Table of Contents

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 September 30, 2026

☐ 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 001-39412

FATHOM HOLDINGS INC.

(Exact name of Registrant as specified in its Charter)

North Carolina	**82-1518164**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

2000 Regency Parkway Drive, Suite 300, Cary, North Carolina 27518
(Address of principal executive offices) (Zip Code)

(888) 455-6040
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Exchange Act:

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, No Par Value	**FTHM**	**The NASDAQ Capital 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 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 mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of November 12, 2026, the registrant had 34,591,564 shares of common stock outstanding.

FATHOM HOLDINGS INC.
FORM 10-Q
For the Quarterly Period Ended September 30, 2026

TABLE OF CONTENTS

		Page
PART I - FINANCIAL INFORMATION		
ITEM 1.	Financial Statements	
	Condensed Consolidated Balance Sheets as of September 30, 2026 (Unaudited) and December 31, 2025	3
	Unaudited Condensed Consolidated Statements of Operations for the three and nine months ended September 30, 2026 and 2025	4
	Unaudited Condensed Consolidated Statements of Changes in Shareholders' Equity (Deficit) for the three and nine months ended September 30, 2026 and 2025	5
	Unaudited Condensed Consolidated Statements of Cash Flows for the nine months ended September 30, 2026 and 2025	6
	Notes to Unaudited Condensed Consolidated Financial Statements	7
ITEM 2.	Management's Discussion and Analysis of Financial Condition and Results of Operations	27
ITEM 3.	Quantitative and Qualitative Disclosures About Market Risk	37
ITEM 4.	Controls and Procedures	37
PART II - OTHER INFORMATION		39
ITEM 1.	Legal Proceedings	39
ITEM 1A.	Risk Factors	40
ITEM 2.	Unregistered Sales of Equity Securities and Use of Proceeds	40
ITEM 5.	Other Information	41
ITEM 6.	Exhibits	42
SIGNATURES		43

PART I FINANCIAL INFORMATION

Item 1. Financial Statements.

FATHOM HOLDINGS INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(UNAUDITED)
(in thousands, except share data)

	September 30, 2026	December 31, 2025
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 3,605	$ 5,773
Restricted cash	55	144
Accounts receivable	4,593	3,718
Other receivable - current	—	3,000
Mortgage loans held for sale, at fair value	7,705	15,479
Prepaid and other current assets	3,878	7,806
Total current assets	19,836	35,920
Property and equipment, net	1,427	1,606
Lease right of use assets	3,551	4,180
Intangible assets, net	9,093	18,576
Goodwill	7,241	17,668
Other assets	86	94
Total assets	$ 41,234	$ 78,044
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 12,067	$ 5,649
Accrued and other current liabilities	6,058	5,973
Warehouse lines of credit	7,539	15,106
Lease liability - current portion	1,772	1,663
Long-term debt - current portion	8,119	5,506
Total current liabilities	35,555	33,897
Lease liability, net of current portion	2,386	3,296
Long-term debt, net of current portion	74	80
Other long-term liabilities	1,443	3,332
Total liabilities	39,458	40,605
Commitments and contingencies (Note 18)		
Shareholders' equity:		
Common stock (no par value, shares authorized, 100,000,000; shares issued and outstanding, 34,177,324 and 32,716,641 as of September 30, 2026 and December 31, 2025, respectively)	—	—
Additional paid-in capital	151,445	150,909
Accumulated deficit	(149,669)	(113,470)
Total shareholders' equity	1,776	37,439
Total liabilities and shareholders' equity	$ 41,234	$ 78,044

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

FATHOM HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)
(in thousands, except share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Revenue	$ 88,628	$ 115,313	$ 289,642	$ 329,871
Commission and service costs	81,228	105,743	265,651	302,815
General and administrative	7,504	8,261	27,462	24,881
Marketing	1,065	979	3,968	3,753
Technology and development	5,401	1,818	9,778	5,594
Litigation contingency	10	2,000	215	2,011
Depreciation and amortization	537	550	1,630	1,658
Impairment	12,085	—	12,085	—
Loss from operations	(19,202)	(4,038)	(31,147)	(10,841)
Other expense (income), net				
Interest expense, net	451	112	779	475
Other nonoperating expense	2,088	183	4,209	2,176
Other expense, net	2,539	295	4,988	2,651
Loss before income taxes	(21,741)	(4,333)	(36,135)	(13,492)
Income tax expense	21	24	64	102
Net loss	$ (21,762)	$ (4,357)	$ (36,199)	$ (13,594)
Net loss per share:				
Basic	$ (0.64)	$ (0.15)	$ (1.09)	$ (0.51)
Diluted	$ (0.64)	$ (0.15)	$ (1.09)	$ (0.51)
Weighted average common shares outstanding:				
Basic	33,869,620	29,569,936	33,333,510	26,844,457
Diluted	33,869,620	29,569,936	33,333,510	26,844,457

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

FATHOM HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)
(UNAUDITED)
(in thousands, except share data)

	Common Stock				
	Number of Outstanding Shares	Par Value	Additional Paid-in Capital	Accumulated Deficit	Total
Balance at June 30, 2026	33,792,998	$ —	$ 151,774	$ (127,907)	$ 23,867
Stock-based compensation, net of forfeitures	384,326	—	(161)	—	(161)
Other	—	—	(168)	—	(168)
Net loss	—	—	—	(21,762)	(21,762)
Balance at September 30, 2026	34,177,324	$ —	$ 151,445	$ (149,669)	$ 1,776

	Common Stock				
	Number of Outstanding Shares	Par Value	Additional Paid-in Capital	Accumulated Deficit	Total
Balance at June 30, 2025	28,110,120	$ —	$ 143,101	$ (102,401)	$ 40,700
Stock-based compensation, net of forfeitures	517,108	—	562	—	562
Issuance of common stock for public offering, net offering costs of $385	3,450,000	—	6,475	—	6,475
Net loss	—	—	—	(4,357)	(4,357)
Balance at September 30, 2025	32,077,228	$ —	$ 150,139	$ (106,758)	$ 43,381

	Common Stock				
	Number of Outstanding Shares	Par Value	Additional Paid-in Capital	Accumulated Deficit	Total
Balance at December 31, 2025	32,716,641	$ —	$ 150,909	$ (113,470)	$ 37,439
Stock-based compensation, net of forfeitures	1,460,683	—	852	—	852
Other	—	—	(316)	—	(316)
Net loss	—	—	—	(36,199)	(36,199)
Balance at September 30, 2026	34,177,324	$ —	$ 151,445	$ (149,669)	$ 1,776

	Common Stock				
	Number of Outstanding Shares	Par Value	Additional Paid-in Capital	Accumulated Deficit	Total
Balance at December 31, 2024	22,732,716	$ —	$ 137,844	$ (93,163)	$ 44,681
Stock-based compensation, net of forfeitures	1,556,509	—	3,013	—	3,013
Issuance of common stock for public offering, net offering costs of $385	7,788,003	—	9,513	—	9,513
Discount of common stock for public offering	—	—	(198)	—	(198)
Other	—	—	(33)	—	(33)
Net loss	—	—	—	(13,594)	(13,594)
Balance at September 30, 2025	32,077,228	$ —	$ 150,139	$ (106,758)	$ 43,381

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

01

FATHOM HOLDINGS INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)
(in thousands)

	Nine Months Ended September 30,	
	2026	**2025**
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	$ (36,199)	$ (13,594)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	8,920	4,380
Non-cash lease expense	1,259	1,063
Deferred financing cost amortization	—	29
Other non-cash	8	—
Gain on sale of mortgages	(6,081)	(5,393)
Stock-based compensation	852	3,013
Deferred income taxes	—	3
Impairment	12,085	—
Provision for credit losses	2,581	—
Change in operating assets and liabilities:		
Accounts receivable	(875)	(4,983)
Prepaid and other current assets	1,346	(1,450)
Other assets	7	(24)
Accounts payable	6,418	6,284
Accrued and other current liabilities	(1,804)	2,174
Operating lease liabilities	(1,430)	(1,209)
Mortgage loans held for sale originations	(263,221)	(184,187)
Proceeds from sale and principal payments on mortgage loans held for sale	277,076	185,261
Net cash (used in) provided by operating activities	942	(8,633)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	(101)	(78)
Purchase of intangible assets	(815)	(2,085)
Proceeds from sale of business	3,000	4,000
Amounts paid for business and asset acquisitions, net of cash acquired	—	(120)
Net cash provided by investing activities	2,084	1,717
CASH FLOWS FROM FINANCING ACTIVITIES:		
Principal payments on debt	(400)	(4,196)
Proceeds from debt	3,000	—
Deferred acquisition consideration payments	—	(33)
Borrowings from warehouse lines of credit	251,149	184,032
Repayment on warehouse lines of credit	(258,716)	(179,674)
Member distribution, net	(316)	—
Proceeds from the issuance of common stock in connection with a public offering	—	9,513
Payment of offering cost in connection with issuance of common stock in connection with public offering	—	(198)
Net cash (used in) provided by financing activities	(5,283)	9,444
Net decrease in cash, cash equivalents, and restricted cash	(2,257)	2,528
Cash, cash equivalents, and restricted cash at beginning of period	5,917	7,389
Cash, cash equivalents, and restricted cash at end of period	$ 3,660	$ 9,917
Supplemental disclosure of cash and non-cash transactions:		
Cash paid for interest	$ 790	$ 178
Right of use assets obtained in exchange for new lease liabilities	$ 630	$ 1,621
Reconciliation of cash and restricted cash:		
Cash and cash equivalents	$ 3,605	$ 9,756
Restricted cash	55	161
Total cash, cash equivalents, and restricted cash shown in statement of cash flows	$ 3,660	$ 9,917

The accompanying notes are an integral part of the unaudited condensed consolidated financial statements.

FATHOM HOLDINGS INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Organization, Consolidation and Presentation of Financial Statements

Fathom Holdings Inc. (“Fathom,” “Fathom Holdings,” and collectively with its consolidated subsidiaries and affiliates, the “Company”) is a national, technology-driven, real estate services platform integrating residential brokerage, mortgage, title, insurance services and supporting software called intelliAgent. The Company's brands include Fathom Realty, Encompass Lending Group ("Encompass"), intelliAgent, Real Results, MHG, and Verus Title.

The unaudited interim condensed consolidated financial statements include the accounts of Fathom Holdings’ wholly-owned subsidiaries. All transactions and accounts between and among its subsidiaries have been eliminated. All adjustments and disclosures necessary for a fair presentation of these unaudited interim condensed consolidated financial statements have been included.

The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”) as determined by the Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) for interim financial information. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, the unaudited interim condensed consolidated financial statements reflect all adjustments, which include only normal recurring adjustments necessary for the fair statement of the balances and results of operations for the periods presented. These financial statements should be read in conjunction with the Company’s audited consolidated financial statements and notes thereto for the year ended December 31, 2025 included in the Company’s Annual Report on Form 10-K filed with the Securities and Exchange Commission (“SEC”) on March 30, 2026, as amended on April 30, 2026 (the “Form 10-K”). The results of operations for any interim periods are not necessarily indicative of the results that may be expected for the entire fiscal year or any other interim period.

Note 2. Risks and Uncertainties

Certain Significant Risks and Business Uncertainties — The Company is subject to the risks and challenges associated with companies at a similar stage of development. These include dependence on key individuals, successful development and marketing of its offerings, and competition with larger companies with greater financial, technical, and marketing resources. Furthermore, during the period required to achieve higher revenue in order to become consistently profitable, the Company may require additional funds that might not be readily available or might not be on terms that are acceptable to the Company.

Liquidity — The Company has a history of negative cash flows from operations and operating losses. The Company generated net losses of approximately $36.2 million and $13.6 million for the nine months ended September 30, 2026 and 2025, respectively. Additionally, the Company anticipates further expenditures associated with the process of expanding its business organically and via acquisitions. The Company had cash and cash equivalents of $3.6 million and $5.8 million as of September 30, 2026 and December 31, 2025, respectively. On March 18, 2026, the Company entered into a subordinated secured promissory note in the original principal amount of $2.0 million with Neighborhood Intelligence, Inc. (formerly Bed Bath & Beyond, Inc., and herein “NXH”), which was subsequently amended and restated on May 29, 2026 (as amended and restated, the “Bridge Note”) to, among other things, increase the original principal amount by $1.0 million. The Company will pay NXH the principal amount under the Bridge Note on April 1, 2027 or such earlier date as the Bridge Note is required or permitted to be repaid provided by its terms. The Bridge Note bears interest at a rate equal to nine percent (9%) per annum, which is added to the principal amount at the end of each calendar month beginning in March 2026. The Company received $3.0 million during the first eight months of 2026 related to the sale of its insurance business, which was completed in May 2024.

The conditions described above — including the Company’s history of operating losses, its low cash position, and debt obligations discussed more fully in Note 8 below — raised substantial doubt about the Company’s ability to continue as a going concern. To address these conditions, NXH has committed to provide financial support to the Company, for a year and one day following December 1, 2026. Based on NXH's commitment and financial capacity, management believes it is probable that these plans will be effectively implemented and will mitigate the conditions that raised substantial doubt about the Company’s ability to continue as a going concern for a period of at least one year from the date of the issuance of these condensed consolidated financial statements.

FATHOM HOLDINGS INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Use of Estimates — The preparation of the unaudited interim condensed consolidated financial statements, in conformity with 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, including those related to doubtful accounts, legal contingencies, income taxes, deferred tax asset valuation allowances, stock-based compensation, goodwill, estimated lives of intangible assets, and intangible asset impairment. 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 might 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.

Note 3. Recent Accounting Pronouncements

Upcoming Accounting Pronouncements

In November 2024, the FASB issued Accounting Standards Update ASU 2024-03 – Income Statement – Reporting Comprehensive Income – Expense Disaggregation Disclosure (Subtopic 220-40) ("ASU 2024-03"). ASU 2024-03 requires the disclosure of specified information about certain costs and expenses in the notes to the financial statements. Per the amendment, for each interim and annual reporting period, the reporting entity must 1) disclose the amounts of (i) purchases of inventory, (ii) employee compensation, (iii) depreciation, (iv) intangible asset amortization and (v) depreciation, depletion, and amortization recognized as part of oil-and-gas producing activities; 2) include certain amounts that are already required to be disclosed under current GAAP in the same disclosure as the other disaggregation requirements; 3) disclose a qualitative description of the amounts remaining in relevant expense captions that are not separately disaggregated quantitatively; and 4) disclose the total amount of selling expenses and, in annual reporting periods, an entity's definition of selling expenses. This amendment is effective for all annual periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. The Company is currently evaluating the effect ASU 2024-03 will have on its disclosures.

In September 2025, the FASB issued Accounting Standards Update ASU 2025-06 - Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software ("ASU 2025-06"). ASU 2025-06 (i) eliminates references to discrete development "stages" in ASC Topic 350-40, (ii) clarifies that internal-use software costs may be capitalized only when both of the following criteria are met: (a) management authorizes and commits to fund the project; and (b) it is probable that the project will be completed and the software will be used to perform the intended function (the "probable-to-complete" threshold), and (iii) introduces new guidance to evaluate whether there is significant development uncertainty (for example, where software features are novel, unproven, or performance requirements have not been identified or remain subject to substantial revision). ASU 2025-06 is effective for annual and interim periods beginning after December 15, 2027. The Company is currently evaluating the effect ASU 2025-06 will have on its disclosures.

Note 4. Intangible Assets, Net

Intangible assets, net consisted of the following (amounts in thousands):

	September 30, 2026		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Value
Trade names	$ 4,256	$ (3,781)	$ 475
Software development	14,836	(14,435)	401
Agent relationships	10,038	(5,180)	4,858
Know-how	430	(430)	—
Data usage	4,031	(672)	3,359
	$ 33,591	$ (24,498)	$ 9,093

FATHOM HOLDINGS INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

	December 31, 2025		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Value
Trade names	$ 4,256	$ (1,881)	$ 2,375
Software development	14,027	(7,743)	6,284
Agent relationships	10,033	(4,105)	5,928
Know-how	430	(405)	25
Data-usage	4,031	(67)	3,964
	$ 32,777	$ (14,201)	$ 18,576

Estimated future amortization of intangible assets as of September 30, 2026 was as follows (amounts in thousands):

Years Ending December 31,	
2026 (remaining)	$ 597
2027	2,349
2028	2,248
2029	1,690
2030	1,501
Thereafter	708
Total	$ 9,093

The aggregate amortization expense for intangible assets was $4.9 million and $1.4 million, of which $4.5 million and $0.9 million was included in technology and development expense for the three months ended September 30, 2026 and 2025, respectively. During the three months ended June 30, 2026, the Company revised the estimated remaining useful life of certain internally developed software in connection with its decision to phase out and decommission the platform by September 30, 2026. As a result, the Company accelerated the amortization of the remaining carrying value of the affected software on a prospective basis. This change in estimate increased amortization expense recognized during the three months ended September 30, 2026.

During the three months ended September 30, 2026, the Company also recognized an impairment charge of approximately $1.6 million related to certain intangible assets. The impairment resulted from the Company's assessment of the recoverability and fair value of the affected assets in connection with changes in its business operations. The impairment charge is included in intangible asset impairment within operating expenses in the Company's consolidated statements of operations.

The aggregate amortization expense for intangible assets was $8.7 million and $4.1 million, of which $7.3 million and $2.7 million was included in technology and development expense for the nine months ended September 30, 2026 and 2025, respectively. As noted above, the Company revised the estimated remaining useful life of certain internally developed software, which prospectively accelerated the amortization of the remaining carrying value of the affected software. This change in accounting estimate increased amortization expense recognized during the nine months ended September 30, 2026.

Note 5. Goodwill

The carrying amounts of goodwill by reportable segment as of September 30, 2026 and December 31, 2025 were as follows (amounts in thousands):

	Real Estate Brokerage	Mortgage	Title	Other (a)	Total
Balance at December 31, 2025	$ 4,407	$ 10,428	$ 929	$ 1,905	$ 17,668
Goodwill impairment loss recognized during the period	-	(10,428)	-	-	(10,428)
Balance at September 30, 2026	$ 4,407	$ —	$ 929	$ 1,905	$ 7,241

(a) Other comprises goodwill not assigned to a reportable segment.

FATHOM HOLDINGS INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The Company evaluates goodwill for impairment at the reporting unit level whenever events or changes in circumstances indicate that it is more likely than not that the fair value of a reporting unit is below its carrying amount.

During the current period, the Company undertook a strategic review of Encompass. As part of this evaluation, the Company engaged in discussions with interested parties regarding a potential sale of Encompass and received multiple third-party bids. Based on the information obtained through this process, management determined that circumstances existed indicating that the fair value of the reporting unit may be below its carrying amount, which indicated a potential impairment requiring further assessment under ASC 350.

The quantitative assessment compared the estimated fair value of the Encompass reporting unit with its carrying amount. Fair value was estimated using the market-based approach. Under the market approach, management considered valuation multiples and other relevant information derived from multiple third-party bids received in connection with the Company's strategic review of Encompass. These bids provided market-based evidence of the estimated fair value of the reporting unit.

When the carrying amount of a reporting unit exceeds its estimated fair value, an impairment charge is recognized for the amount of the excess, limited to the goodwill allocated to that reporting unit.

Based on the quantitative impairment analysis performed as of September 30, 2026 the Company determined that the goodwill associated with its Mortgage segment was impaired by $10.4 million. Accordingly, the Company recorded an impairment charge to reduce the goodwill attributable to Encompass during the period. The total accumulated impairment charges of goodwill were $10.4 million.

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, potentially resulting in additional impairment charges in future periods. The Company plans to conduct an annual goodwill impairment test in the fourth quarter of 2026.

Note 6. Accrued and Other Current Liabilities

Accrued and other current liabilities consisted of the following (amounts in thousands):

	September 30, 2026	December 31, 2025
Deferred annual fee	$ 586	$ 681
Due to sellers	795	936
Accrued compensation	1,027	901
Other accrued liabilities	3,650	3,455
Total accrued and other current liabilities	$ 6,058	$ 5,973

Note 7. Warehouse Lines of Credit

Encompass uses lines of credit to temporarily finance mortgage loans pending their sale. The underlying warehouse lines of credit agreements, as described below, contain financial and other debt covenants. The warehouse credit facilities are classified as current liabilities on our balance sheets. The below table has dollars in millions.

	September 30, 2026		
Lender	Borrowing Capacity	Outstanding Borrowings	Weighted -Average Interest Rate on Outstanding Borrowings
Bank A[1]	$ 8.0	$ 2.7	6.32%
Bank B[2]	$ 10.0	$ 1.9	6.92%
Bank C[3]	$ 10.0	$ 3.0	6.31%

	December 31, 2025		
Lender	Borrowing Capacity	Outstanding Borrowings	Weighted -Average Interest Rate on Outstanding Borrowings
Bank A[1]	$ 8.0	$ 6.3	6.10%
Bank B[2]	$ 10.0	$ 2.3	6.46%
Bank C[3]	$ 10.0	$ 6.5	6.24%

(1) Bank A's interest on funds borrowed is equal to the greater of (i) 5.5%, or (ii) the 30-Day Secured Overnight Financing Rate ("SOFR") plus 2.4%. The agreement ends on August 31, 2027. Encompass was in compliance with debt covenants under this facility as of September 30, 2026.

(2) Bank B's interest on funds borrowed is equal to the note rate. The agreement does not expire and can be canceled by either party at any time. As of September 30, 2026, Encompass was not in compliance with certain of these debt covenants under this facility related to earnings. Encompass has requested a waiver for the covenant for which it is non-compliant and expects to receive the waiver from Bank B. If the Company is unable to obtain the covenant waiver, the bank would have the right to terminate the credit facility. Bank B's warehouse line is collateralized by the mortgage loans held for sale.

(3) Bank C's interest on funds borrowed is equal to the greater of 4.5%, or the 30-Day SOFR plus 2.4%. The agreement ends in May 2027. Encompass was in compliance with debt covenants under this facility as of September 30, 2026.

FATHOM HOLDINGS INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 8. Debt

Total debt consisted of the following (amounts in thousands):

	September 30, 2026	December 31, 2025
3.75% Small Business Administration installment loan due May 2050	$ 96	$ 102
Convertible note payable	5,000	5,000
Promissory note payable	—	53
Bridge note	3,052	—
Director and officer (D&O) insurance policy promissory note[1]	32	102
Executive and officer (E&O) insurance policy promissory note[2]	13	329
Total debt	8,193	5,586
Long-term debt, current portion	(8,119)	(5,506)
Long-term debt, net of current portion	$ 74	$ 80

(1) The 2025 D&O note carries a 7.80% interest rate and is payable quarterly with the last quarterly payment due in December 2026.

(2) The 2026 E&O note carries a 9.29% interest rate and is payable monthly with the last monthly payment being due in August 2027.

Promissory Note

In connection with the acquisition of My Home Group (“MHG”) in November 2024, the Company assumed a promissory note with a principal balance of $0.2 million, bearing an annual interest rate of 8.5%. The note was payable in 20 equal monthly installments of $13,413, with the final payment made in April 2026.

Bridge Note

In March 2026, the Company entered into a subordinated secured promissory note in the original principal amount of $2.0 million (the “Original Bridge Note”) with Bed Bath & Beyond, Inc. (the “Investor”). In connection with the Original Bridge Note, on March 18, 2026, the Company, the Material Subsidiaries (as defined in the Original Bridge Note), and the Investor entered into (i) a security agreement (the “Security Agreement”) and (ii) a subsidiary guarantee (the “Subsidiary Guarantee”). The Company will pay the Investor the principal amount under the Original Bridge Note on April 1, 2027, or such earlier date as the Original Bridge Note is required or permitted to be repaid as provided by its terms. The Original Bridge Note bears interest at a rate equal to 9.0% per annum, which is added to the principal amount at the end of each calendar month beginning in March 2026. On May 29, 2026, the parties to the Original Bridge Note agreed to amend and restate the Original Bridge Note (the “Amended and Restated Bridge Note”) to, among other things, increase the original principal amount by $1.0 million (the “Additional Principal Amount”), for an aggregate original principal amount of $3,036,350, including $36,350 of accrued interest on the original principal amount as of May 29, 2026. The Amended and Restated Bridge Note also amended the Security Agreement and the Subsidiary Guarantee to include all obligations under the Amended and Restated Bridge Note, including the Additional Principal Amount, all accrued and future interest, and all other amounts owing under the Amended and Restated Bridge Note.

The Company will pay the Investor the principal amount under the Amended and Restated Bridge Note on April 1, 2027, or such earlier date as the Amended and Restated Bridge Note is required or permitted to be repaid as provided by its terms. The Amended and Restated Bridge Note bears interest at a rate equal to 9.0% per annum, which is added to the principal amount at the end of each calendar month beginning in March 2026.

Convertible Note Payable

In September 2024, the Company sold and issued senior secured convertible promissory notes in aggregate principal amount of $5.0 million (the "2024 Notes") to an existing shareholder, who beneficially owns more than 5.0% of Fathom's common stock, and the chairman of the Company's Board of Directors in a private placement (the "2024 Offering"). The 2024 Notes were issued pursuant to that certain Securities Purchase Agreement, dated as of September 25, 2024 (the “SPA”) by and among the Company and two accredited investors (each a “Holder” and together, the “Holders”).

FATHOM HOLDINGS INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The cash proceeds to the Company from the issuance of the 2024 Notes were $4.9 million after deducting the 2024 Offering expense. In connection with the 2024 Offering, the Company also entered into a Security Agreement pursuant to which the 2024 Notes are secured by all existing and future assets of the Company.

The Company failed to timely file with the Securities and Exchange Commission (the "Commission") its Quarterly Report on Form 10-Q for the fiscal quarter ended March 31, 2026 (the "Q1 Form 10-Q"), as required under Section 13(a) of the Exchange Act, which failure constituted an Event of Default under Section 6(a)(viii) of the 2024 Notes (the "Existing Filing Default"). The Company's failure also constituted a breach under the SPA, which requires the Company to satisfy the current public information requirement under Rule 144(c) under the Securities Act (the "Existing SPA Default"), as well as a cross-default under Section 6(a)(iii) of the 2024 Notes (collectively with the Existing Filing Default and the Existing SPA Default, the "Existing Defaults").

On May 29, 2026, the Company and the Holders entered into a Limited Waiver and Omnibus Amendment to the Senior Secured Convertible Promissory Notes (the "Waiver"). Pursuant to the Waiver, the Holders agreed to waive the Existing Defaults solely during the period commencing on the date of the Waiver through and including October 1, 2026 (the "Waiver Period"), subject to the terms and conditions set forth therein. The Waiver does not constitute a waiver of the Company's obligation to pay Rule 144 Failure Payments as and when due in accordance with the SPA.

In consideration for the Holders' agreement to waive the Existing Defaults, the Waiver provides for amendments to certain terms of the 2024 Notes, including an increase in the minimum interest rate floor from 8.0% per annum to 10.0% per annum. Further, during the continuance of the Existing Filing Default (from the date the Q1 Form 10-Q was required to be filed through the date on which the Q1 Form 10-Q is actually filed with the Commission), interest on the outstanding principal amount of the 2024 Notes shall accrue at a rate equal to 18.0% per annum (the "Default Rate") in lieu of the interest rate otherwise applicable under the 2024 Notes. Upon the Company's cure of the Existing Filing Default, the interest rate on the 2024 Notes reverted to the rate otherwise applicable under the 2024 Notes. As of September 30, 2026, the Company was in compliance with the covenants under the 2024 Notes.

Beginning on September 25, 2024, quarterly interest payments are to be paid in cash on the principal amount at a fluctuating rate equal to (i) the monthly average Secured Overnight Financing Rate (SOFR) plus (ii) 6.0% per annum, subject to certain adjustments and a minimum rate of 10.0%. The 2024 Notes have a conversion price of $4.25 per share of common stock, representing an initial conversion premium of approximately 85.0% above the last reported sale price of Fathom's common stock on September 26, 2024. The 2024 Notes may not be converted by either purchaser into shares of common stock if such conversion would result in the purchaser and its affiliates owning an aggregate of in excess of 19.99% of the then-outstanding shares of the Company's common stock.

On October 1, 2026, the Company and the two holders of the 2024 Notes, entered into a Second Omnibus Amendment to the 2024 Notes (the "Second Amendment"). The Second Amendment extended the maturity date from October 1, 2026 to November 1, 2026, reduced the conversion price from $4.25 to $0.65 per share of the Company's common stock, and increased the annual interest rate on outstanding principal to 18.0%, effective October 1, 2026, until all obligations under the 2024 Notes are paid in full. The Second Amendment also established an exchange cap limiting the issuance of common stock upon conversion to 19.99% of the Company's issued and outstanding common stock as of October 1, 2026, and established certain payment obligations upon the occurrence of an Asset Monetization Event. The Company also agreed to reimburse the Holders for reasonable, documented legal fees and expenses incurred in connection with the Second Amendment, up to $5,000 in aggregate.

On November 2, 2026, the Company and the two holders of the 2024 Notes entered into a Third Omnibus Amendment to the 2024 Notes (the "Third Amendment"). The Third Amendment extended the maturity date of the 2024 Notes from November 1, 2026 to November 30, 2026. Under the Third Amendment, all accrued and unpaid interest as of November 2, 2026, together with interest accruing thereafter, was deferred and is payable in cash no later than the extended maturity date, or earlier upon conversion, prepayment or acceleration of the 2024 Notes. The outstanding principal continues to accrue interest at 18.0% per annum. Existing accrued interest also accrues interest at 18.0% per annum until paid. Additionally, the Third Amendment provides for a weekly extension fee equal to 0.5% of the outstanding principal balance on each of November 9, November 16, November 23 and November 30, 2026, for each of the 2024 Notes with principal outstanding on the applicable date. Such fees are added to accrued and unpaid interest and are payable in cash upon the extended maturity date or earlier upon prepayment in full, conversion in full or acceleration of the 2024 Notes. The Company may prepay all or any portion of the outstanding principal, together with applicable accrued and unpaid interest and earned extension fees, without premium or penalty. All other applicable terms of the 2024 Notes, including the asset monetization and required payment provisions established by the Second Amendment, remain in effect.

Note 9. Fair Value Measurements

ASC Topic 820, *Fair Value Measurement* ("ASC 820"), defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the reporting date. The methodology establishes consistency and comparability by providing a fair value hierarchy that prioritizes the inputs to valuation techniques into three broad levels, which are described below:

- 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).

A description of the valuation methodologies used for assets and liabilities measured at fair value, as well as the general classification of such instruments pursuant to the valuation hierarchy, is set forth below.

In general, fair value is based upon quoted market prices, where available. If such quoted market prices are not available, fair value is based upon internally developed models that primarily use, as inputs, observable market-based parameters. Valuation adjustments may be made to ensure the financial instruments are recorded at fair value.

FATHOM HOLDINGS INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

While management believes its valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

Mortgage loans held for sale – Management determines the fair value of mortgage loans held for sale is determined using quoted secondary-market prices or purchaser commitments. If no such quoted price exists, the fair value of a loan is determined using quoted prices for a similar asset or assets, adjusted for the specific attributes of that loan, which would be used by other market participants. The loans are considered Level 2 on the fair value hierarchy.

Derivative financial instruments – Derivative financial instruments are reported at fair value. Fair value is determined using a pricing model with inputs that are unobservable in the market or cannot be derived principally from or corroborated by observable market data. These instruments are Level 3 on the fair value hierarchy.

The fair value determination of each derivative financial instrument categorized as Level 3 required one or more of the following unobservable inputs:

- Agreed prices from Interest Rate Lock Commitments (“IRLC”);
- Trading prices for derivative instruments; and
- Closing prices at September 30, 2026 and December 31, 2025 for derivative instruments.

The following are the major categories of assets and liabilities measured at fair value on a recurring basis as of September 30, 2026 and December 31, 2025 (amounts in thousands):

	September 30, 2026			
	Level 1	Level 2	Level 3	Total
Mortgage loans held for sale	$ —	$ 7,705	$ —	$ 7,705
Derivative assets	—	—	211	211
Derivative liabilities	—	—	(92)	(92)
	$ —	$ 7,705	$ 119	$ 7,824

	December 31, 2025			
	Level 1	Level 2	Level 3	Total
Mortgage loans held for sale	$ —	$ 15,479	$ —	$ 15,479
Derivative assets	—	—	41	41
Derivative liabilities	—	—	(57)	(57)
	$ —	$ 15,479	$ (16)	$ 15,463

The Company enters into IRLCs to originate residential mortgage loans held for sale, at specified interest rates and within a specific period of time (generally between 30 and 90 days), with customers who have applied for a loan and meet certain credit and underwriting criteria. These IRLCs meet the definition of a derivative and are reflected on the consolidated balance sheets at fair value with changes in fair value recognized in other service revenue on the consolidated statements of operations. Unrealized gains and losses on the IRLCs, reflected as derivative assets and derivative liabilities, respectively, are measured based on the fair value of the underlying mortgage loan, quoted agency mortgage-backed security (“MBS”) prices, estimates of the fair value of the mortgage servicing rights and the probability that the mortgage loan will fund within the terms of the IRLC, net of commission expense and broker fees. The fair value of the forward loan sales commitment and mandatory delivery commitments being used to hedge the IRLCs and mortgage loans held for sale not committed to purchasers are based on quoted agency MBS prices.

The fair value measurements of goodwill, intangible assets, and property and equipment during the period were based on one-time measurements performed in connection with the Company’s impairment assessments. These measurements are not recurring fair value measurements and are classified within Level 3 of the fair value hierarchy, as they incorporate significant unobservable inputs and assumptions. See the respective footnotes above for additional information regarding the valuation methodologies and significant assumptions used.

FATHOM HOLDINGS INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 10. Leases

Operating Leases

The Company has operating leases primarily consisting of office space with remaining lease terms of less than one year to five years, subject to certain renewal options as applicable.

Leases with an initial term of twelve months or fewer are not recorded on the balance sheet, and the Company does not separate lease and non-lease components of contracts. There are no material residual guarantees associated with any of the Company's leases, and there are no significant restrictions or covenants included in the Company's lease agreements. Certain leases include variable payments related to common area maintenance and property taxes, which are billed by the landlord, as is customary with these types of charges for office space.

Our lease agreements generally do not provide an implicit borrowing rate. Therefore, the Company used a benchmark approach to derive an appropriate imputed discount rate. The Company benchmarked itself against other companies of similar credit ratings to derive an imputed rate, which was used in a portfolio approach to discount its real estate lease liabilities. The Company used estimated incremental borrowing rates for all active leases.

The table below presents certain information related to lease costs for the Company's operating leases (amounts in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Operating lease expense	$ 383	$ 363	$ 1,259	$ 1,063
Short-term lease expense	177	136	544	427
Total lease cost	$ 560	$ 499	$ 1,803	$ 1,490

The following table presents the weighted average remaining lease term and the weighted average discount rate related to operating leases:

	September 30, 2026	December 31, 2025
Weighted average remaining lease term (in years) - operating leases	2.7	3.2
Weighted average discount rate - operating leases	8.42%	8.33%

The following table presents the maturities of lease liabilities (amounts in thousands):

Years Ended December 31,	Operating Leases
2026 (remaining)	$ 527
2027	1,992
2028	1,413
2029	270
2030	190
Thereafter	302
Total minimum lease payments	4,694
Less effects of discounting	(535)
Present value of future minimum lease payments	$ 4,159

FATHOM HOLDINGS INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 11. Shareholders' Equity

On March 10, 2022, the Company's Board of Directors authorized an expenditure of up to $10.0 million for the repurchase of shares of the Company's common stock. The share repurchase program does not have a fixed expiration. Under the program, repurchases can be made from time-to-time using a variety of methods, including open market transactions, privately negotiated transactions or by other means, including through the use of trading plans intended to qualify under Rule 10b5-1 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The actual timing and amount of future repurchases are subject to business and market conditions, corporate and regulatory requirements, stock price, acquisition opportunities and other factors. The repurchase program does not obligate the Company to acquire any particular number of shares and may be suspended or discontinued at any time at the Company's discretion. There were no equity repurchases during the nine months ended September 30, 2026 and the full year ended December 31, 2025, leaving approximately $4.0 million remaining under the share repurchase authorization.

In March 2025, the Company completed a public offering (the "March 2025 Offering"), which resulted in the issuance and sale by the Company of 3,505,364 shares of common stock at an offering price of $0.68 per share and 832,639 shares of common stock at an offering price of $0.72 per share, generating gross proceeds of $3.0 million, of which the Company received total net proceeds of $2.9 million, after deducting underwriting discounts and other offering costs. The Company issued and sold shares of its common stock to certain investors and members of the Company's Board.

In September 2025, the Company completed a public offering (the "September 2025 Offering"), which resulted in the issuance and sale by the Company of 3,450,000 shares of common stock at an offering price of $2.00 per share, generating gross proceeds of $6.9 million, of which the Company received total net proceeds of $6.5 million, after deducting underwriting discounts and other offering costs. The Company issued and sold shares of its common stock to certain investors.

Note 12. Stock-based Compensation

The Company's 2019 Omnibus Stock Incentive Plan (the "2019 Plan") provides for granting stock options, restricted stock awards, and restricted stock units to employees, directors, contractors and consultants of the Company. On August 9, 2024, the Company's shareholders approved an amendment to the 2019 Plan that increased the share reserve of the 2019 Plan by 1,600,000 shares from 5,760,778 shares to 7,360,778 shares. On August 20, 2025, the Company's shareholders approved an amendment to the 2019 Plan that increased the share reserve of the 2019 Plan by 1,300,000 shares from 7,360,778 to 8,660,778 shares.

Restricted Stock Awards

The following is the restricted stock award activity for the three and nine months ended September 30, 2026:

	Shares	Weighted Average Grant Date Fair Value
Nonvested at December 31, 2025	134,581	$ 2.88
Granted	—	—
Vested	(34,375)	3.67
Forfeited	0	—
Nonvested at March 31, 2026	100,206	$ 2.61
Granted	—	—
Vested	—	—
Forfeited	(41,000)	3.73
Nonvested at June 30, 2026	59,206	$ 1.83
Granted	—	—
Vested	—	—
Forfeited	(59,000)	2.59
Nonvested at September 30, 2026	206	$ 10.13

FATHOM HOLDINGS INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Restricted Stock Unit Awards

During 2025, the Company commenced granting restricted stock units to employees and agents.

The following is the restricted stock unit award activity for the three and nine months ended September 30, 2026:

	Shares	Weighted Average Grant Date Fair Value
Nonvested at December 31, 2025	2,048,090	$ 1.36
Granted	619,187	0.93
Vested	(608,011)	1.35
Forfeited	(10,273)	1.94
Nonvested at March 31, 2026	2,048,993	$ 1.23
Granted	53,940	0.95
Vested	(133,270)	1.23
Forfeited	(610,356)	0.81
Nonvested at June 30, 2026	1,359,307	$ 1.41
Granted	245	4.10
Vested	(6,565)	1.42
Forfeited	(291,588)	0.85
Nonvested at September 30, 2026	1,061,399	$ 1.27

Stock Option Awards

The Company did not grant stock option awards during the nine month period ended September 30, 2026.

Stock-based Compensation expense

Stock-based compensation expense related to all awards issued under the Company's stock compensation plans for the three and nine months ended September 30, 2026 and 2025 was as follows (amounts in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Commission and service costs	$ 118	$ 243	$ 622	$ 1,350
General and administrative	(279)	327	229	1,628
Marketing	—	(8)	1	35
Total stock-based compensation	$ (161)	$ 562	$ 852	$ 3,013

At September 30, 2026, there was no unrecognized compensation cost related to nonvested restricted stock awards.

At September 30, 2026, the total unrecognized compensation cost related to nonvested restricted stock units was $0.5 million, which the Company expects to recognize over a weighted average period of approximately nine months.

The negative stock-based compensation expense for the three months ended September 30, 2026 was primarily attributable to the reversal of previously recognized compensation expense associated with the cancellation of previously granted stock-based awards.

FATHOM HOLDINGS INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 13. Related Party Transactions

In May 2026, the Company and the Holders of the 2024 Notes entered into the Waiver, as discussed in more detail in Note 8 above. Scott Flanders, the chairman of the Company's Board, was a party to the Waiver. As required by the Company's internal policies, this related-party transaction was approved by a majority of the independent, disinterested members of the Company's Board.

In the March 2025 Offering, the Company issued and sold shares of its common stock to certain investors and members of the Company's Board.

The Company leases office space from entities affiliated with certain of our employees. Rent expense was $0.03 million and $0.09 million, for the three and nine months ended September 30, 2026, respectively, and $0.03 million and $0.09 million for the three and nine months ended September 30, 2025, respectively.

Marketing expense for the three and nine months ended September 30, 2026 included approximately $0.0 million and $0.1 million, respectively, paid to related parties in exchange for the Company receiving marketing services. Marketing expenses for the three and nine months ended September 30, 2025 included approximately $0.03 million and $0.2 million, respectively, paid to related parties in exchange for the Company receiving marketing services.

Note 14. Net Loss per Share Attributable to Common Stock

Basic loss per share of common stock is computed by dividing net loss attributable to common shareholders by the weighted average number of shares of common stock outstanding for the period. Diluted loss per share is calculated by adjusting the weighted-average number of shares outstanding for the dilutive effect of common stock equivalents outstanding for the period, determined using the treasury-stock method. Diluted loss per share excludes, when applicable, the potential impact of stock options, unvested shares of restricted stock awards, and common stock warrants because their effect would be anti-dilutive due to net loss.

The calculation of basic and diluted net loss per share attributable to common stock was as follows (amounts in thousands except share data):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Numerator:				
Net loss attributable to common stock—basic and diluted	$ (21,762)	$ (4,357)	$ (36,199)	$ (13,594)
Denominator:				
Weighted-average basic and diluted shares outstanding	33,869,620	29,569,936	33,333,510	26,844,457
Net loss per share attributable to common stock—basic and diluted	$ (0.64)	$ (0.15)	$ (1.09)	$ (0.51)

The following outstanding shares of common stock equivalents were excluded from the computation of the diluted net loss per share attributable to common stock for the periods presented because their effect would have been anti-dilutive:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Stock options	41,723	147,707	41,723	147,707
Non-vested restricted stock awards	206	138,408	206	138,408
Non-vested restricted stock units	1,061,400	2,270,600	1,061,400	2,270,600
Common stock warrants	—	240,100	—	240,100
Convertible debt	1,227,712	1,176,471	1,227,712	1,176,471

FATHOM HOLDINGS INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 15. Income Taxes

In determining the quarterly provision for income taxes, the Company used the annual effective tax rate applied to year-to-date income. The Company's annual estimated effective tax rate differs from the statutory rate primarily as a result of state taxes, permanent differences, and changes in the Company's valuation allowance. The income tax effects of unusual or infrequent items including a change in the valuation allowance as a result of a change in judgment regarding the realizability of deferred tax assets are excluded from the estimated annual effective tax rate and are required to be discretely recognized in the interim period they occur.

The Company has historically maintained a valuation allowance against deferred tax assets and reported only minimal current state tax expense. For each of the three and nine months ended September 30, 2026 the Company recorded income tax expense of approximately $0.02 million and $0.1 million, respectively, and $0.02 million and $0.1 million for the three and nine months ended September 30, 2025, respectively. The Company expects to maintain a valuation allowance on current year remaining net deferred tax assets by year-end due to historical operating losses, but records a net deferred tax liability when reversals of deferred tax liabilities that relate to indefinite-lived intangible assets may not be used in realizing deferred tax assets.

The Company applies the standards on uncertainty in income taxes contained in ASC Topic 740, Accounting for Income Taxes. The application of this interpretation did not have any impact on the Company's condensed consolidated financial statements, as the Company did not have any significant unrecognized tax benefits during the nine months ended September 30, 2026 or the year ended December 31, 2025. Due to the Company's carryforward of net operating losses, the statute of limitations remains open subsequent to and including the year ended December 31, 2015.

On July 4, 2025, the One Big Beautiful Bill Act (the "OBBBA") was signed into law. The OBBBA introduced multiple U.S. federal income tax changes such as deductibility of domestic research and development expenses, deductibility on certain property additions and limitations on interest expense deduction. The Company has assessed the legislation and the impact of these provisions on our condensed consolidated financial statements. The legislation does not have a material impact on the Company's condensed consolidated financial statements.

Note 16. Segment Reporting

The Company's Chief Operating Decision Maker ("CODM") is its Interim Chief Executive Officer (CEO), who is responsible for evaluating the performance of the Company's operating segments and allocating resources. The Company identifies an operating segment as a component: (i) that engages in business activities from which it may earn revenues and incur expenses; (ii) that has available discrete financial information; and (iii) whose operating results are regularly reviewed by the CODM. The Company does not conduct business outside of the United States and no single customer accounts for more than 10% of total revenue in any reporting period.

Our CODM makes operating decisions and assesses performance based on the services of identified operating segments and has identified three operating and reportable segments: Real Estate Brokerage; Mortgage; and Title. Through its Real Estate Brokerage segment, the Company provides real estate brokerage services. Through its Mortgage segment, the Company provides residential loan origination and underwriting services. Through its Title segment, the Company provides title insurance, escrow, and settlement services to facilitate residential real estate transactions. Beginning in the fourth quarter of 2025, the Company determined that its Title operations meet the quantitative thresholds under ASC Topic 280, Segment Reporting, to be presented as a reportable segment. Following the sale of LiveBy in November 2025, the Company no longer presents its Technology operations as a reportable segment, as these activities no longer meet the quantitative thresholds or aggregation criteria for separate disclosure and are now managed and evaluated together with the Company's other operating segments. Prior period segment information has been recast to conform to the current period presentation to reflect this change in reportable segments.

FATHOM HOLDINGS INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The CODM reviews revenue and Adjusted EBITDA to evaluate financial performance of the reportable segments and to allocate resources. Adjusted EBITDA represents the revenues of the operating segment less operating expenses directly attributable to the respective operating segment. Adjusted EBITDA is defined by us as net income (loss), excluding: (i) other income and expense, (ii) costs related to acquisitions, (iii) income taxes, (iv) depreciation and amortization, and (v) share-based compensation expense. In particular, the Company believes the exclusion of non-cash share-based compensation expense related to restricted stock awards and stock options and transaction-related costs provides a useful supplemental measure in evaluating the performance of our operations and provides better transparency into our results of operations. The Company's presentation of Adjusted EBITDA might not be comparable to similar measures used by other companies.

The Company has determined that the main expenses regularly reviewed by the CODM in assessing segment performance are:

- Compensation Expense – Includes salaries and wages for personnel across the Real Estate Brokerage, Mortgage, Title, and Corporate and Other Services functions.
- Commission Expense – Includes commissions and related agent payments incurred in connection with revenue-generating transactions, across the Real Estate Brokerage, Mortgage, Title, and Corporate and Other Services functions.

These expenses are presented within the segment disclosures below as they represent the most significant cost drivers impacting the Company's operating segments and are used by management in evaluating performance, allocating resources, and assessing operating efficiency.

The Company does not allocate assets to its operating segments as they are not included in the review performed by the CODM for purposes of assessing segment performance and allocating resources. The balance sheet is managed on a consolidated basis and is not used in the context of segment reporting.

Key operating data for the reportable segments for the three and nine months ended September 30, 2026 and 2025 are set forth in the tables below (amounts in thousands):

	Three Months Ended September 30, 2026			
	Real Estate Brokerage	**Mortgage**	**Title**	**Total**
Revenue	$ 82,622	$ 4,366	$ 1,588	$ 88,576
Intersegment revenue	—	—	32	32
Total segment revenue	**82,622**	**4,366**	**1,620**	**88,608**
Corporate and other services (a)				433
Elimination of intersegment revenue				(413)
Total revenue				**88,628**
Less:				
Commissions	78,150	1,153	455	
Compensation	1,313	1,642	1,050	
Other segment expenses	3,305	1,990	451	
Adjusted EBITDA by segment	**(146)**	**(419)**	**(336)**	**(901)**
Corporate and other services (a) expenses				(1,377)
Stock based compensation				161
Litigation contingency				(10)
Depreciation and amortization				(4,990)
Impairment				(12,085)
Other income (expense), net				(2,539)
Loss before income tax				$ **(21,741)**

FATHOM HOLDINGS INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

	Three Months Ended September 30, 2025			
	Real Estate Brokerage	Mortgage	Title	Total
Revenue	$ 109,213	$ 3,472	$ 829	$ 113,514
Intersegment revenue	—	—	419	419
Total segment revenue	**109,213**	**3,472**	**1,248**	**113,933**
Corporate and other services (a)				1,830
Elimination of intersegment revenue				(450)
Total revenue				**115,313**
Less:				
Commissions	104,594	946	—	
Compensation	1,432	1,027	381	
Other segment expenses	1,626	1,338	379	
Adjusted EBITDA by segment	**1,561**	**161**	**488**	**2,210**
Corporate and other services (a) expenses				(2,203)
Stock based compensation				(562)
Litigation contingency				(2,000)
Depreciation and amortization				(1,483)
Other expense (income), net				(295)
Loss before income tax				$ **(4,333)**

	Nine Months Ended September 30, 2026			
	Real Estate Brokerage	Mortgage	Title	Total
Revenue	$ 270,930	$ 13,530	$ 5,120	$ 289,580
Intersegment revenue	—	—	95	95
Total segment revenue	**270,930**	**13,530**	**5,215**	**289,675**
Corporate and other services (a)				1,205
Elimination of intersegment revenue				(1,238)
Total revenue				**289,642**
Less:				
Commissions	257,762	3,597	821	
Compensation	3,988	4,496	2,974	
Other segment expenses	11,250	5,923	2,102	
Adjusted EBITDA by segment	**(2,070)**	**(486)**	**(682)**	**(3,238)**
Corporate and other services (a) expenses				(5,837)
Stock based compensation				(852)
Litigation contingency				(215)
Depreciation and amortization				(8,920)
Impairment				(12,085)
Other income (expense), net				(4,988)
Loss before income tax				$ **(36,135)**

FATHOM HOLDINGS INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

	Nine Months Ended September 30, 2025			
	Real Estate Brokerage	**Mortgage**	**Title**	**Total**
Revenue	$ 314,067	$ 9,391	$ 2,109	$ 325,567
Intersegment revenue	—	—	1,257	1,257
Total segment revenue	**314,067**	**9,391**	**3,366**	**326,824**
Corporate and other services (a)				4,399
Elimination of intersegment revenue				(1,352)
Total revenue				**329,871**
Less:				
Commissions	300,339	2,633	—	
Compensation	4,282	3,123	1,221	
Other segment expenses	4,199	3,938	1,394	
Adjusted EBITDA by segment	**5,247**	**(303)**	**751**	**5,695**
Corporate and other services (a) expenses				(7,132)
Stock based compensation				(3,013)
Litigation contingency				(2,011)
Depreciation and amortization				(4,380)
Other expense (income), net				(2,651)
Loss before income tax				$ **(13,492)**

(a) Transactions between segments are eliminated in consolidation. Such amounts are eliminated through the Corporate and other services line.

FATHOM HOLDINGS INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 17. Acquisition and Sale of Business

Acquisitions

In October 2025, the Company acquired START Real Estate ("START"), a real estate brokerage business in the Colorado real estate market, for total consideration of approximately $1.2 million. The purchase price included initial cash consideration of approximately $0.2 million and 157,356 shares of the Company's common stock with an acquisition date fair value of $0.3 million. Contingent consideration with an initial estimated present value of $0.7 million is due upon the occurrence of certain milestones. The Company will pay the contingent consideration, which may be paid in cash or shares of common stock at the Company's discretion, equal to the amount by which START's net income exceeds defined thresholds during each fiscal year through December 31, 2028. The acquisition was accounted for as a business combination in accordance with ASC Topic 805. Assets acquired and liabilities assumed in the individual acquisitions were recorded on the Company's consolidated balance sheet at their estimated fair values as of acquisition date, including current assets of $0.04 million and accounts payable and accrued liabilities of $0.1 million. The Company recorded finite-lived intangible assets of approximately $0.8 million and goodwill of approximately $0.3 million. None of the goodwill is expected to be deductible for income tax purposes.

Sale of Business

On November 28, 2025, the Company completed the sale of its LiveBy business (the "LiveBy Disposal Group"), to a third party. The LiveBy Disposal Group had been included in the Company's Technology segment. The purchase price included cash of $3.0 million, excluding closing adjustments. The sale also provided the Company access to certain LiveBy technology products for a period of five years, commencing on the closing date, at no cost. The future use of LiveBy products was treated as non-cash consideration in the sale and measured at fair value using the income approach. The fair value was determined by estimating the discrete future cash flows attributable to the use of the products over the contractual term of five years, and discounting those cash flows to their present value using a risk-adjusted discount rate of 15.5%. The Company recognized an intangible asset of approximately $4.0 million related to the data usage which will be amortized over its five-year contractual life.

The LiveBy Disposal Group did not meet the requirements to be classified as discontinued operations, as the sale did not materially affect the Company's operations and did not represent a strategic shift for the Company.

Note 18. Commitments and Contingencies

Legal Proceedings

From time to time the Company is involved in litigation, claims, and other proceedings arising in the ordinary course of business. Such litigation and other proceedings may include actions relating to employment law and misclassification of agents as independent contractors, intellectual property, commercial or contractual claims, brokerage or real estate disputes, or other consumer protection statutes, ordinary-course brokerage disputes like the failure to disclose property defects, commission disputes, and various liabilities based upon conduct of individuals or entities, including agents and third-party contractor agents. Litigation and other disputes are inherently unpredictable and subject to substantial uncertainties and unfavorable resolutions could occur.

In September 2024, Fathom Realty, a wholly-owned subsidiary of the Company, reached a nationwide settlement related to claims asserted in Burnett v. The National Association of Realtors, et al. As part of the settlement, Fathom Realty paid $0.5 million into a settlement fund on October 1, 2025, and an additional $0.5 million on January 2, 2026. The settlement payment of $1.95 million, originally due on October 1, 2026, was not made when due. The Company has proposed satisfying the remaining obligation through principal installment payments of $0.1 million by December 31, 2026, $0.5 million by June 30, 2027, $0.5 million by December 31, 2027, and $0.85 million by May 31, 2028, bearing interest at an annual rate of 3.0%. Although the proposed payment arrangement has not been formally agreed to by the plaintiff, the Company has received indication that, provided it makes the payments in accordance with this proposed schedule, the plaintiff does not intend to pursue further legal action with respect to the settlement obligation. As of September 30, 2026, the Company has recorded the remaining settlement obligation on its consolidated balance sheet in accrued and other current liabilities.

FATHOM HOLDINGS INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As previously reported in a Current Report on Form 8-K filed on November 28, 2023, the Company has been named as a defendant in a purported class action complaint in the United States District Court for the Eastern District of Texas Sherman Division, filed on November 13, 2023, by plaintiffs QJ Team, LLC and Five Points Holdings, LLC, individually and on behalf of all other persons similarly situated. A second purported class action complaint was filed on December 14, 2023, by plaintiffs Julie Martin, Mark Adams and Adelaida Matta in the same court, naming the Company as a defendant along with others, many of whom are also named in the first lawsuit. These lawsuits are purportedly brought on behalf of a class consisting of all persons who listed properties on a Multiple Listing Service in Texas (the "MLS") using a listing agent or broker affiliated with one of the defendants named in the lawsuits and paid a buyer broker commission beginning on November 13, 2019. The lawsuits allege unlawful conspiracy in violation of federal antitrust law and, against certain defendants (but not the Company) deceptive trade practices under the Texas Deceptive Trade Practices Act. The Company opted into a settlement between a nationwide plaintiff class and the NAR by executing a Supplemental Settlement Agreement in June 2024 (the "NAR Settlement"). On November 26, 2024, the court approved the NAR Settlement over objections. The final approval order is currently being appealed, and the Company is actively monitoring. If the NAR Settlement is sustained on appeal, it is expected to resolve claims against the Company related to this matter.

A third purported class action complaint was filed on April 11, 2024, by plaintiffs Shauntell Burton, Benny D. Cheatham, Robert Douglass, Douglas Fender, and Dana Fender in the United States District Court for the District of South Carolina. Like the Texas lawsuits, the South Carolina lawsuit alleges unlawful conspiracy in violation of federal antitrust law and is purportedly brought on behalf of a class consisting of all persons who used a listing broker in the sale of a home listed on an MLS in the District of South Carolina beginning on November 6, 2019. The case is currently stayed pending the final approval of the settlement between a nationwide plaintiff class and the NAR. As discussed above, the Company opted into a settlement between a nationwide plaintiff class and the NAR by executing a Supplemental Settlement Agreement in June 2024. The court approved the NAR Settlement over objections on November 26, 2024, and the approval is subject to appeal. If the NAR Settlement is sustained on appeal, it is expected to resolve claims against the Company related to this matter.

A fourth purported class action was filed against Fathom Realty, LLC and other real estate brokers on September 26, 2024 on behalf of buyers of residential property nationwide, and with an Illinois-specific sub-class. In the complaint, the Plaintiffs allege that Defendants conspired to raise buyer broker commissions in violation of Section 1 of the Sherman Act, the Illinois Antitrust Act, and the Illinois Consumer Fraud and Deceptive Business Practices Act. On December 16, 2024, the Company filed a Motion to Dismiss for Failure to State a Claim, and the plaintiffs filed an amended complaint in January 2025. The parties have agreed in principle to a settlement amount of $0.3 million, payable in three installments; however, the agreement remains subject to negotiation and execution of a mutually acceptable settlement agreement. The Company has included $0.2 million in accrued and other current liabilities and $0.1 million in other long-term liabilities in its consolidated balance sheet as of September 30, 2026.

My Home Group, which the Company acquired in November 2024, is a defendant in a lawsuit filed in January 2024 in the United States District Court for the District of Arizona. On February 5, 2026, the Court granted final approval of the settlement. The period to file any appeals expired on March 9, 2026, and no appeals were filed, making the settlement final. The total settlement amount is $1.0 million. As of September 30, 2026, the Company had paid a total of $0.5 million. The remaining $0.5 million is due on or before March 9, 2027. Accordingly, the Company has recorded $0.5 million in other current liabilities in its consolidated balance sheet as of September 30, 2026.

Fathom Realty, LLC was a defendant in a lawsuit filed in August 2024 in the United States District Court for the Southern District of Florida. The Court granted final approval of the settlement, resolving the matter. The total settlement amount was approximately $1.1 million. The Company made a settlement payment of approximately $0.8 million on May 26, 2026, an additional payment of approximately $0.2 million on July 1, 2026, and the final payment of approximately $0.2 million on August 24, 2026.

On January 28, 2026 the Company received written notice from TotalBrokerage alleging that MHG failed to remit certain subscription fees due in January 2026 under the parties' subscription agreement (the "TotalBrokerage Agreement"). The TotalBrokerage matter involves an alleged claim amount of approximately $1.0 million.

FATHOM HOLDINGS INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The Company is currently evaluating the claims asserted by TotalBrokerage and assessing its contractual rights and obligations under the TotalBrokerage Agreement. At this time, the Company cannot reasonably estimate the ultimate outcome of this matter or determine whether a loss contingency exists or the amount of any potential loss, if any. Accordingly, no accrual has been recorded as of September 30, 2026. The Company will continue to evaluate this matter and will record a liability in a future period if and when a loss becomes probable and reasonably estimable.

Other than the NAR Settlement above, we cannot predict with certainty the cost of our defense, the cost of prosecution, insurance coverage, or the ultimate outcome of the lawsuits and any others that might be filed in the future, including remedies or damage awards. Adverse results in such litigation might harm our business and financial condition. Moreover, defending these lawsuits, regardless of their merits, could entail substantial expense and require the time and attention of management.

Assets in Escrow

In conducting its operations, the Company routinely holds customers' assets in escrow, pending completion of real estate transactions, and is responsible for the proper disposition of these balances for its customers. Certain of these amounts are maintained in segregated bank accounts and have not been included in the accompanying condensed consolidated balance sheets, consistent with GAAP and industry practice. The balance amounted to $4.2 million and $3.2 million at September 30, 2026 and December 31, 2025, respectively.

Encompass Net Worth Requirements

To maintain approval from the U.S. Department of Housing and Urban Development to operate as a Title II non-supervised mortgagee, our indirect subsidiary Encompass is required to have adjusted net worth of $1.0 million as of each December 31 and must maintain liquid assets (cash, cash equivalents, or readily convertible instruments) of at least $0.2 million. As of December 31, 2025, Encompass had adjusted net worth of approximately $2.3 million and liquid assets of $2.3 million.

Commitments to Extend Credit

Encompass enters into IRLCs with borrowers who have applied for residential mortgage loans and have met certain credit and underwriting criteria. These commitments expose Encompass to market risk if interest rates change and the underlying loan is not economically hedged or committed to a purchaser. Encompass is also exposed to credit loss if the loan is originated and not sold to a purchaser and the mortgagor does not perform. The collateral upon extension of credit is typically a first deed of trust in the mortgagor's residential property. Commitments to originate loans do not necessarily reflect future cash requirements as commitments are expected to expire without being drawn upon.

Regulatory Commitments

Encompass is subject to periodic audits and examinations, both formal and informal in nature, from various federal and state agencies, including those made as part of the regulatory oversight of mortgage origination, servicing and financing activities. Such audits and examinations could result in additional actions, penalties or fines by state or federal government bodies, regulators or the courts.

FATHOM HOLDINGS INC.
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 19. Subsequent Events

Termination of the Merger Agreement

On October 5, 2026, the Company and Neighborhood Intelligence, Inc. ("NXH"), formerly known as Bed Bath & Beyond, Inc., entered into a Termination Agreement terminating the Merger Agreement and Plan of Reorganization previously entered into on June 16, 2026. Under the Merger Agreement, NXH's wholly-owned subsidiary was to merge with and into the Company, with the Company surviving as a wholly-owned subsidiary of NXH. In connection with the termination, neither party is obligated to pay a termination fee.

The Company has evaluated subsequent events through the date these financial statements were issued and has determined that, other than the matters discussed above, there were no events or transactions occurring during this period that would require recognition or disclosure in the condensed consolidated financial statements.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

The Company's consolidated operating results are affected by a wide variety of factors that could materially and adversely affect revenues and profitability, including the risk factors described in our most recent Annual Report on Form 10-K, as amended (the "Form 10-K"), and the risk factors described in this quarterly report. As a result of these and other factors, the Company may experience material fluctuations in future operating results on a quarterly or annual basis, which could materially and adversely affect its business, consolidated financial condition, liquidity, operating results, and common stock prices. Furthermore, this quarterly report, the Form 10-K, and other documents filed by the Company with the Securities and Exchange Commission ("SEC") contain certain forward-looking statements under the Private Securities Litigation Reform Act of 1995 ("Forward-Looking Statements") with respect to the business of the Company. Forward-Looking Statements are necessarily subject to risks and uncertainties, many of which are outside our control, that could cause actual results to differ materially from these statements. Forward-Looking Statements can be identified by such words as "anticipate," "believe," "goals," "estimate," "expect," "intend," "may," "might," "plan," "predict," "project," "target," "potential," "will," "would," "could," "should," "continue," "forecast" and similar references to future periods. All statements other than statements of historical facts included in this report regarding our strategies, prospects, financial condition, operations, costs, plans and objectives and inflation are Forward-Looking Statements. These Forward-Looking Statements are subject to certain risks and uncertainties, including those detailed in the Form 10-K, our Form 10-Q for the period ended June 30, 2026, and in the risk factors described in this quarterly report, which could cause actual results to differ materially from these Forward-Looking Statements. Except as required by law, the Company undertakes no obligation to publicly release the results of any revisions to these Forward-Looking Statements which may be necessary to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events. Any Forward-Looking Statement made by the Company is based only on information currently available to us and speaks only as of the date on which it is made.

The terms the "Company," "Fathom," "we," "us," and "our" as used in this report refer to Fathom Holdings Inc. and its consolidated subsidiaries unless otherwise specified.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

The information in this Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") should be read in conjunction with the Company's consolidated financial statements and the related notes set forth in Item 1 of Part I of this Quarterly Report on Form 10-Q, our MD&A set forth in the Form 10-K, and our audited consolidated financial statements and related notes set forth in the Form 10-K. See Part II, Item 1A, "Risk Factors," below, and "Special Note Regarding Forward-Looking Statements," above, and the information referenced therein, for a description of risks that we face and important factors that we believe could cause actual results to differ materially from those in our forward-looking statements. All statements herein regarding potential risks constitute forward-looking statements. When we cross-reference to a "Note," we are referring to our "Notes to Unaudited Condensed Consolidated Financial Statements," unless the context indicates otherwise. All amounts noted within the tables are in thousands except per share amounts or where otherwise noted and percentages are approximate due to rounding.

Overview

Fathom Holdings Inc. (the "Company", "our", "we"), headquartered in Cary, North Carolina, is a national, technology-driven, end-to-end real estate services company integrating residential brokerage, mortgage, title, and software-as-a-service ("SaaS") offerings for brokerages and agents. The Company's brands include Fathom Realty, Encompass Lending, intelliAgent, Real Results, MHG and Verus Title. Our primary operation, Fathom Realty (as defined below), operates as a real estate brokerage company, working with real estate agents to help individuals purchase and sell residential and commercial properties, primarily in the South, Atlantic, Southwest, and Western parts of the United States, with the intention of expanding into all states.

Fathom Realty Holdings, LLC, a Texas limited liability company ("Fathom Realty"), is a wholly-owned subsidiary of Fathom Holdings Inc. Fathom Realty owns 100% of 43 subsidiaries, each an LLC representing the state in which the entity operates (e.g. Fathom Realty NJ, LLC).

Corporate Developments During 2026

During 2026, the Company implemented several leadership and growth initiatives to support agent productivity, expansion, and long-term operational performance.

Effective February 9, 2026, the Company appointed Lori Muller as President of Fathom Realty. Ms. Muller brings more than two decades of leadership experience in residential real estate, most recently serving as President of the U.S. Organization at EXIT Realty Corp. International, where she oversaw brokerage operations, agent growth, and strategic initiatives across a nationwide network of more than 25,000 agents.

On February 17, 2026, the Company appointed Stephanie Verderose as Vice President of Growth, a newly created role. Ms. Verderose reports directly to Ms. Muller and is responsible for leading initiatives focused on agent production, agent attraction and retention, and community development. Ms. Verderose is a seasoned real estate executive, speaker, and trainer, and a Senior Certified Coach with Workman Success Systems, bringing 39 years of industry experience.

On March 5, 2026, EXIT Homestead Realty Professionals joined Fathom Realty, adding more than 50 agents and expanding the Company's presence in the South New Jersey market. This transition enhances the Company's growing national network and provides the incoming agents with access to the Company's proprietary intelliAgent platform, comprehensive training programs, and Fathom Elevate concierge offering.

Rising Interest Rates and Other Risks

Our business is dependent on the economic conditions within the markets in 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 increasing home sales transactions and home sales prices. Similarly, a decline in economic growth, uncertainty surrounding interest rates and declining consumer confidence generally decreases demand. These are the trends we have been facing. Additionally, industry litigation, and regulations imposed by local, state, and federal government agencies can also negatively impact the housing markets in which we operate. Finally, national and global events, including geopolitical instability, can impact economic conditions and financial markets, including interest rates, which can adversely impact the housing market.

On October 31, 2023, a federal jury in Missouri found that the National Association of Realtors (the "NAR") and certain companies conspired to artificially inflate brokerage commissions, which violates federal antitrust law. The judgment was appealed on October 31, 2023, while the plaintiffs have now sued a number of other companies, including us. See Part II, Item 1 below. On or about March 15, 2024, NAR agreed to settle these lawsuits, by agreeing to pay $418 million over approximately four years, and changing certain of its rules surrounding agent commissions. In accordance with the terms of the settlement, effective August 17, 2024, NAR put in place a new rule prohibiting offers of compensation on the MLS and adopted new rules requiring written agreements between buyers and buyers' agents. However, the direct and indirect effects, if any, of the litigation upon the real estate industry are not yet entirely clear.

There could also be further changes in real estate industry practices. All of this has prompted discussion of changes to rules established by local or state real estate boards or multiple listing services. All of this may require changes to many brokers' business models, including changes in agent and broker compensation. For example, many of our competitors may need to develop mechanisms and a plan that enable buyers and sellers to negotiate commissions. In contrast, our flat fee per real estate transaction model has always enabled our agents to negotiate their own fees. Our flat fee allows our agents greater ability to negotiate commissions, and we have no direct incentive to interfere with their doing so. Our flat fee per real estate transaction model enables our agents to freely settle their transaction commissions at their own discretion, and our revenue share models enable our agents to freely settle their transaction commissions at their own discretion. The Company will continue to monitor ongoing and similar antitrust litigation against our competitors, however, as our agent compensation model fully supports commission negotiation, we do not expect to have to change our compensation model in a manner that would adversely affect our financial condition and results of operations. However, the litigation and its ramifications could cause unforeseen turmoil in our industry, the impacts of which could have a negative effect on us as an industry participant.

We believe that our strategic recruiting and acquisition strategy supported by our new competitive revenue share program have positioned our businesses for profitable growth in the future.

Real Estate Agents

Due to our low-overhead business model, which leverages our proprietary technology, we can offer our agents the ability to keep significantly more of their commissions compared to traditional real estate brokerage firms. We believe we offer our agents some of the best technology, training, and support available in the industry. We believe our business model and our focus on treating our agents well will attract more agents and higher-producing agents.

As of September 30, 2026 and September 30, 2025, we had approximately 6,801 and 13,931 agents, respectively, representing a decline of approximately 51.2%. The decrease in agent count during the period was primarily driven by a strategic review and rationalization of the Company's agent base, including the removal of inactive and non-producing agents. As a result, the Company recast its agent count as of September 30, 2025 for comparative purposes.

Reportable Segments

The Company's Chief Operating Decision Maker ("CODM") is its Interim Chief Executive Officer (CEO), who is responsible for evaluating the performance of the Company's operating segments and allocating resources. The Company identifies an operating segment as a component: (i) that engages in business activities from which it may earn revenues and incur expenses; (ii) that has available discrete financial information; and (iii) whose operating results are regularly reviewed by the CODM. The Company does not conduct business outside of the United States and no single customer accounts for more than 10% of total revenue in any reporting period.

Our CODM makes operating decisions and assesses performance based on the services of identified operating segments and has identified three operating and reportable segments: Real Estate Brokerage; Mortgage; and Title. Through its Real Estate Brokerage segment, the Company provides real estate brokerage services. Through its Mortgage segment, the Company provides residential loan origination and underwriting services. Through its Title segment, the Company provides title insurance, escrow, and settlement services to facilitate residential real estate transactions. Beginning in the fourth quarter of 2025, the Company determined that its Title operations meet the quantitative thresholds under ASC Topic 280, Segment Reporting, to be presented as a reportable segment. Following the sale of LiveBy in November 2025, the Company no longer presents its Technology operations as a reportable segment, as these activities no longer meet the quantitative thresholds or aggregation criteria for separate disclosure and are now managed and evaluated together with the Company’s other operating segments. Prior period segment information has been recast to conform to the current period presentation to reflect this change in reportable segments.

The CODM reviews revenue and Adjusted EBITDA to evaluate financial performance of the reportable segments and to allocate resources. Adjusted EBITDA represents the revenues of the operating segment less operating expenses directly attributable to the respective operating segment. Adjusted EBITDA is defined by us as net income (loss), excluding: (i) other income and expense, (ii) costs related to acquisitions, (iii) income taxes, (iv) depreciation and amortization, and (v) share-based compensation expense. In particular, the Company believes the exclusion of non-cash share-based compensation expense related to restricted stock awards and stock options and transaction-related costs provides a useful supplemental measure in evaluating the performance of our operations and provides better transparency into our results of operations. The Company’s presentation of Adjusted EBITDA might not be comparable to similar measures used by other companies.

The Company has determined that the main expenses regularly reviewed by the CODM in assessing segment performance are:

- Compensation Expense – Includes salaries and wages for personnel across the Real Estate Brokerage, Mortgage, Title, and Corporate and Other Services functions.
- Commission Expense – Includes commissions and related agent payments incurred in connection with revenue-generating transactions, across the Real Estate Brokerage, Mortgage, Title, and Corporate and Other Services functions.

These expenses are presented within the segment disclosures below as they represent the most significant cost drivers impacting the Company’s operating segments and are used by management in evaluating performance, allocating resources, and assessing operating efficiency.

The Company does not allocate assets to its operating segments as they are not included in the review performed by the CODM for purposes of assessing segment performance and allocating resources. The balance sheet is managed on a consolidated basis and is not used in the context of segment reporting.

Components of Our Results of Operations

Revenue

Our revenue primarily consists of commissions generated from real estate brokerage services. We also have other service revenue, including mortgage lending, title insurance, and SaaS revenues.

Gross commission income

We recognize commission-based revenue on the closing of a transaction, less the amount of any closing-cost reductions. Revenue is affected by the number of real estate transactions we close, the mix of transactions, home sale prices, and commission rates.

Other Services Revenue

Mortgage Lending Revenue

We recognize revenue streams for our mortgage lending services business which are primarily comprised of loans sold, origination and other fees.

The gain on sale of mortgage loans represents the difference between the net sales proceeds and the carrying value of the mortgage loans sold and includes the servicing rights release premiums.

Servicing rights release premiums represent one-time fee revenues earned for transferring the risk and rewards of ownership of servicing rights to third parties.

Retail origination fees are principally revenues earned from loan originations and recorded in the statement of operations in other service revenue. Direct loan origination costs and expenses associated with the loans are charged to expenses when the loans are sold. Interest income is interest earned on originated loans prior to the sale of the asset.

Title Service Revenues

Title services revenue includes fees charged for title search and examination, property settlement and title insurance services provided in association with property acquisitions and refinance transactions.

SaaS Revenues

The Company generated revenue from subscription and services related to the use of the LiveBy platform. The SaaS contracts are generally annual contracts paid monthly in advance of service and cancellable upon 30 days' notice after the first year. The Company's subscription arrangements do not provide customers with the right to take possession of the software supporting the platform. Subscription revenue, which includes support, is recognized on a straight-line basis over the non-cancellable contractual term of the arrangement, generally beginning on the date that the Company's service is made available to the customer and is recorded as other service revenue in the statement of operations. The Company sold LiveBy in November 2025.

Operating Expenses

Commission and service costs

Commission and service costs consist primarily of agent commissions, less fees paid by the Company to agents, order fulfillment, share-based compensation for agents, title searches, and direct cost to fulfill the services provided for our brokerage, mortgage lending, title service and other services provided.

Technology and development

Technology and development expenses primarily include personnel costs, related to ongoing development and maintenance of proprietary software for use by our own agents, customers, and support staff. Such personnel costs include base pay, bonuses, benefits, and share based compensation. Technology and development expenses also include amortization of capitalized software and development costs, data licenses, other software, and equipment costs, as well as infrastructure and operational expenses, such as, for data centers, communication, and hosted services.

General and administrative

General and administrative expenses consist primarily of fees for professional services and personnel costs, including base pay, bonuses, benefits, and share based compensation. Professional services principally consist of external legal, audit, and tax services. In the short term, we expect general and administrative expenses to increase in absolute dollars due to the anticipated growth of our business and to meet the increased compliance requirements associated with operation as a public company. However, in the long term, we anticipate general and administrative expenses as a percentage of revenue to decrease over time, if and when revenue increases.

Marketing

Marketing expenses consist primarily of online and traditional advertising, as well as costs for marketing and promotional materials. Advertising costs are expensed as they are incurred. We expect marketing expenses to increase in absolute dollars as we continue to expand our advertising programs, and promote our newly acquired business lines, but we anticipate marketing expenses as a percentage of revenue to decrease over time, if and when revenue increases.

Litigation contingency

Litigation contingency expenses consist primarily of litigation costs related to the settlement related to claims asserted in Burnett v. The National Association of Realtors, et al.

Depreciation and amortization

Depreciation and amortization represent how we expense our fixed and intangible assets other than capitalized software. Depreciation expense is recorded on a straight-line method, based on estimated useful lives of five years for computer hardware, seven years for furniture and equipment and seven years for vehicles. Leasehold improvements are depreciated over the lesser of the life of the lease term or the useful life of the improvements. Amortization expense consists of amortization recorded on acquisition-related intangible assets, excluding purchased software. Customer relationships are amortized on an accelerated basis, which coincides with the period of economic benefit we expect to receive. All other finite-lived intangibles are amortized on a straight-line basis over the term of the expected benefit. Purchased software and capitalized software development costs are amortized on a straight-line basis over the term of the expected benefit and the respective amortization expense is included in technology and development expense. In accordance with U.S. Generally Accepted Accounting Principles (“GAAP”), we do not amortize goodwill.

Impairment

Impairment expenses consist primarily of charges resulting from reductions in the carrying value of goodwill, intangible assets and other long-lived assets when their carrying amounts are not recoverable or exceed their estimated fair values. These charges may fluctuate from period to period depending on changes in business operations, market conditions, and the Company's assessment of the future economic benefits of its assets.

Income Taxes

Income tax expense primarily consists of deferred tax liabilities in excess of the Company's deferred tax assets and also includes current state income tax expense not offset by state net operating loss carryforwards.

Results of Operations

Comparison of the Three Months Ended September 30, 2026 and 2025 (dollar amounts in thousands)

Revenue

	Three Months Ended September 30,		Change	
	2026	2025	Dollars	Percentage
Gross commission income	$ 82,622	$ 109,213	$ (26,591)	(24.3)%
Other service revenue	6,006	6,100	(94)	(1.5)%
Revenue	$ 88,628	$ 115,313	$ (26,685)	(23.1)%

For the three months ended September 30, 2026, gross commission income decreased by approximately $26.6 million, or 24.3%, as compared with the three months ended September 30, 2025. This decrease was primarily attributable to a 26.0% decrease in transaction volume; specifically, we had 8,499 real estate transactions during the three months ended September 30, 2026, compared to 11,479 transactions during the three months ended September 30, 2025. Our transaction volume decreased primarily due to a reduction in our agent count and continued softness in existing home sales. During the three months ended September 30, 2026, average revenue per transaction was $9,721, a 2.2% increase, as compared to $9,514 during the three months ended September 30, 2025, which is primarily attributable to higher transaction volumes generated through the Fathom Elevate plan, the Company's concierge-level plan.

For the three months ended September 30, 2026, other service revenue decreased by approximately $0.1 million, or 1.5%, as compared with the three months ended September 30, 2025. This decrease was primarily attributable to the sale of our LiveBy business in November 2025.

	Three Months Ended September 30,		Change	
	2026	2025	Dollars	Percentage
Commission and service costs	$ 81,228	$ 105,743	$ (24,515)	(23.2)%
General and administrative	7,504	8,261	(757)	(9.2)%
Marketing	1,065	979	86	8.8%
Technology and development	5,401	1,818	3,583	197.1%
Litigation contingency	10	2,000	(1,990)	(99.5)%
Depreciation and amortization	537	550	(13)	(2.4)%
Impairment	12,085	—	12,085	100.0%
Total operating expenses	$ 107,830	$ 119,351	$ (11,521)	(9.7)%

For the three months ended September 30, 2026, commission and service costs decreased by approximately $24.5 million, or 23.2%, as compared with the three months ended September 30, 2025. Commission and service costs primarily includes costs related to agent commissions, net of fees paid to us by our agents. These costs generally correlate with recognized revenues. As such, the decrease in commission and service costs compared to the same period in 2025 was primarily attributable to a decrease in agent commissions.

For the three months ended September 30, 2026, general and administrative expenses decreased by approximately $0.8 million, or 9.2%, as compared with the three months ended September 30, 2025. The decrease was primarily attributable to ongoing cost reduction initiatives, lower personnel-related expenses, and reduced professional fees as the Company continued to streamline its operations and manage its overall cost structure.

For the three months ended September 30, 2026, total marketing expenses increased by approximately $0.1 million, or 8.8%, as compared with the three months ended September 30, 2025. The increase was primarily due to the Company's investment in growth.

For the three months ended September 30, 2026, total technology and development expenses increased by approximately $3.6 million, or 197.1%, as compared with the three months ended September 30, 2025. The increase was primarily attributable to accelerated amortization of capitalized software costs resulting from changes in the Company's technology platforms and the planned discontinuation of certain internally developed software applications.

For the three months ended September 30, 2026, total litigation contingency expenses decreased by approximately $2.0 million, or 99.5%, as compared with the three months ended September 30, 2025. The decrease was primarily attributable to the recognition of litigation settlement expense in the prior-year period associated with the preliminary approval of the settlement of the Fathom Realty lawsuit filed in August 2024 in the United States District Court for the Southern District of Florida. See Part II, Item 1 for a discussion of the lawsuit.

For the three months ended September 30, 2026, depreciation and amortization expenses decreased by approximately $0.01 million, or 2.4%, as compared with the three months ended September 30, 2025. The decrease was due to the absence of amortization related to our LiveBy business that we sold in November 2025.

For the three months ended September 30, 2026, impairment expenses increased by approximately $12.1 million, or 100.0% as compared with the three months ended September 30, 2025. The increase was primarily attributable to goodwill and intangible asset impairment charges recognized, primarily related to Encompass, during the current period as a result of changes in the Company's business operations.

Income Taxes

The Company recorded income tax (benefit) expense of approximately $0.02 million for each of the three months ended September 30, 2026 and 2025. This tax expense is primarily the result of current state income tax liabilities and deferred tax expense related to deferred tax liabilities that cannot be fully offset by deferred tax assets.

Comparison of the Nine Months Ended September 30, 2026 and 2025 (dollar amounts in thousands)

	Nine Months Ended September 30,		Change	
	2026	2025	Dollars	Percentage
Gross commission income	$ 270,930	$ 314,067	$ (43,137)	(13.7)%
Other service revenue	18,712	15,804	2,908	18.4%
Total revenue	$ 289,642	$ 329,871	$ (40,229)	(12.2)%

For the nine months ended September 30, 2026, gross commission income decreased by approximately $43.1 million, or 13.7%, as compared with the nine months ended September 30, 2025. This decrease was primarily attributable to a 17.8% decrease in transaction volume; we had 27,857 real estate transactions during the nine months ended September 30, 2026, compared to 33,904 transactions during the nine months ended September 30, 2025. Our transaction volume decreased primarily due to a reduction in our agent count and continued softness in existing home sales. During the nine months ended September 30, 2026, average revenue per transaction was $9,726, a 5.0% increase compared to $9,263 during the nine months ended September 30, 2025, primarily attributable to higher transaction volumes generated through the Fathom Elevate plan.

For the nine months ended September 30, 2026, other service revenue increased by approximately $2.9 million, or 18.4%, as compared with the nine months ended September 30, 2025. This increase was primarily attributable to growth in title service transaction volume, reflecting organic expansion, increased walkover activity, and continued growth in the Company’s mortgage business.

	Nine Months Ended September 30,		Change	
	2026	2025	Dollars	Percentage
Commission and service costs	$ 265,651	$ 302,815	$ (37,164)	(12.3)%
General and administrative	27,462	24,881	2,581	10.4%
Marketing	3,968	3,753	215	5.7%
Technology and development	9,778	5,594	4,184	74.8%
Litigation contingency	215	2,011	(1,796)	(89.3)%
Depreciation and amortization	1,630	1,658	(28)	(1.7)%
Impairment	12,085	—	12,085	100.0%
Total operating expenses	$ 320,789	$ 340,712	$ (19,923)	(5.8)%

For the nine months ended September 30, 2026, commission and service costs decreased by approximately $37.2 million, or 12.3%, as compared with the nine months ended September 30, 2025. Commission and service costs primarily includes costs related to agent commissions, net of fees paid to us by our agents. These costs generally correlate with recognized revenues. As such, the decrease in commission and service costs compared to the same period in 2025 was primarily attributable to a decrease in agent commissions.

For the nine months ended September 30, 2026, general and administrative expenses increased by approximately $2.6 million, or 10.4%, as compared with the nine months ended September 30, 2025. The increase was primarily attributable to higher bad debt expense associated with agent fees.

For the nine months ended September 30, 2026, total marketing expenses increased by approximately $0.2 million, or 5.7%, as compared with the nine months ended September 30, 2025. The increase was primarily due to the Company's investment in growth.

For the nine months ended September 30, 2026, total technology and development expenses increased by approximately $4.2 million, or 74.8%, as compared with the nine months ended September 30, 2025. The increase was primarily attributable to accelerated amortization of capitalized software costs resulting from changes in the Company's technology platforms and the planned discontinuation of certain internally developed software applications.

For the nine months ended September 30, 2026, total litigation contingency expenses decreased by approximately $1.8 million, or 89.3%, as compared with the nine months ended September 30, 2025. The decrease was primarily attributable to the recognition of litigation settlement expense in the prior-year period associated with the preliminary approval of the settlement of the Fathom Realty lawsuit filed in August 2024 in the United States District Court for the Southern District of Florida. See Part II, Item 1 for a discussion of the lawsuit.

For the nine months ended September 30, 2026, depreciation and amortization expenses decreased by approximately $28 thousand, or 1.7%, as compared with the nine months ended September 30, 2025. The decrease was due to the absence of amortization related to our LiveBy business that we sold in November 2025.

For the nine months ended September 30, 2026, impairment expenses increased by approximately $12.1 million, or 100.0% as compared with the nine months ended September 30, 2025. The increase was primarily attributable to goodwill and intangible asset impairment charges recognized, primarily related to Encompass, during the current period as a result of changes in the Company's business operations.

Income Taxes

The Company recorded income tax expense of approximately $0.1 million for each of the nine months ended September 30, 2026 and 2025. This tax expense is primarily the result of current state income tax liabilities and deferred tax expense related to deferred tax liabilities that cannot be fully offset by deferred tax assets.

Liquidity and Capital Resources (dollar amounts in thousands)

Capital Resources

	September 30, 2026	December 31, 2025	Change	
			Dollars	Percentage
Current assets	19,836	35,920	(16,084)	(44.8)%
Current liabilities	35,555	33,897	1,658	4.9%
Net working capital	$ (15,719)	$ 2,023	$ (17,742)	(877.0)%

To date, our principal sources of liquidity have been the net proceeds we received through public offerings and private sales of our common stock, the sale of businesses, as well as proceeds from loans. As of September 30, 2026, our cash and cash equivalents (including restricted cash) totaled approximately $3.6 million, which represented a decrease of approximately $2.2 million compared to December 31, 2025. As of September 30, 2026, we had net working capital of approximately negative $15.7 million, which represented a decrease of $17.7 million compared to December 31, 2025. As noted above, in May 2024 we sold our wholly-owned subsidiary, Dagley Insurance Agency for approximately $15.0 million in cash, $7.4 million of which we received at closing. The Company received $4.0 million during 2025. Of the balance the Company is owed related to the sale of its insurance business, the Company received $2.6 million in the first eight months of 2026 and received the outstanding $0.4 million from NXH as part of debt purchase. On April 7, 2025, the Company repaid its $3.5 million convertible note (the “2023 Note”) in full. In March 2025, the Company completed a public offering of common stock (the "March 2025 Offering"), which resulted in the issuance and sale by the Company of 3,505,364 shares of common stock at an offering price of $0.68 per share and 832,639 shares of common stock at an offering price of $0.72 per share, generating gross proceeds of $3.0 million, of which the Company received total net proceeds of $2.9 million, after deducting underwriting discounts and other offering costs. In September 2025, the Company completed a public offering of common stock (the "September 2025 Offering"), which resulted in the issuance and sale by the Company of 3,450,000 shares of common stock at an offering price of $2.00 per share, generating gross proceeds of $6.9 million, of which the Company received total net proceeds of $6.5 million, after deducting underwriting discounts and other offering costs. The Company received $3.0 million in November 2025 related to the sale of its LiveBy business. The Company has short-term obligations totaling $8.7 million, consisting of a $5.0 million promissory note due in November 2026 and $3.7 million in liabilities related to legal settlements. In September 2024, the Company completed a private placement of senior secured convertible promissory notes with an aggregate principal amount of $5.0 million (the “2024 Notes”). The 2024 Notes were issued to an existing shareholder who beneficially owned more than 5% of the Company’s common stock and to the Chairman of the Company’s Board of Directors (the “2024 Offering”). The 2024 Notes mature in November 2026. In March 2026, the Company entered into a subordinated secured promissory note in the original principal amount of $2.0 million (the “Bridge Note”), which was increased to $3.0 million on May 29, 2026 when the Company and the original party agreed to amend and restate the Bridge Note. In response to the identified conditions, NXH has committed to provide financial support to the Company, for a year and one day following December 1, 2026. Based on NXH's commitment and financial capacity, management believes it is probable that these plans will be effectively implemented and will mitigate the conditions that raised substantial doubt about the Company’s ability to continue as a going concern for a period of at least one year from the date of the issuance of these condensed consolidated financial statements.

We anticipate that our existing balances of cash and cash equivalents and future expected cash flows generated from our operations and committed financial support will be sufficient to satisfy our operating requirements for at least the next twelve months from the date of the issuance of these unaudited interim condensed consolidated financial statements.

Our future capital requirements depend on many factors, including any future acquisitions, our level of investment in technology, and our rate of growth into new markets. Our capital requirements might also be affected by factors which we cannot control such as the residential real estate market, interest rates, and other monetary and fiscal policy changes, any of which could adversely affect the manner in which we currently operate. Additionally, we will continuously assess our liquidity needs as other world events, such as the ongoing conflict in Ukraine and in the Middle East, may impact the economy and our operations in new ways. In the event of a sustained market deterioration, we may need or seek advantageously to obtain additional funding through equity or debt financing, which might not be available on favorable terms or at all and could hinder our business and dilute our existing shareholders.

Cash Flows

Comparison of the Nine Months Ended September 30, 2026 and 2025 (dollar amounts in thousands)

	Nine Months Ended September 30,		Change	
	2026	2025	Dollars	Percentage
Net cash (used in) provided by operating activities	942	(8,633)	9,575	(110.9)%
Net cash provided by investing activities	2,084	1,717	367	21.4%
Net cash (used in) provided by financing activities	(5,283)	9,444	(14,727)	(155.9)%

Cash Flows from Operating Activities

Net cash provided by operating activities for the nine months ended September 30, 2026 consisted of a net loss of $36.2 million, non-cash charges of $25.7 million, including $0.9 million of stock-based compensation expense, $8.9 million of depreciation and amortization, $12.1 million of impairment expenses and $2.6 million of provision for credit losses. Changes in assets and liabilities were primarily driven by $263.2 million in mortgage loan originations, partially offset by $277.1 million in proceeds from the sales and principal payments on mortgage loans held for sale.

Net cash used in operating activities for the nine months ended September 30, 2025 consisted of a net loss of $13.6 million, non-cash charges of $8.5 million, including $3.0 million of stock-based compensation expense and $4.4 million of depreciation and amortization, partially offset by $5.4 million in gains on the sales of mortgages. Changes in assets and liabilities were primarily driven by $184.2 million in mortgage loan originations, partially offset by $185.3 million in proceeds from the sales and principal payments on mortgage loans held for sale.

Cash Flows from Investing Activities

Net cash provided by investing activities for the nine months ended September 30, 2026 primarily consisted of proceeds from the sale of Dalgey Insurance Agency completed in May 2024 of $3.0 million, partially offset by the purchase of intangible assets related to technology development of $0.8 million.

Net cash provided by investing activities for the nine months ended September 30, 2025 primarily consisted of proceeds from the sale of Dagley Insurance Agency completed in May 2024 of $4.0 million, partially offset by the purchases of intangible assets related to technology development of $2.1 million.

Cash Flows from Financing Activities

Net cash used in financing activities for the nine months ended September 30, 2026 was driven by a net decrease of approximately $7.6 million in warehouse lines of credit, offset by $3.0 million in proceeds from the Bridge Note.

Net cash provided by financing activities for the nine months ended September 30, 2025 consisted primarily of the $9.5 million in proceeds from the issuance of common stock in connection with a public offering and the change of $4.4 million on our warehouse lines of credit, and the repayment of a $3.5 million convertible note.

NON-GAAP FINANCIAL MEASURE

The Company's Chief Operating Decision Maker ("CODM") is its Interim Chief Executive Officer (CEO), who is responsible for evaluating the performance of the Company's operating segments and allocating resources. The Company identifies an operating segment as a component: (i) that engages in business activities from which it may earn revenues and incur expenses; (ii) that has available discrete financial information; and (iii) whose operating results are regularly reviewed by the CODM. The Company does not conduct business outside of the United States and no single customer accounts for more than 10% of total revenue in any reporting period.

Our CODM makes operating decisions and assesses performance based on the services of identified operating segments and has identified three operating and reportable segments: Real Estate Brokerage; Mortgage; and Title. Through its Real Estate Brokerage segment, the Company provides real estate brokerage services. Through its Mortgage segment, the Company provides residential loan origination and underwriting services. Through its Title segment, the Company provides title insurance, escrow, and settlement services to facilitate residential real estate transactions. Beginning in the fourth quarter of 2025, the Company determined that its Title operations meet the quantitative thresholds under ASC Topic 280, Segment Reporting, to be presented as a reportable segment. Following the sale of LiveBy in November 2025, the Company no longer presents its Technology operations as a reportable segment, as these activities no longer meet the quantitative thresholds or aggregation criteria for separate disclosure and are now managed and evaluated together with the Company’s other operating segments. Prior period segment information has been recast to conform to the current period presentation to reflect this change in reportable segments.

The CODM reviews revenue and Adjusted EBITDA to evaluate financial performance of the reportable segments and to allocate resources. Adjusted EBITDA represents the revenues of the operating segment less operating expenses directly attributable to the respective operating segment. Adjusted EBITDA is defined by us as net income (loss), excluding: (i) other income and expense, (ii) costs related to acquisitions, (iii) income taxes, (iv) depreciation and amortization, and (v) share-based compensation expense. In particular, the Company believes the exclusion of non-cash share-based compensation expense related to restricted stock awards and stock options and transaction-related costs provides a useful supplemental measure in evaluating the performance of our operations and provides better transparency into our results of operations. The Company’s presentation of Adjusted EBITDA might not be comparable to similar measures used by other companies.

The Company has determined that the main expenses regularly reviewed by the CODM in assessing segment performance are:

- Compensation Expense – Includes salaries and wages for personnel across the Real Estate Brokerage, Mortgage, Title, and Corporate and Other Services functions.
- Commission Expense – Includes commissions and related agent payments incurred in connection with revenue-generating transactions, across the Real Estate Brokerage, Mortgage, Title, and Corporate and Other Services functions.

These expenses are presented within the segment disclosures below as they represent the most significant cost drivers impacting the Company’s operating segments and are used by management in evaluating performance, allocating resources, and assessing operating efficiency.

The Company has updated its segment reporting to include compensation and commission expenses as separate line items for each reportable segment beginning in fiscal year 2024. Prior period segment disclosures have been reclassified to conform to the current period presentation.

The Company does not allocate assets to its operating segments as they are not included in the review performed by the CODM for purposes of assessing segment performance and allocating resources. The balance sheet is managed on a consolidated basis and is not used in the context of segment reporting.

The following table presents a reconciliation of Adjusted EBITDA to net income (loss), the most comparable GAAP financial measure, for each of the periods presented (amounts in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Loss before income tax	$ (21,741)	$ (4,333)	$ (36,135)	$ (13,492)
Stock based compensation	(161)	562	852	3,013
Depreciation and amortization	4,990	1,483	8,920	4,380
Litigation contingency	10	2,000	215	2,011
Impairment	12,085	—	12,085	—
Other expense, net	2,539	295	4,988	2,651
Adjusted EBITDA	$ (2,278)	$ 6	$ (9,075)	$ (1,437)

Critical Accounting Policies and Estimates

The preparation of financial statements and related disclosures in conformity with GAAP and the Company's discussion and analysis of its financial condition and operating results require the Company's management to make judgments, assumptions and estimates that affect the amounts reported. Our Annual Report on Form 10-K for the year ended December 31, 2025 contains a discussion of our critical accounting estimates in the Management's Discussion and Analysis of Financial Condition and Results of Operations section. During the nine months ended September 30, 2026, management performed impairment assessments of goodwill and certain intangible assets and property and equipment, which required significant judgments and estimates in determining their respective fair values. These nonrecurring fair value measurements involved assumptions and valuation methodologies as further described in the applicable footnotes to the consolidated financial statements.

Recent Accounting Standards

For information on recent accounting standards, see Note 3 to our condensed consolidated financial statements above.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

As a smaller reporting company, we are not required to provide the information required by this Item.

Item 4. Controls and Procedures.

(a) Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our Interim Chief Executive Officer and our Chief Financial Officer, we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, as of the end of the period covered by this report. In designing and evaluating our disclosure controls and procedures, management recognizes that any disclosure controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. Based on the evaluation of our Interim Chief Executive Officer and Chief Financial Officer, it was concluded that, as of September 30, 2026, our disclosure controls and procedures were effective at the reasonable assurance level in ensuring that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and is accumulated and communicated to our management, including our principal executive and principal financial officer, as appropriate, to allow timely decisions regarding required disclosure.

(b) Changes in Internal Control Over Financial Reporting

Under the supervision and with the participation of our management, including our Interim Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of any changes in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during our most recently completed fiscal quarter.

We are in the process of implementing new accounting systems. We have updated and continue to update our processes related to internal control over financial reporting, as necessary, to accommodate applicable changes in our business processes resulting from the implementation of the new accounting systems.

There were no changes, other than described above, in our internal control over financial reporting identified in management's evaluation pursuant to Rules 13a-15(d) or 15d-15(d) of the Exchange Act during the period covered by this Quarterly Report on Form 10-Q that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time the Company is involved in litigation, claims, and other proceedings arising in the ordinary course of business. Such litigation and other proceedings may include actions relating to employment law and misclassification of agents as independent contractors, intellectual property, commercial or contractual claims, brokerage or real estate disputes, or other consumer protection statutes, ordinary-course brokerage disputes like the failure to disclose property defects, commission disputes, and various liabilities based upon conduct of individuals or entities, including agents and third-party contractor agents. Litigation and other disputes are inherently unpredictable and subject to substantial uncertainties and unfavorable resolutions could occur.

In September 2024, Fathom Realty, a wholly-owned subsidiary of the Company, reached a nationwide settlement related to claims asserted in Burnett v. The National Association of Realtors, et al. As part of the settlement, Fathom Realty paid $0.5 million into a settlement fund on October 1, 2025, and an additional $0.5 million on January 2, 2026. The settlement payment of $1.95 million, originally due on October 1, 2026, was not made when due. The Company has proposed satisfying the remaining obligation through principal installment payments of $0.1 million by December 31, 2026, $0.5 million by June 30, 2027, $0.5 million by December 31, 2027, and $0.85 million by May 31, 2028, bearing interest at an annual rate of 3.0%. Although the proposed payment arrangement has not been formally agreed to by the plaintiff, the Company has received indication that, provided it makes the payments in accordance with this proposed schedule, the plaintiff does not intend to pursue further legal action with respect to the settlement obligation. As of September 30, 2026, the Company has recorded the remaining settlement obligation on its consolidated balance sheet in accrued and other current liabilities.

As previously reported in a Current Report on Form 8-K filed on November 28, 2023, the Company has been named as a defendant in a purported class action complaint in the United States District Court for the Eastern District of Texas Sherman Division, filed on November 13, 2023, by plaintiffs QJ Team, LLC and Five Points Holdings, LLC, individually and on behalf of all other persons similarly situated. A second purported class action complaint was filed on December 14, 2023, by plaintiffs Julie Martin, Mark Adams and Adelaida Matta in the same court, naming the Company as a defendant along with others, many of whom are also named in the first lawsuit. These lawsuits are purportedly brought on behalf of a class consisting of all persons who listed properties on a Multiple Listing Service in Texas (the “MLS") using a listing agent or broker affiliated with one of the defendants named in the lawsuits and paid a buyer broker commission beginning on November 13, 2019. The lawsuits allege unlawful conspiracy in violation of federal antitrust law and, against certain defendants (but not the Company) deceptive trade practices under the Texas Deceptive Trade Practices Act. The Company opted into a settlement between a nationwide plaintiff class and the NAR by executing a Supplemental Settlement Agreement in June 2024 (the "NAR Settlement"). On November 26, 2024, the court approved the NAR Settlement over objections. The final approval order is currently being appealed, and the Company is actively monitoring. If the NAR Settlement is sustained on appeal, it is expected to resolve claims against the Company related to this matter.

A third purported class action complaint was filed on April 11, 2024, by plaintiffs Shauntell Burton, Benny D. Cheatham, Robert Douglass, Douglas Fender, and Dana Fender in the United States District Court for the District of South Carolina. Like the Texas lawsuits, the South Carolina lawsuit alleges unlawful conspiracy in violation of federal antitrust law and is purportedly brought on behalf of a class consisting of all persons who used a listing broker in the sale of a home listed on an MLS in the District of South Carolina beginning on November 6, 2019. The case is currently stayed pending the final approval of the settlement between a nationwide plaintiff class and the NAR. As discussed above, the Company opted into a settlement between a nationwide plaintiff class and the NAR by executing a Supplemental Settlement Agreement in June 2024. The court approved the NAR Settlement over objections on November 26, 2024, and the approval is subject to appeal. If the NAR Settlement is sustained on appeal, it is expected to resolve claims against the Company related to this matter.

A fourth purported class action was filed against Fathom Realty, LLC and other real estate brokers on September 26, 2024 on behalf of buyers of residential property nationwide, and with an Illinois-specific sub-class. In the complaint, the Plaintiffs allege that Defendants conspired to raise buyer broker commissions in violation of Section 1 of the Sherman Act, the Illinois Antitrust Act, and the Illinois Consumer Fraud and Deceptive Business Practices Act. On December 16, 2024, the Company filed a Motion to Dismiss for Failure to State a Claim, and the plaintiffs filed an amended complaint in January 2025. The parties have agreed in principle to a settlement amount of $0.3 million, payable in three installments; however, the agreement remains subject to negotiation and execution of a mutually acceptable settlement agreement. The Company has included $0.2 million in accrued and other current liabilities and $0.1 million in other long-term liabilities in its consolidated balance sheet as of September 30, 2026.

My Home Group, which the Company acquired in November 2024, is a defendant in a lawsuit filed in January 2024 in the United States District Court for the District of Arizona. On February 5, 2026, the Court granted final approval of the settlement. The period to file any appeals expired on March 9, 2026, and no appeals were filed, making the settlement final. The total settlement amount is $1.0 million. As of September 30, 2026, the Company had paid $0.1 million in December 2025, with an additional $0.4 million paid on August 3, 2026. The remaining $0.5 million is due on or before March 9, 2027. Accordingly, the Company has recorded $0.5 million in other current liabilities in its consolidated balance sheet as of September 30, 2026.

Fathom Realty, LLC was a defendant in a lawsuit filed in August 2024 in the United States District Court for the Southern District of Florida. The Court granted final approval of the settlement, resolving the matter. The total settlement amount was approximately $1.1 million. The Company made a settlement payment of approximately $0.8 million on May 26, 2026, an additional payment of approximately $0.2 million on July 1, 2026, and the final payment of approximately $0.2 million on August 24, 2026.

On January 28, 2026 the Company received written notice from TotalBrokerage alleging that MHG failed to remit certain subscription fees due in January 2026 under the parties' subscription agreement (the "TotalBrokerage Agreement"). The TotalBrokerage matter involves an alleged claim amount of approximately $1.0 million.

The Company is currently evaluating the claims asserted by TotalBrokerage and assessing its contractual rights and obligations under the TotalBrokerage Agreement. At this time, the Company cannot reasonably estimate the ultimate outcome of this matter or determine whether a loss contingency exists or the amount of any potential loss, if any. Accordingly, no accrual has been recorded as of September 30, 2026. The Company will continue to evaluate this matter and will record a liability in a future period if and when a loss becomes probable and reasonably estimable.

Other than the NAR Settlement above, we cannot predict with certainty the cost of our defense, the cost of prosecution, insurance coverage, or the ultimate outcome of the lawsuits and any others that might be filed in the future, including remedies or damage awards. Adverse results in such litigation might harm our business and financial condition. Moreover, defending these lawsuits, regardless of their merits, could entail substantial expense and require the time and attention of management.

Item 1A. Risk Factors.

For more information regarding risk factors that could affect our results of operations, financial condition, and liquidity, see the risk factors previously disclosed in our most recent Annual Report on Form 10-K, as filed with the SEC on March 30, 2026 and amended on April 30, 2026, and in our most recent Quarterly Report on Form 10-Q, as filed with the SEC on July 16, 2026. The risks described in our Annual Report are not the only risks facing the Company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition, or future results of operations and the trading price of our common stock.

The following risk factor supplements the risk factors previously disclosed in the Form 10-K and in our most recent Quarterly Report on Form 10-Q, as filed with the SEC on July 16, 2026, and reflect material developments during the quarter ended September 30, 2026:

We have experienced defaults under our convertible notes and we may not be able to obtain an extension on the amounts due under such notes on favorable terms, or at all and our liquidity depends in part on continued financial support from NXH.

Although the Holders of the 2024 Notes agreed to extend the maturity date of the 2024 Notes to November 1, 2026, pursuant to the Second Amendment, and then again to November 30, 2026, pursuant to the Third Amendment, such extensions were conditioned on, among other things, an increase in the interest rate to 18.0% per annum, a reduction in the conversion price, the deferral of accrued interest and the payment of weekly extension fees. There can be no assurance that the Holders will agree to any further extension of the maturity date of the 2024 Notes on terms favorable to the Company, or at all. If the Company is unable to obtain a further extension or to repay or refinance the 2024 Notes, including all accrued and unpaid interest and extension fees, at or before maturity, the Holders could exercise their remedies under the 2024 Notes, including against the collateral securing the 2024 Notes, which could have a material adverse effect on the Company's business, financial condition and results of operations. In addition, the Company is dependent upon committed financial support from NXH to mitigate conditions that raised substantial doubt about the Company's ability to continue as a going concern. If NXH's financial support is not sustained, the Company might not have sufficient liquidity to meet its obligations. See Note 2 and Note 8 to the condensed consolidated financial statements for additional information.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

Sales of Unregistered Securities

None.

Issuer Repurchases of Equity Securities

There were no equity repurchases for the three and nine months ended September 30, 2026. The approximate dollar value of shares that may yet be purchased pursuant to the repurchase program is $4.0 million. Management has no plans to repurchase additional shares at this time.

Item 5. Other Information.

During the period covered by this Report, no director or officer of the Company adopted or terminated (i) any contract, instruction or written plan for the purchase or sale of securities of the Company intended to satisfy the affirmative defense conditions of Rule 10b5-1(c); or (ii) any "non-Rule 10b5-1 trading arrangement" as defined in paragraph (c) of Item 408 of Regulation S-K.

Item 6. Exhibits.

Exhibit Number	Description
10.1	Form of Second Amendment to Senior Secured Convertible Promissory Notes (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on October 5, 2026).
10.2	Termination Agreement, dated October 5, 2026 (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K filed on October 5, 2026).
10.3	Form of Third Omnibus Amendment to Senior Secured Convertible Promissory Notes, dated as of November 2, 2026 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed on November 3, 2026).
31.1*	Certification of Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer and Principal Accounting Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*†	Certification of Principal Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2*†	Certification of Principal Financial Officer and Principal Accounting Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101**	Interactive data files pursuant to Rule 405 of Regulation S-T: (i) Condensed Consolidated Balance Sheets as of September 30, 2026 and December 31, 2025; (ii) Condensed Consolidated Statements of Operations (Unaudited) for the Three and Nine Months Ended September 30, 2026 and 2025; (iii) Condensed Consolidated Statements of Cash Flows (Unaudited) for the Nine Months Ended September 30, 2026 and 2025; (iv) Condensed Consolidated Statements of Changes in Shareholders' Equity (Unaudited) for the Three and Nine Months Ended September 30, 2026 and 2025; and (v) Notes to Unaudited Condensed Consolidated Financial Statements.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith.

† This certification is being furnished solely to accompany this Quarterly Report pursuant to 18 U.S.C. Section 1350, and is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and is not to be incorporated by reference into any filing of the registrant, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

** In accordance with Rule 406T of Regulation S-T, the XBRL-related information in Exhibit 101 to this Quarterly Report on Form 10-Q is deemed not filed or part of a registration statement or prospectus for purposes of sections 11 or 12 of the Securities Act, is deemed not filed for purposes of section 18 of the Exchange Act, and otherwise is not subject to liability under these sections.

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.

FATHOM HOLDINGS INC.

Date: November 13, 2026

By: /s/ Daniel Weinmann
Daniel Weinmann
Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

EXHIBIT 31.1

CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002

I, Adam Rothstein, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Fathom 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 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 us 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: November 13, 2026

By: /s/ Adam Rothstein
Adam Rothstein
Interim Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE
SARBANES-OXLEY ACT OF 2002

I, Daniel Weinmann, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Fathom 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 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 us 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: November 13, 2026

By: /s/ Daniel Weinmann
Daniel Weinmann
Chief Financial Officer
(Principal Financial Officer, and Principal Accounting Officer)

EXHIBIT 32.1

CERTIFICATION OF THE PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Fathom Holdings Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Adam Rothstein, Interim Chief Executive Officer of the Company, hereby certifies, pursuant to 18 U.S.C. section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

(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: November 13, 2026

By: /s/ Adam Rothstein
Adam Rothstein
Interim Chief Executive Officer
(Principal Executive Officer)

The foregoing certifications are not deemed filed with the Securities and Exchange Commission for purposes of section 18 of the Securities Exchange Act of 1934, as amended (Exchange Act), and are not to be incorporated by reference into any filing of Fathom Holdings Inc. under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof, regardless of any general incorporation language in such filing.

EXHIBIT 32.2

CERTIFICATION OF THE PRINCIPAL FINANCIAL OFFICER
PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Fathom Holdings Inc. (the "Company") on Form 10-Q for the quarter ended September 30, 2026 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), Daniel Weinmann, Chief Financial Officer of the Company, hereby certifies, pursuant to 18 U.S.C. section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that to his knowledge:

(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: November 13, 2026

By: /s/ Daniel Weinmann
Daniel Weinmann
Chief Financial Officer
(Principal Financial Officer, and Principal Accounting Officer)

The foregoing certifications are not deemed filed with the Securities and Exchange Commission for purposes of section 18 of the Securities Exchange Act of 1934, as amended (Exchange Act), and are not to be incorporated by reference into any filing of Fathom Holdings Inc. under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof, regardless of any general incorporation language in such filing.