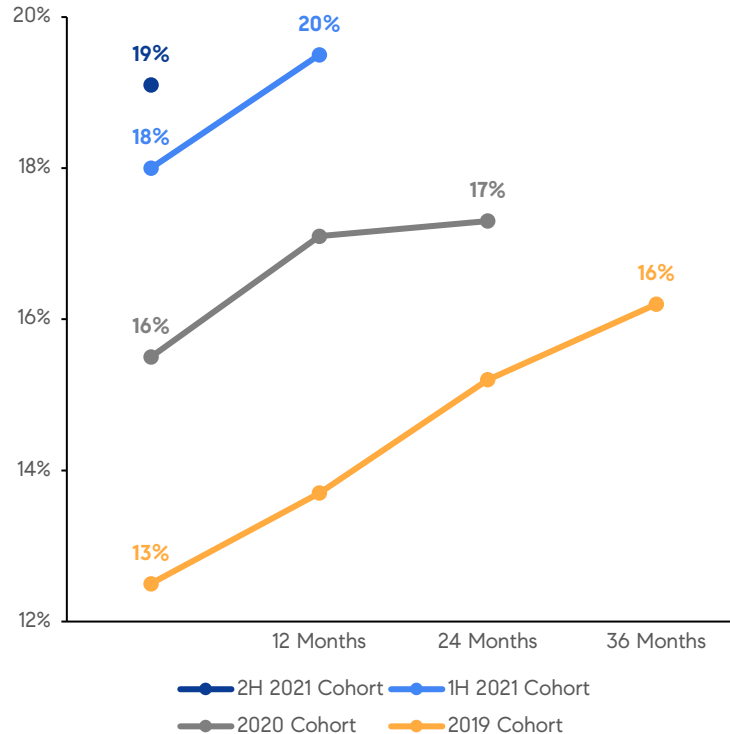
| Market (City Center) | Launch Date | 2021 City Center Market Share | % of Principals off Initial Contract ⁽¹⁾ | 2021 Principal Retention |
|----------------------|-------------|-------------------------------|---|--------------------------|
| Manhattan | 2012 | 33.3% | 77% | 95% |
| Washington DC | 2014 | 28.1% | 83% | 95% |
| Boston | 2015 | 15.4% | 75% | 93% |
| Los Angeles | 2015 | 18.9% | 65% | 91% |
| Miami Beach | 2015 | 9.3% | 77% | 91% |
| San Francisco | 2016 | 36.6% | 69% | 92% |
| Chicago | 2017 | 13.0% | 66% | 94% |
| Dallas | 1H 2018 | 15.4% | 77% | 94% |
| Philadelphia | 1H 2018 | 12.4% | 76% | 98% |
| San Diego | 1H 2018 | 10.5% | 75% | 90% |
| Seattle & Bellevue | 1H 2018 | 11.4% | 66% | 91% |
| Atlanta | 2H 2018 | 6.0% | 74% | 86% |
| Austin | 2H 2018 | 11.1% | 71% | 93% |
| Denver | 2H 2018 | 9.8% | 57% | 92% |
| Houston | 2H 2018 | 9.7% | 84% | 92% |
| Nashville | 2H 2018 | 9.9% | 67% | 94% |

- Equity grants comprised just ~2% of agent annual compensation for all agents recruited in 2019 through 2021

⁽¹⁾ Represents active agents that were at Compass as of the beginning 2021 that are not on their first contract with Compass

Agent economics by cohort have improved approximately 100 bps a year

As agent cohorts mature, the Commissions as a % of Revenue improves

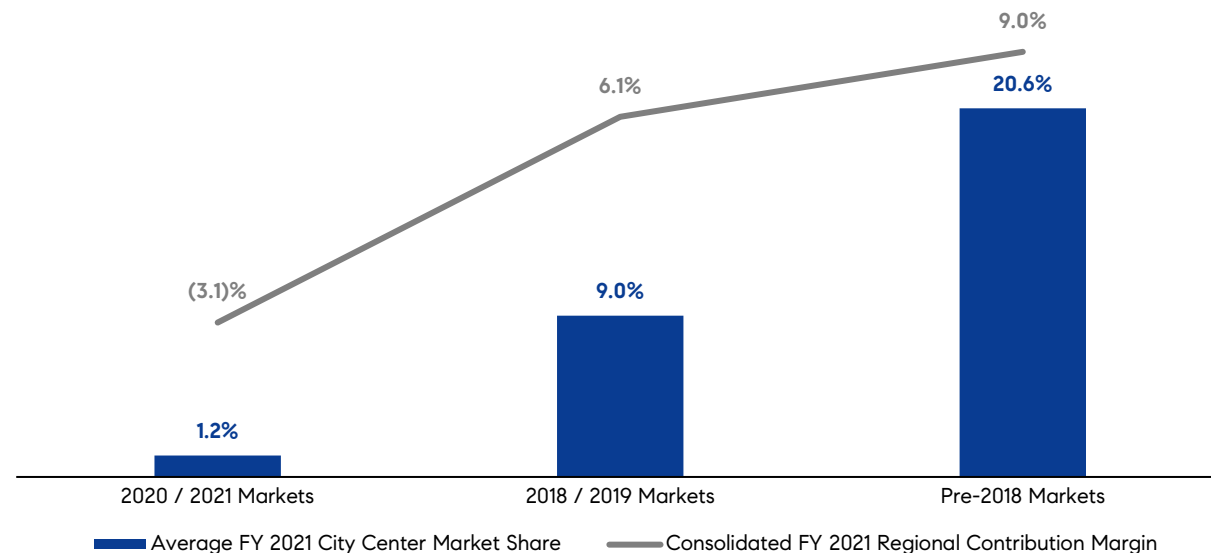


- Commissions and Other as a % of Revenue improved by 130 bps in 2021
- Prior to 2021, trends in Commissions and Other as a % of Revenue were impacted by new agent and regional mix, bringing Commissions and Other as a % of Revenue down even as agent economics improved

Market share and Regional Contribution by market continues to improve over time ...

Regional Contribution and City Center Market Share

Our most mature markets are already generating 9.0% margins
We expect smaller markets and lower Average Transaction Value markets to show similar profitability trends to larger markets and markets with a higher Average Transaction Value



\$433

Million dollars of
Regional
Contribution⁽¹⁾ in
2021

6.7%

Total Company
Average FY 2021
Regional Contribution
Margin⁽²⁾

(1) Reflects revenue less non-GAAP commissions & other, non-GAAP sales & marketing, and non-GAAP operations & support
(2) Reflects revenue less non-GAAP commissions & other, non-GAAP sales & marketing, and non-GAAP operations & support divided by revenue

Adjacent Services significantly increase the revenue and profit per transaction

Illustrative Adjacent Services Unit Economics

Using \$1M Home with
2.5% Commission rate

| | Compass Revenue less Commissions \$5K | | OriginPoint |
|--|---------------------------------------|------------------------------------|-----------------------|
| Revenue | Title & Escrow \$4K | + Mortgage JV ⁽¹⁾ NA | \$15K |
| Revenue per transaction after commissions | \$9K | \$5K | \$15K |
| EBITDA per transaction | \$4.1K ⁽²⁾ | \$5.1K ⁽³⁾ | \$5.3K ⁽⁴⁾ |
| Best-in-class EBITDA Margins | 40% | 17.5% | 35% |

Adjacent Services Future Opportunity

| | Title & Escrow | Mortgage | OriginPoint |
|----------------------------|----------------------|----------|----------------------|
| Total Compass Transactions | 500,000 | 500,000 | 500,000 |
| Buyside / Sellside Mix | x | x | x |
| | ~50/50 | ~50/50 | ~50/50 |
| | = | = | = |
| Addressable Transactions | 250,000 | 250,000 | 250,000 |
| | x | x | x |
| Best-in-class Attach rates | 50% | 35% | 35% |
| | = | = | = |
| Total Transactions | 125,000 | 87,500 | 87,500 |
| Revenue | \$500M | NA | \$1,313M |
| Adj. EBITDA | \$200M 40% margin | \$230M | \$460M 35% margin |

(1) Not consolidated into financial statements

(2) Assumes \$2.5k for brokerage (10% EBITDA margin for Compass Revenue and 50% EBITDA margin for Compass Revenue after paying out agent commissions)

(3) Reflects 49.9% ownership of OriginPoint, 35% margins for OriginPoint, and 17.5% margins for Compass

(4) Assumes 35% EBITDA margin

Mortgage Update

- Our mortgage strategy is to provide a value-add mortgage offering in every market that Compass operates.
- We firmly believe that in order to best serve our agents and their clients, we need to provide a Compass-affiliated offering for everything required to close a transaction - including mortgage, T&E, and eventually home insurance.
- We launched our mortgage company, OriginPoint, with Guaranteed Rate (a top 5 independent mortgage bank) in 4Q21 and expect to launch OriginPoint across additional markets by year-end 2022.
- OriginPoint has already obtained required licenses in 26 states plus DC and currently has over 30 loan officers operating in 7 states plus DC.

1Q 2022 Highlights

FINANCIAL⁽¹⁾

\$1.4B | +25%

1Q22 Revenue & Y-o-Y Growth

80.8% | +20 BPS

1Q22 Non-GAAP Commission & Other Related Expenses as a % of Revenue & Y-o-Y Increased

(\$97M) | -\$66M

1Q22 Adjusted EBITDA & Y-o-Y Change

(\$132M) | -\$75M

1Q22 Free Cash Flow & Y-o-Y Change

OPERATIONAL

12,574 | +28%

1Q22 Average Number of Principal Agents & Y-o-Y Growth

26,865 | +32%

1Q22 Total Avg Agents & Y-o-Y Growth

47,367 | +18%

1Q22 Total Transactions & Y-o-Y Growth

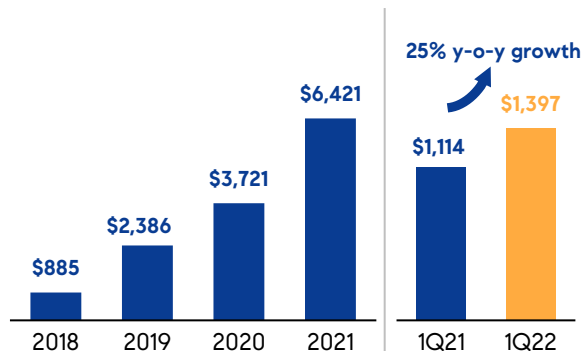
\$53.7B | +23%

1Q22 Gross Transaction Volume & Y-o-Y Growth

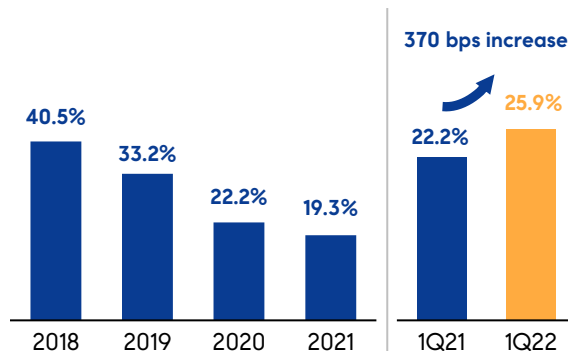
(1) See Financial Tables section for a reconciliation of GAAP to Non-GAAP measures

Strong Execution Over Several Years

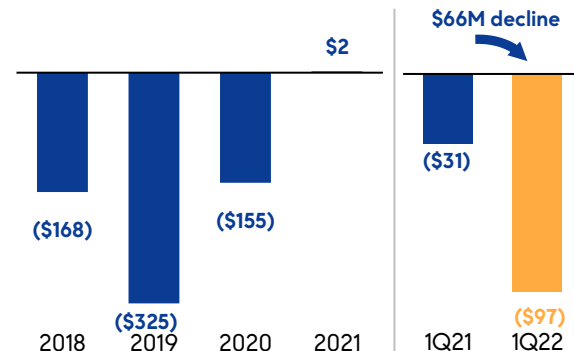
Total Revenue (\$M)



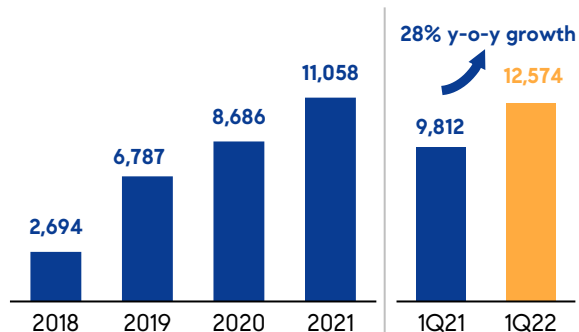
Non-GAAP Operating Expenses ⁽¹⁾
as a % of Revenue



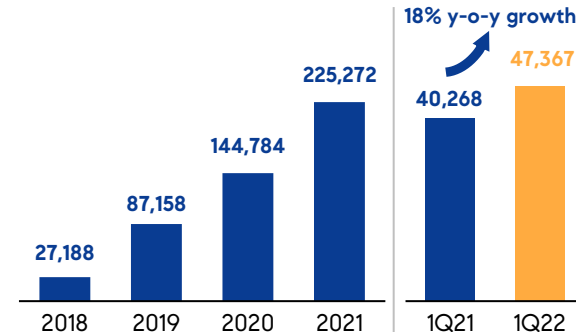
Adjusted EBITDA ⁽²⁾ (\$M)



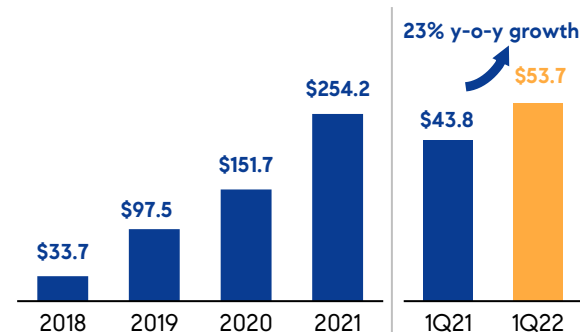
Average Number of Principal Agents



Total Transactions



Gross Transaction Value (\$B)



(1) Non-GAAP Operating Expenses are comprised of Non-GAAP Sales & Marketing, Non-GAAP Operations and Support, Non-GAAP Research and Development, and Non-GAAP General and Administrative Expenses

(2) See Financial Tables section for a reconciliation of GAAP to Non-GAAP measures

2Q 2022

| | |
|-------------------------------------|------------------------|
| Revenue | \$2.0B - \$2.2B |
| EBITDA | \$0M - \$40M |
| Weighted-Average Share Count | 427M – 428M |

Full Year 2022

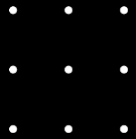
| | |
|-------------------------------------|---------------------------|
| Revenue | \$7.6B - \$8.0B |
| EBITDA | At least breakeven |
| Weighted-Average Share Count | 425M – 430M |

Reiterating a minimum of \$1.2bn of Adjusted EBITDA, for an Adjusted EBITDA Margin of at least 10% in 2025

| P&L | 2019 | 2020 | 2021 | Improvement | 2025 | Assumptions |
|--|---------|--------|-------|--|----------------------------|--|
| Revenue | 100% | 100% | 100% | | 100% | |
| Commissions & Other % of Revenue | 80.5% | 82.0% | 80.7% | (450) bps with (250) bps from improving agent economics and an additional (200) bps from adjacent services | 76.2% | <ul style="list-style-type: none"> Commissions & Other as % of revenue improves by 450 bps due to improving agent economics and growing adjacent services 250 bps from improving economics with agents, moving from 81.6% to 79.1%, relative to other diversified national players at 75%. Demonstrated track record of increasing this ~100 bps per year 200 bps from growing adjacent services, including T&E (at 3 x FYE2021 run-rate) and 1-2 new adjacencies, to \$425m |
| Sales & Marketing % of Revenue | 15.5% | 10.4% | 7.4% | (200) bps | 5.4% | <ul style="list-style-type: none"> 200 bps improvement modest relative to 400bps per year historical improvement CAC declining as evidenced by record recruiting quarter in Q4 with 31% less incentives than prior record quarter |
| Operations & Support % of Revenue | 8.6% | 5.5% | 5.2% | (50) bps | 4.7% | <ul style="list-style-type: none"> 50 bps improvement as brokerage efficiencies continue offset by investment in Adjacent Services |
| Research & Development % of Revenue | 5.4% | 3.9% | 4.2% | (130) bps | 3.0% | <ul style="list-style-type: none"> 130 bps improvement as R&D focus increasingly shifts to reducing brokerage operating costs via automation along with adjacent services integration |
| General & Administrative % of Revenue | 3.7% | 2.4% | 2.5% | (100) bps | 1.4% | <ul style="list-style-type: none"> 100 bps improvement as automation and systems drive efficiencies limiting incremental cost |
| Mortgage Consolidation % of Revenue | | | | (100) bps | 1.0% | <ul style="list-style-type: none"> 100 bps from equity-method accounting for Mortgage JV |
| Adjusted EBITDA % margin | (13.6)% | (4.2)% | 0.0% | | 10.1% | |
| FCF % margin | | | | | 8.0% - 9.0% ⁽¹⁾ | |

(1) Assumes utilization of NOLs to offset cash tax liabilities through 2025 as currently expected

Appendix



Compass & Industry Historical Transactions and Sales Volume Seasonality

NAR Historical Sales Volume Seasonality

| | <u>Q1</u> | <u>Q2</u> | <u>Q3</u> | <u>Q4</u> |
|--------------------|------------|------------|------------|------------|
| 2016 | 18% | 30% | 29% | 24% |
| 2017 | 19% | 30% | 28% | 24% |
| 2018 | 19% | 30% | 28% | 23% |
| 2019 | 18% | 29% | 29% | 24% |
| 2020 | 18% | 22% | 31% | 29% |
| 2021 | 19% | 27% | 28% | 25% |
| 2016 - 2019 | 18% | 30% | 28% | 24% |

Compass Historical GTV Seasonality

| | <u>Q1</u> | <u>Q2</u> | <u>Q3</u> | <u>Q4</u> |
|------|-----------|-----------|-----------|-----------|
| 2018 | 11% | 21% | 28% | 40% |
| 2019 | 14% | 30% | 28% | 28% |
| 2020 | 17% | 18% | 31% | 34% |
| 2021 | 17% | 30% | 27% | 25% |

Revenue Build and EBITDA in 2019 to 2021

| Model Math | Key Drivers | 2019 | 2020 | 2021 |
|------------|---|----------|-----------|-----------|
| | Average Principal Agents | 6,787 | 8,686 | 11,058 |
| x | Transactions per Average Principal Agent | 12.8 | 16.7 | 20.4 |
| = | Total Transactions | 87,158 | 144,784 | 225,272 |
| x | Average Transaction Value | \$1.12m | \$1.05m | \$1.13m |
| = | Gross Transaction Value | \$97.5bn | \$151.7bn | \$254.2bn |
| | Brokerage Revenue (GTV x Commission Rate ⁽¹⁾) | \$2,376m | \$3,702m | \$6,351m |

| | | | | |
|---|---------------------------|-------|-------|-------|
| + | Adjacent Services Revenue | \$10m | \$19m | \$70m |
|---|---------------------------|-------|-------|-------|

| | | | | |
|---|-----------------------------|---------------------|--------------------|--------------|
| = | Total Revenue | \$2,386m | \$3,721m | \$6,421m |
| | Adjusted EBITDA % margin | (\$325m) (13.6%) | (\$156m) (4.2%) | \$2m 0.0% |

(1) In the industry, the commission rate ranges from 2.5% to 3.0%; Commission rate only applies to GTV; Brokerage revenue also includes rentals, referrals and other revenue sources with no corresponding GTV

Our penetration is still low; we have a massive addressable market

Compass brokerage covers only 48% of the U.S. population, but we plan to cover the entire country; our adjacent services business is nascent

U.S. TAM
\$240B

Adjacent Services
\$145B

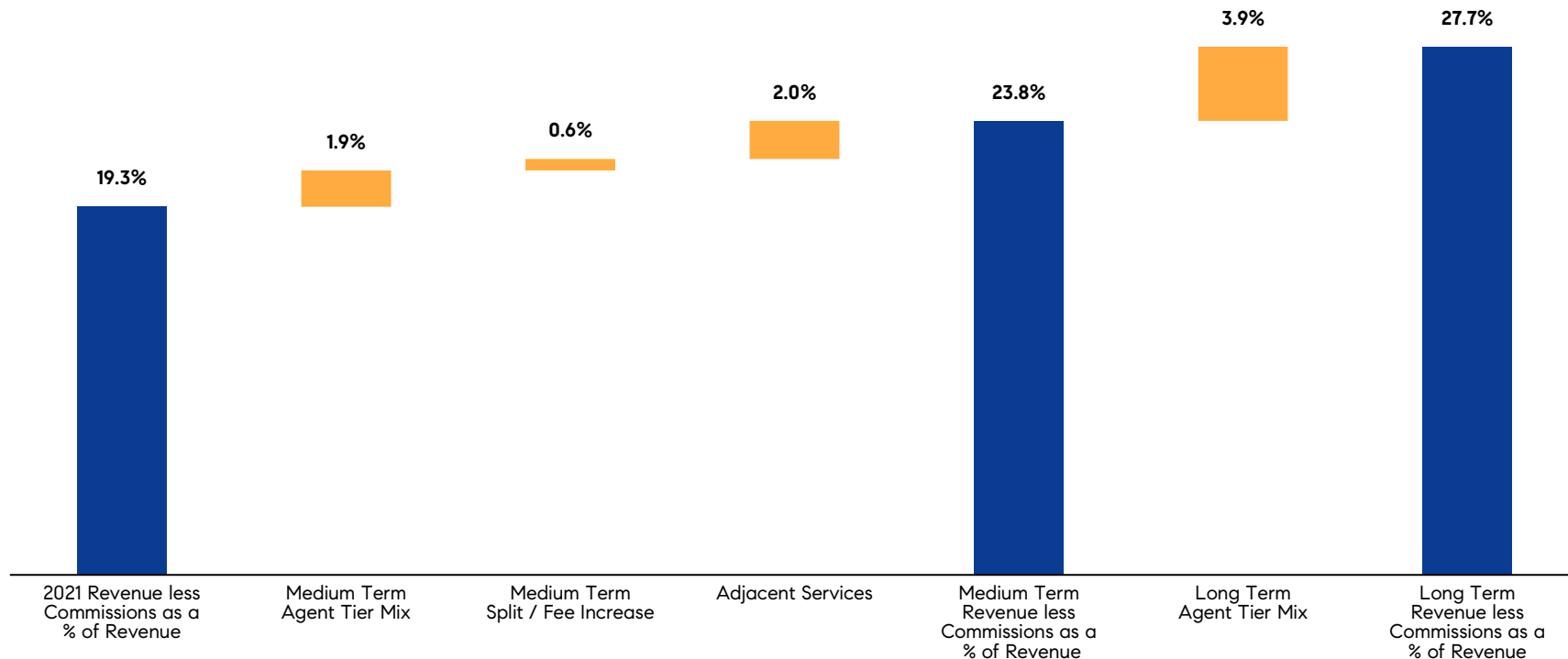
Broker Commissions
\$95B

- Real Estate Marketing (\$30b)
- Title Insurance & Escrow (\$35b)
- U.S. Residential Mortgage Commissions (\$50b)
- Other Real Estate Services (\$30b)
- U.S. Residential Broker Commissions (\$95b)

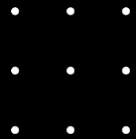
Note:
U.S. residential broker commissions and residential mortgage commissions were sourced from the U.S. Census Bureau and National Association of Realtors
Real estate marketing industry data was sourced from Borrell Associates
Title insurance & escrow volume and real estate services market data were sourced from IBIS
Real estate software and data industry data was sourced from Technavio

We expect Revenue less Commissions as a % of Revenue to improve from 19.3% in 2021 to 23.8% in 2025 driven by improving agent economics and growth in adjacent services

Revenue less Commissions as a % of Revenue Margin Bridge



Financial Tables



Condensed Consolidated Balance Sheets *(in millions, unaudited)*

| | March 31, 2022 | December 31, 2021 |
|---|----------------|-------------------|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | \$ 475.9 | \$ 618.3 |
| Accounts receivable, net of allowance | 66.4 | 48.5 |
| Compass Concierge receivables, net of allowance | 47.0 | 32.9 |
| Other current assets | 104.6 | 94.9 |
| Total current assets | 693.9 | 794.6 |
| Property and equipment, net | 173.0 | 157.4 |
| Operating lease right-of-use assets | 498.0 | 484.7 |
| Intangible assets, net | 119.5 | 127.2 |
| Goodwill | 189.4 | 188.3 |
| Other non-current assets | 52.7 | 48.4 |
| Total assets | \$ 1,726.5 | \$ 1,800.6 |
| Liabilities and Stockholders' Equity | | |
| Current liabilities | | |
| Accounts payable | \$ 36.7 | \$ 34.6 |
| Commissions payable | 79.1 | 63.9 |
| Accrued expenses and other current liabilities | 171.3 | 240.9 |
| Current lease liabilities | 97.8 | 81.5 |
| Concierge credit facility | 18.3 | 16.2 |
| Total current liabilities | 403.2 | 437.1 |
| Non-current lease liabilities | 497.6 | 483.0 |
| Other non-current liabilities | 20.2 | 32.9 |
| Total liabilities | 921.0 | 953.0 |
| Stockholders' equity | | |
| Common stock | — | — |
| Additional paid-in capital | 2,585.0 | 2,438.8 |
| Accumulated deficit | (1,783.0) | (1,595.0) |
| Total Compass, Inc. stockholders' equity | 802.0 | 843.8 |
| Non-controlling interest | 3.5 | 3.8 |
| Total stockholders' equity | 805.5 | 847.6 |
| Total liabilities and stockholders' equity | \$ 1,726.5 | \$ 1,800.6 |

Condensed Consolidated Statements Of Operations *(in millions, except share and per share data, unaudited)*

| | Three Months Ended March 31, | |
|---|------------------------------|-------------|
| | 2022 | 2021 |
| Revenue | \$ 1,397.0 | \$ 1,113.9 |
| Operating expenses: | | |
| Commissions and other related expense ⁽¹⁾ | 1,146.4 | 942.2 |
| Sales and marketing ⁽¹⁾ | 145.0 | 111.3 |
| Operations and support ⁽¹⁾ | 108.9 | 70.0 |
| Research and development ⁽¹⁾ | 108.2 | 96.6 |
| General and administrative ⁽¹⁾ | 55.3 | 92.9 |
| Depreciation and amortization | 18.7 | 13.5 |
| Total operating expenses | 1,582.5 | 1,326.5 |
| Loss from operations | (185.5) | (212.6) |
| Investment income, net | 0.1 | — |
| Interest expense | (0.7) | (0.5) |
| Loss before income taxes and equity in loss of unconsolidated entity | (186.1) | (213.1) |
| Income tax (expense) benefit | (0.1) | 0.7 |
| Equity in loss of unconsolidated entity | (2.1) | — |
| Net loss | \$ (188.3) | \$ (212.4) |
| Net loss attributable to non-controlling interests | 0.3 | — |
| Net loss attributable to Compass, Inc. | \$ (188.0) | \$ (212.4) |
| Net loss per share attributable to Compass, Inc., basic and diluted | \$ (0.45) | \$ (1.67) |
| Weighted-average shares used in computing net loss per share attributable to Compass, Inc., basic and diluted | 415,384,878 | 126,917,284 |

⁽¹⁾ Total stock-based compensation expense included in the condensed consolidated statements of operations is as follows (in millions):

| | Three Months Ended March 31, | |
|--|------------------------------|----------|
| | 2022 | 2021 |
| Commissions and other related expense | \$ 17.0 | \$ 44.6 |
| Sales and marketing | 10.7 | 9.0 |
| Operations and support | 4.3 | 5.0 |
| Research and development | 16.9 | 49.5 |
| General and administrative | 14.9 | 59.4 |
| Total stock-based compensation expense | \$ 63.8 | \$ 167.5 |

Stock-based compensation expense for the three months ended March 31, 2021 includes the following amounts related to a one-time acceleration of stock-based compensation expense in connection with the IPO (in millions):

| | IPO Related Expense |
|--|---------------------|
| Commissions and other related expense | \$ 41.7 |
| Sales and marketing | 1.8 |
| Operations and support | 3.1 |
| Research and development | 46.9 |
| General and administrative | 55.0 |
| Total stock-based compensation expense | \$ 148.5 |

Condensed Consolidated Statements Of Cash Flows *(in millions, unaudited)*

| | Three Months Ended March 31, | |
|---|------------------------------|------------|
| | 2022 | 2021 |
| Operating Activities | | |
| Net loss | \$ (188.3) | \$ (212.4) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Depreciation and amortization | 18.7 | 13.5 |
| Stock-based compensation | 63.8 | 167.5 |
| Equity in loss of unconsolidated entity | 2.1 | — |
| Change in acquisition related contingent consideration | 0.4 | (3.2) |
| Bad debt expense | 1.5 | 3.0 |
| Amortization of debt issuance costs | 0.3 | 0.3 |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | (18.6) | (2.0) |
| Compass Concierge receivables | (14.8) | (0.7) |
| Other current assets | (9.9) | (10.7) |
| Other non-current assets | (1.5) | (7.4) |
| Operating lease right-of-use assets and operating lease liabilities | 11.6 | 1.1 |
| Accounts payable | 3.3 | (3.9) |
| Commissions payable | 15.2 | (7.9) |
| Accrued expenses and other liabilities | 5.2 | 15.5 |
| Net cash used in operating activities | (111.0) | (47.3) |
| Investing Activities | | |
| Investment in unconsolidated entity | (5.0) | — |
| Capital expenditures | (20.8) | (10.0) |
| Payments for acquisitions, net of cash acquired | (3.8) | (59.2) |
| Net cash used in investing activities | (29.6) | (69.2) |
| Financing Activities | | |
| Proceeds from exercise and early exercise of stock options | 5.5 | 14.4 |
| Taxes paid related to net share settlement of equity awards | (7.4) | — |
| Proceeds from drawdowns on Concierge credit facility | 9.2 | 6.3 |
| Repayments of drawdowns on Concierge credit facility | (7.1) | (4.5) |
| Payments of contingent consideration related to acquisitions | (2.0) | (6.3) |
| Payments of debt issuance costs for credit facilities | — | (1.4) |
| Payments of deferred offering costs | — | (2.5) |
| Net cash (used in) provided by financing activities | (1.8) | 6.0 |
| Net decrease in cash and cash equivalents | (142.4) | (110.5) |
| Cash and cash equivalents at beginning of period | 618.3 | 440.1 |
| Cash and cash equivalents at end of period | \$ 475.9 | \$ 329.6 |

Net Loss to Adjusted EBITDA Reconciliation *(in millions, unaudited)*

| | Three Months Ended March 31, | |
|---|------------------------------|------------------|
| | 2022 | 2021 |
| Net loss attributable to Compass, Inc. | \$ (188.0) | \$ (212.4) |
| Adjusted to exclude the following: | | |
| Depreciation and amortization | 18.7 | 13.5 |
| Investment income, net | (0.1) | — |
| Interest expense | 0.7 | 0.5 |
| Stock-based compensation | 63.8 | 167.5 |
| Income tax expense (benefit) | 0.1 | (0.7) |
| Acquisition-related expenses ⁽¹⁾ | 8.1 | 1.0 |
| Adjusted EBITDA | <u>\$ (96.7)</u> | <u>\$ (30.6)</u> |

⁽¹⁾ For the three months ended March 31, 2022 and 2021, acquisition-related expenses includes a \$0.4 million loss and a \$3.2 million gain, respectively, as a result of changes in the fair value of contingent consideration and \$7.7 million and \$4.2 million, respectively, in expenses related to acquisition consideration treated as compensation expense over the underlying retention periods.

Reconciliation of Operating Cash Flows to Free Cash Flow *(in millions, unaudited)*

| | Three Months Ended March 31, | |
|---------------------------------------|------------------------------|------------------|
| | 2022 | 2021 |
| Net cash used in operating activities | \$ (111.0) | \$ (47.3) |
| Less: | | |
| Capital expenditures | (20.8) | (10.0) |
| Free cash flow | <u>\$ (131.8)</u> | <u>\$ (57.3)</u> |

Reconciliation of GAAP to Non-GAAP Operating Expenses *(in millions, unaudited)*

| Three Months Ended March 31, 2022 | | | | | |
|------------------------------------|--|------------------------|---------------------------|-----------------------------|-------------------------------|
| | Commissions and other related expense | Sales and marketing | Operations and support | Research and development | General and administrative |
| GAAP Basis | \$ 1,146.4 | \$ 145.0 | \$ 108.9 | \$ 108.2 | \$ 55.3 |
| Adjusted to exclude the following: | | | | | |
| Stock-based compensation | (17.0) | (10.7) | (4.3) | (16.9) | (14.9) |
| Acquisition-related expenses | — | — | (8.1) | — | — |
| Non-GAAP Basis | <u>\$ 1,129.4</u> | <u>\$ 134.3</u> | <u>\$ 96.5</u> | <u>\$ 91.3</u> | <u>\$ 40.4</u> |

| Three Months Ended March 31, 2021 | | | | | |
|------------------------------------|--|------------------------|---------------------------|-----------------------------|-------------------------------|
| | Commissions and other related expense | Sales and marketing | Operations and support | Research and development | General and administrative |
| GAAP Basis | \$ 942.2 | \$ 111.3 | \$ 70.0 | \$ 96.6 | \$ 92.9 |
| Adjusted to exclude the following: | | | | | |
| Stock-based compensation | (44.6) | (9.0) | (5.0) | (49.5) | (59.4) |
| Acquisition-related expenses | — | — | (1.0) | — | — |
| Non-GAAP Basis | <u>\$ 897.6</u> | <u>\$ 102.3</u> | <u>\$ 64.0</u> | <u>\$ 47.1</u> | <u>\$ 33.5</u> |

Key Business Metrics and Non-GAAP Financial Measures *(unaudited)*

| | Three Months Ended March 31, | |
|--|-------------------------------------|-------------|
| | 2022 | 2021 |
| Total Transactions | 47,367 | 40,268 |
| Gross Transaction Value (in billions) | \$ 53.7 | \$ 43.8 |
| Average Number of Principal Agents | 12,574 | 9,812 |
| Net loss attributable to Compass, Inc. (in millions) | \$ (188.0) | \$ (212.4) |
| Net loss attributable to Compass, Inc. margin | (13.5%) | (19.1%) |
| Adjusted EBITDA ⁽¹⁾ (in millions) | \$ (96.7) | \$ (30.6) |
| Adjusted EBITDA margin ⁽¹⁾ | (6.9%) | (2.7%) |

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