

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) December 1, 2021

FATHOM HOLDINGS INC.

(Exact name of registrant as specified in its charter)

North Carolina
(State or other jurisdiction of incorporation)

001-39412
(Commission File Number)

82-1518164
(IRS Employer Identification No.)

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

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each Class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, No Par Value	FTHM	Nasdaq Capital Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging Growth Company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 8.01 Results of Operations and Financial Condition.

On December 1, 2021, Fathom Holdings Inc. (the "Company") will be presenting at the Stephens Investment Conference in Nashville, Tennessee. A copy of the slide show presentation made at the conference is attached hereto as Exhibit 99.1.

Forward-Looking Statements

This Current Report on Form 8-K contains "forward-looking" statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, including, but not limited to, the Company's ability to attract higher producing agents who are selling more homes in higher priced markets, the timing of integrating and adding new business lines, and the ability to drive increasing revenue and profitability. Forward-looking statements are subject to numerous conditions, many of which are beyond the control of the Company, including: risks associated with making and integrating acquisitions; technology risks; risks in effectively managing rapid growth in our business; reliance on key personnel; competitive risks; our need to attain profitability and/or raise additional funds for operations and future growth, and the others set forth in the Risk Factors section of the Company's most recent Form 10-K as filed with the SEC and supplemented from time to time in other Company filings made with the SEC. The Company undertakes no obligation to update these statements for revisions or changes after the date of this release, except as required

by law.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Exhibit Description</u>
99.1	Fathom Holdings Inc. Slide Show Presentation.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURE

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 hereunto duly authorized.

FATHOM HOLDINGS INC.

/s/ Marco Fregenal

Marco Fregenal

President and Chief Financial Officer

Date: December 1, 2021



THE FUTURE OF REAL ESTATE

Nasdaq: FTHM

Disclaimer



Forward Looking Statements

This presentation contains forward-looking statements about Fathom Holdings Inc. based on management's current expectations, which are subject to known and unknown uncertainties and risks. Our actual results could differ materially from those discussed due to a number of factors, including uncertainty as to our future revenue and profitability, management of growth, interest rates, the real estate market, our ability to raise additional equity and debt financing on favorable terms, competition, general economic uncertainties such as those caused by the Covid-19 pandemic, and other risk factors set forth from time to time in our SEC filings. We are providing this information as of the date of this presentation and do not undertake any obligation to update any forward-looking statements contained in this presentation as a result of new information, future events or otherwise.

Non-GAAP Measures

This presentation contains certain supplemental financial measures that are not calculated pursuant to U.S. generally accepted accounting principles ("GAAP"). These non-GAAP measures are in addition to, and not a substitute for or superior to, measures of financial performance prepared in accordance with GAAP.

Who is **FATHOM**?

Fathom Holdings is a fast-growing residential real estate brokerage that offers real estate agents the opportunity to keep more of their hard-earned commission dollars through a differentiated commission model. Our unique, low-cost, and disruptive model has allowed Fathom to attract high quality agents and enjoy agent retention rates approximately twice the national average.

In addition, our wholly owned mortgage, title, and insurance businesses allow Fathom to generate significantly more revenue and profit per transaction. Further, Fathom licenses its technology platform to other agents and brokerages through a subscription offering, further increasing long-term revenue potential.

- Top 10 independent U.S. residential real estate brokerage
- High-growth virtual cloud-based brokerage
- Flat fee commission model vs large % split
- Low agent turnover supports the value of our proposition
- In-house technology platform with SaaS offering
- Significant upside potential on mortgage, title, and insurance
- Disruptive model could benefit from a weak real estate market
- Strong culture through Servant Leadership and core values



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National, technology-driven, real estate services platform integrating residential brokerage, mortgage, title, insurance, and SaaS offerings to brokerages and agents by leveraging proprietary cloud-based software



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Investment HIGHLIGHTS

Proven Success

- 7,536 agents in 34 states and DC in 3Q21, **50% growth** YOY
- 11,498 transactions in 3Q21, **42% growth** YOY
- \$100.9M in revenue in 3Q21, **81% growth** YOY
- 2022 Guidance of \$410M to \$420M in Revenue
- 2022 Guidance of adjusted EBITDA* of (-\$1M) to Breakeven

Disruptive Business Model

- Platform as a Service model (PaaS)
- Proprietary cloud-based software
- Small flat-fee commission structure vs. large percentage splits
- Virtual cloud-based operation eliminates need for offices
- Scalable financial model for faster path to profitability
- Upside on company-owned mortgage, title, and insurance

Potential Future Upside

- Growth in revenue through mortgage, title, insurance, and SaaS
- Create and sell leads to Fathom agents generating higher revenue
- Future software licensing to small brokerages and teams

*See important disclosures regarding non-GAAP metrics on slide 2 and 26

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Disrupting Real Estate Brokerage Model



Traditional “Brick and Mortar” Real Estate Brokerage model is broken

- High fixed cost (offices, personnel, and infrastructure)
- Low agent income due to higher splits to broker; 30% split on average
- Agents may invest less in marketing due to lower income
- Difficult to attract and retain talented agents
- Slow and expensive expansion due to need for brick and mortar

Vs

Fathom’s PaaS Brokerage is the model of the Future

- Software-based model operates in the cloud
- Scalable, asset-light with substantial lower overhead
- Higher agent income; agent pays flat \$450 fee per transaction
- Agents can invest more money in growing business
- Easier to attract and retain high performing agents
- Faster geographical expansion thanks to lower market entry cost
- Integrated mortgage, title, and insurance businesses



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Fathom's Simple Flat Fee Model

Our Agents Earn More



\$500
Annual Subscription Fee
Charged on first sale of each year

\$450
Transaction Fee per Sale
\$99 After 12 sales
Resets on Anniversary

Commission Comparison



\$350,000 Sale Price
 x 3% Commission %
 \$10,500 Total Commission
 - \$450 Flat-fee to Fathom
\$10,050 Total to Agent

Vs

TRADITIONAL BROKERAGE

\$350,000 Sale Price
 x 3% Commission %
 \$10,500 Total Commission
 - \$3,150 Split to Broker (30%)
\$7,350 Total to Agent

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Fathom Agents Have Low Turnover

TURNOVER BY AGENT PRODUCTIVITY	
20+ sales	1%
10 - 19 sales	1.5%
5 - 9 sales	5%
2 - 4 sales	15%
0 - 1 sales	77.5%
Total	100%

92.5% of the agents who leave sell <4 homes

1.34%/mth

Fathom Realty
 Agent Attrition

VS

3%+/mth

Industry Average
 Agent Attrition*

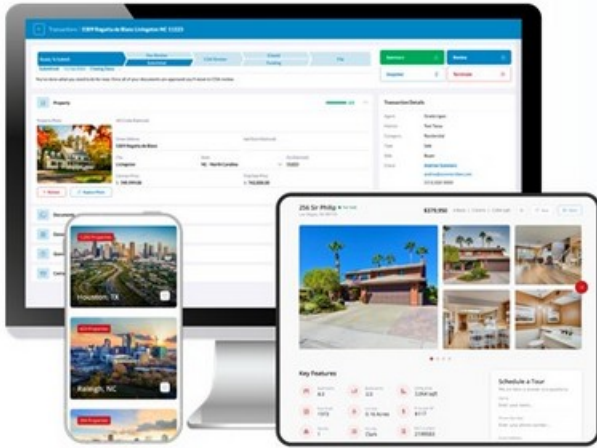


FACT: Only 2.5% of agents who leave Fathom close more than 10 sales

*Source: Real Trends

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intelliAgent



Proprietary Software

- Personnel Management
- Transaction Management
- Financial Management
- Business Intelligence
- Marketing Platform
- Home Search Portal
- CRM (Customer Relations Manager)
- Content Management
- Content Creation
- Big Data Aggregation

Benefits

- Additional SaaS revenue
- Streamline and automate business operations
- Faster expansion to new markets
- Eliminate external tech costs
- Reduce costs per agent w/agent growth
- Improve communication with agents and clients
- Integrate core businesses
- Improve attach rates for mortgage, title, insurance
- Increase revenue per transaction and per agent

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PROBLEM/OPPORTUNITY: 86,000 Brokerages in the U.S., many are struggling

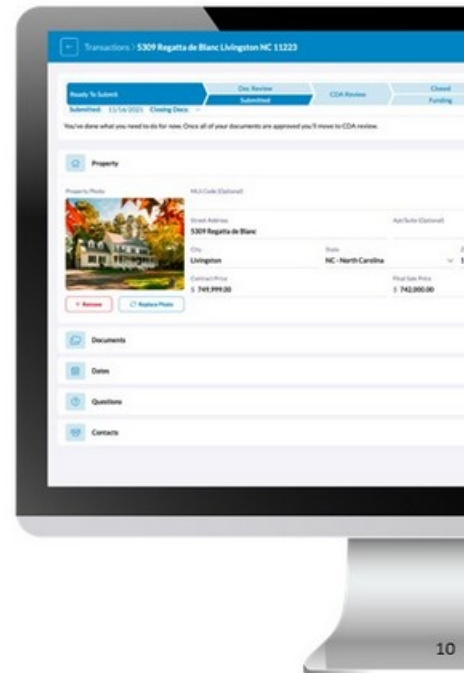
intelliAgent

Potential Future Upside for iA

- White-label intelliAgent | "Brokerage in a box"
- License iA to small to mid-size brokerages and teams
- Mortgage and title joint ventures with these brokerages
- Upsell additional services

Benefits

- Generate SaaS revenue from brokerages and agents who would not otherwise join Fathom
- Capture additional mortgage and title revenue per transaction
- Increase the number of agents within the intelliAgent Broker Network



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POTENTIAL FUTURE UPSIDE National Real Estate Portal

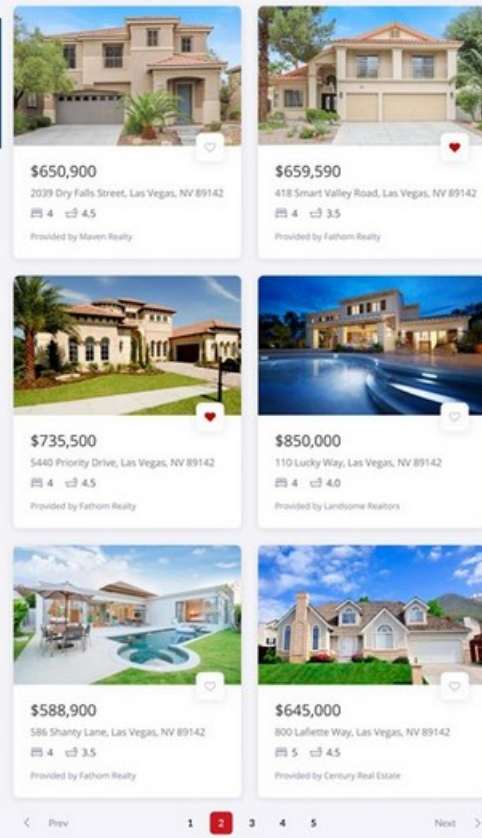
naberly



National brand-agnostic home search portal

Benefits

- Helps attract more buyers and close more sales
- Lead generation and lead nurturing services
- Increase revenue per transaction
- Higher attach rate for mortgage, title, and insurance
- Attract more agents by providing leads



Low Agent Acquisition Cost



\$985

3Q21 Cost to Acquire
One Agent

Quick Break-even

Annual Fee on 1 st Sale	+ \$500
Transaction Fee per/Sale	+ \$450
Gross Profit on 1st Sale	= \$950
Cost to Acquire Agent	- \$985
Break-even	Close to First Sale

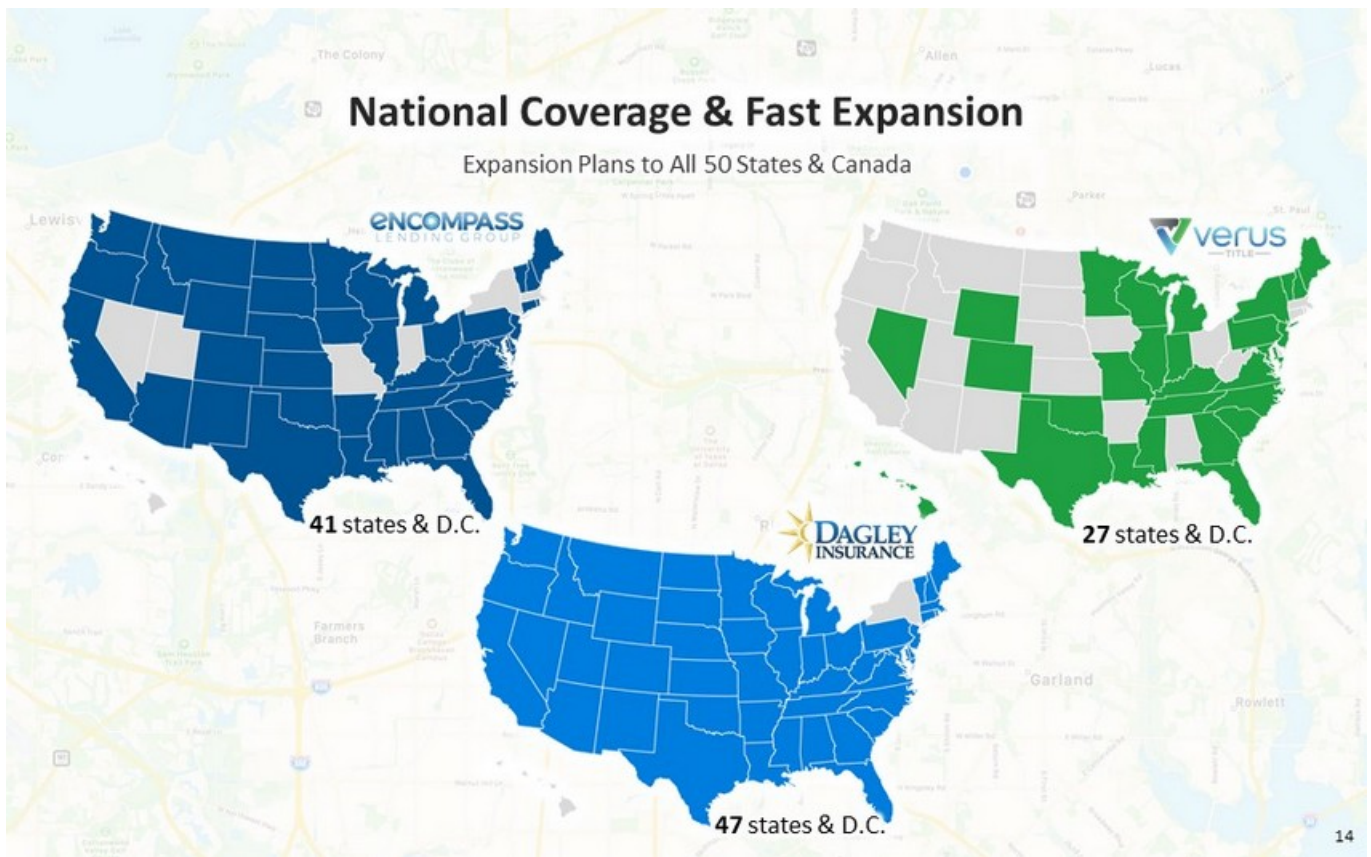
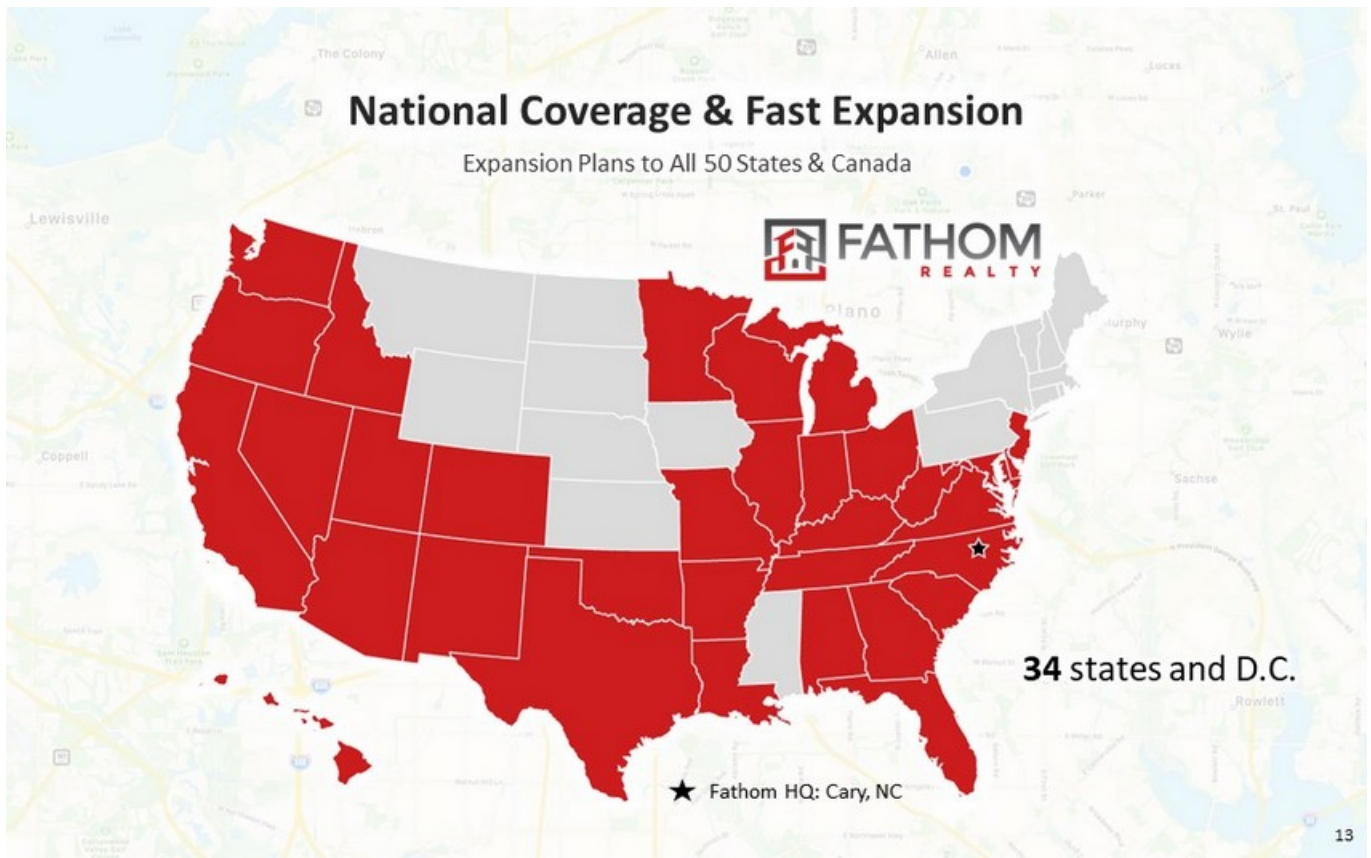
20X LTV to CAC

(ON JUST THE REAL ESTATE TRANSACTIONS)

Sources for
Agent Growth

- Recruiting teams
- Agent referrals
- Acquisitions
- Social media marketing
- Direct marketing
- Public relations

* Note: Agent acquisition costs are allocated between marketing and G&A in P/L



enCOMPASS

LENDING GROUP

MORTGAGE COMPANY

- Increases revenue per real estate transaction
- Capture additional revenue from refinance
- Licensed in 41 states and D.C.



verus

—TITLE—

TITLE COMPANY

- Increases revenue per real estate transaction
- Strong relationships with leading underwriters
- Licensed in 29 states AND D.C.
- Industry-wide, online notarization up 547% in 2020





HOME, AUTO, & CASUALTY INSURANCE AGENCY

- Enhances revenue per transaction
- 43% of the insurance quotes convert into policies
- Licensed in 47 states and D.C.
- Full U.S. rollout planned



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DATA AGGREGATION & CONTENT PLATFORM

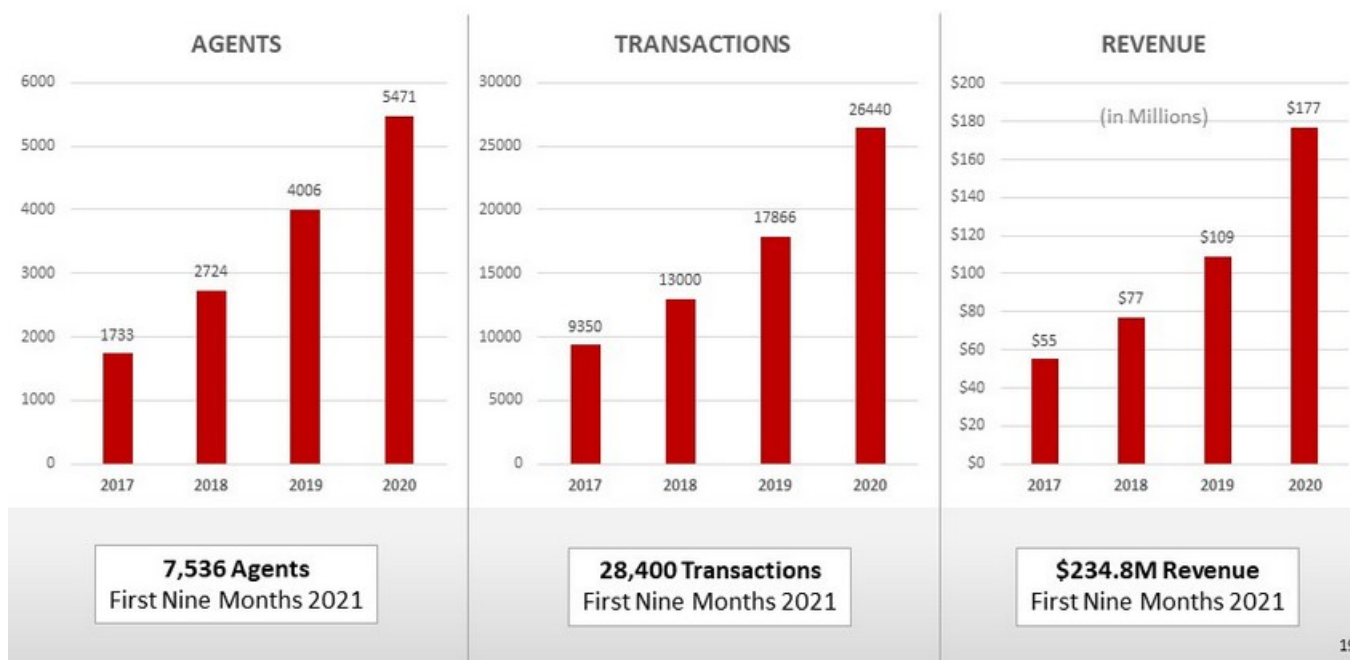
- Generates additional SaaS Revenue
- Helps attract more agents and close more sales
- Assists in build-out of national real estate portal
- Currently provide tech and/or data to over 750 companies and over 100,000 agents
 - Customers include CoreLogic, Berkshire Hathaway Home Services, Sotheby's, and @Properties



HYPER LOCAL

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Strong Growth



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Hypothetical Revenue Model

Expected \$40M in Adjusted EBITDA
at 100,000 sales, assuming a 10% attach rate

REVENUE BREAKDOWN PER BUSINESS LINE (excludes SaaS)

	REAL ESTATE	LEAD GEN 10% Attach Rate	MORTGAGE 10% Attach Rate	TITLE 10% Attach Rate	INSURANCE 10% Attach Rate
GROSS REVENUE	\$9,000	\$9,000	\$10,000	\$2,000	\$450
GROSS PROFIT	\$450	\$4,500	\$8,000	\$1,200	\$400
GROSS PROFIT MARGIN	5.0%	50.0%	80.0%	60.0%	88.9%
OPERATING PROFIT	\$150	\$1,500	\$2,500	\$650	*\$300
OPERATING PROFIT MARGIN	1.7%	16.7%	25.0%	32.5%	67.0%

*Beginning on the second year after renewal

NOTE 1: Hypothetical numbers based on a \$300,000 real estate sale price

NOTE 2: These are forward-looking statements subject to numerous risks and uncertainties, including those detailed under "risk factors" in our form 10-K and other SEC filings. See important disclosures regarding non-GAAP metrics on pages 2 and 26

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2022 Guidance

REVENUE
\$410 to \$420 Million

ADJUSTED EBITDA
-\$1 Million to Break-even

These are forward-looking statements subject to numerous risks and uncertainties, including those detailed under "risk factors" in our form 10-K and other SEC filings. See important disclosures regarding non-GAAP metrics on pages 2 and 26

Fathom Leadership Team



Josh Harley
Founder, Chairman, CEO
U.S. Marine Corps Veteran
Past CEO of Everdrive
15 Yrs. Real Estate Experience



Marco Fregenal
President, CFO
Past COO of PageNet Brazil
Past Co-founder How Stuff Works



Wendy Forsythe
Chief Brand Officer
Past COO of HomeSmart
Past SVP -Better Homes & Gardens RE



Samantha Giuggio
Chief Broker Operations Officer
Past SVP of Fathom Realty
Past Regional VP of Fathom Realty



Grady Ligon
CTO – IA
Past CTO of Berkshire
Home Services



Scott Loftin
CTO - Fathom
Past CIO of PageNet Brazil
Past CTO How Stuff Works

Fathom Board Members



Glenn Sampson
Board Member
Held various senior level
positions at Exxon Mobil;
Original investor in Fathom



David Hood
Audit Chair
Past Audit partner at Ernst &
Young; Past Vice President,
Finance at Quintiles Americas



Jeff Coats
Compensation Chair
Past Chief Executive Officer of
AutoWeb; Past Managing
Director of Southgate
Alternative Investments



Jenifer Venable
Nom. And Gov. Chair
VP and General Counsel at Capital
Broadcasting Co.; Past Commercial
Counsel and Senior Partner
Manager of Red Hat



Chris Bennett
Board Member
Chief Executive
Officer and Founder
of 97th Floor



Ravila Gupta
Board Member
President and Chief
Executive Officer of Bagchi
Group

Awards & Recognition

TOP 100
PLACES TO WORK
The Dallas Morning News

2017 **#3** 2018 **#1**
2019 **#2** 2020 **#2**
2021 **#3**



REALTRENDS
GC2019
GAME CHANGERS
Josh Harley

SP200 Most Powerful Leaders In Real Estate

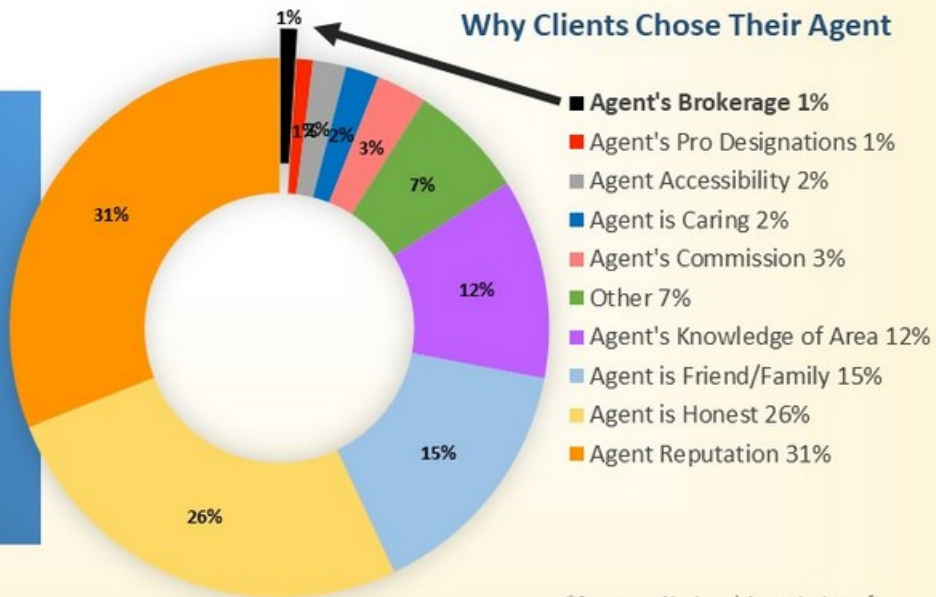
2021 SP200
Josh Harley
Fathom Realty CEO, **#80**



Agents Win Business, NOT BRANDS

Over **95%** of clients chose an agent based on their abilities

Only **1%** of clients chose an agent due to what brokerage they were with



*Source – National Association of Realtors 2020 Profile of Home Buyers and Sellers, pg. 133

RECONCILIATION OF GAAP TO NON-GAAP FORWARD LOOKING GUIDANCE

(Unaudited) (in thousands)

	Three Months Ended December 31, 2021		Twelve Months Ended December 31, 2022	
	Low	High	Low	High
Net loss	\$ (3,960)	\$ (3,760)	\$ (11,640)	\$ (10,640)
Depreciation and amortization	1,010	1,010	4,540	4,540
Income tax (benefit) expense	(350)	(350)	-	-
Stock based compensation	1,200	1,200	6,100	6,100
Adjusted EBITDA	\$ (2,100)	\$ (1,900)	\$ (1,000)	\$ -



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Disclaimer



Note about Non-GAAP Financial Measures

To supplement its consolidated financial statements, which are prepared and presented in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"), the Company uses Adjusted EBITDA, a non-GAAP financial measure, to understand and evaluate its core operating performance. This non-GAAP financial measure, which may be different than similarly titled measures used by other companies, is presented to enhance investors' overall understanding of the Company's financial performance and should not be considered a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP.

Fathom defines Adjusted EBITDA as net loss, excluding other (income) expense, net, income tax expense, depreciation and amortization, and share-based compensation expense.

Fathom believes that Adjusted EBITDA provides useful information about the Company's financial performance, enhances the overall understanding of our past performance and future prospects, and allows for greater transparency with respect to a key metric used by management for financial and operational decision-making. The Company believes that Adjusted EBITDA helps identify underlying trends in its business that otherwise could be masked by the effect of the expenses excluded in Adjusted EBITDA. In particular, Fathom believes the exclusion of share-based compensation expense related to restricted stock awards and stock options provides a useful supplemental measure in evaluating the performance of its operations and provides better transparency into its results of operations.

Adjusted EBITDA is being presented to assist investors in seeing the Company's financial performance through the eyes of management, and because it believes this measure provides an additional tool for investors to use in comparing Fathom's core financial performance over multiple periods with other companies in its industry.

Adjusted EBITDA should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. There are a number of limitations related to the use of Adjusted EBITDA compared to net loss, the closest comparable GAAP measure, including: Adjusted EBITDA excludes share-based compensation expense related to restricted stock awards and stock options, which have been, and will continue to be for the foreseeable future, significant recurring expenses in the Company's business and an important part of its compensation strategy; and Adjusted EBITDA excludes certain recurring, non-cash charges such as depreciation and amortization of property and equipment and acquired and internally developed intangible assets, although these are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future.

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FATHOM

THE FUTURE OF REAL ESTATE

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