THE D. E. SHAW GROUP'S PERSPECTIVES ON COSTAR GROUP, INC

FEBRUARY 2026

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CHANGE IS NEEDED AT COSTAR

Change Is Needed At CoStar To Restore Value For Shareholders

1 CoStar shareholders have suffered significant stock price underperformance

- CoStar's stock is **down on an absolute basis over every period during the last five years**
- CoStar's total shareholder return has underperformed over virtually every relevant time-period and relative to every relevant peer set

2 CoStar's Homes.com strategy has destroyed billions of dollars of value

- CoStar is on pace to spend approximately $4 billion on Homes.com through 2030 – a sum that far exceeds the Company's previous growth investments and has led to the erosion of overall profitability
- Homes.com is not expected to generate an adequate investment yield through the end of the decade
- Homes.com has materially underperformed management's initial expectations, casting significant doubt on the credibility of future targets
- Investors have ascribed a negative value of several billion dollars to CoStar's Homes.com strategy causing CoStar's core business to trade at a discount to its historical valuation

3 Value destruction is a direct result of CoStar's deficient Board

- The Board greenlit CoStar's misguided Homes.com strategy and has allowed CoStar's CEO to be compensated near the top of S&P 500 CEOs at the same time CoStar's total shareholder return has been at the bottom
- CoStar's CEO and Board of Directors have been net sellers of CoStar's stock since the inception of the Homes.com strategy, insulating themselves from the economic consequences of their actions
- The Board's recent attempt to address value destruction from Homes.com is woefully inadequate both in terms of magnitude of proposed cuts to Homes.com investments and timeline to profitability

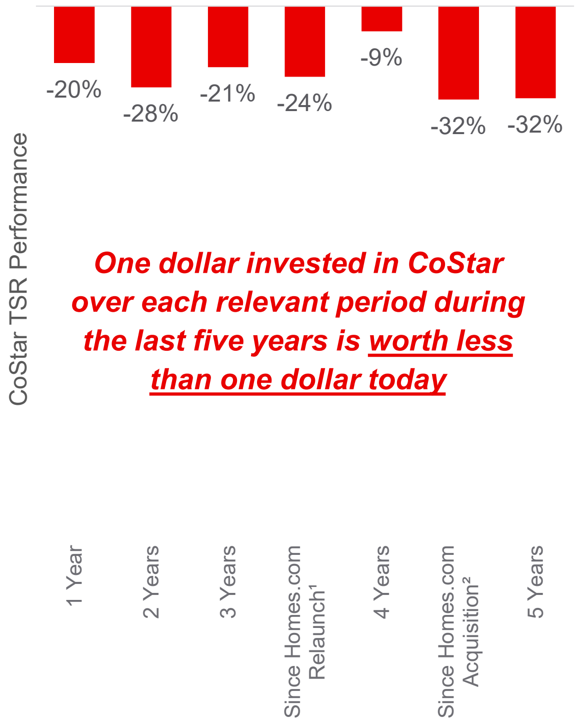
CoStar has a unique opportunity to restore billions of dollars of value by separating Homes.com (*or* breaking even by 2027), refocusing on the core business, better aligning executive compensation, and refreshing its Board of Directors

Note(s):
Source: Bloomberg, Company Filings. Market data as of 01/30/2026. Total shareholder return inclusive of dividends

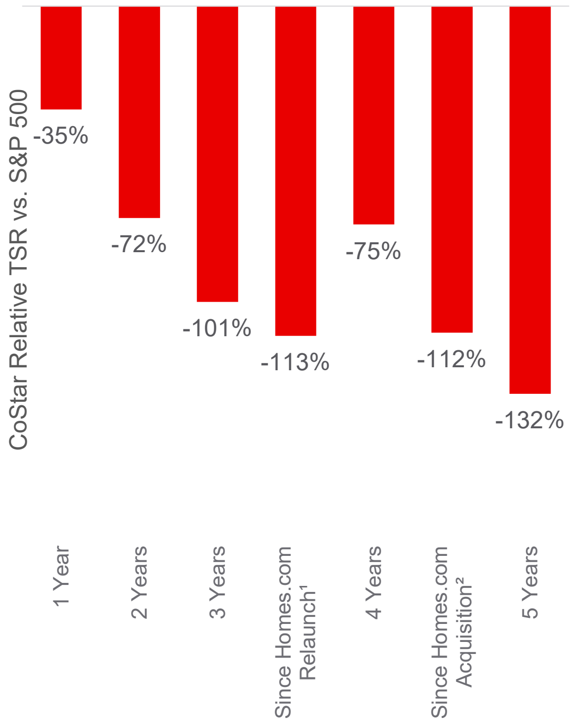
COSTAR'S BOARD HAS DESTROYED SHAREHOLDER VALUE

CoStar Shareholders Have Suffered Significant Stock Price Underperformance…

CoStar's stock is down on an absolute basis over every period during the last five years…

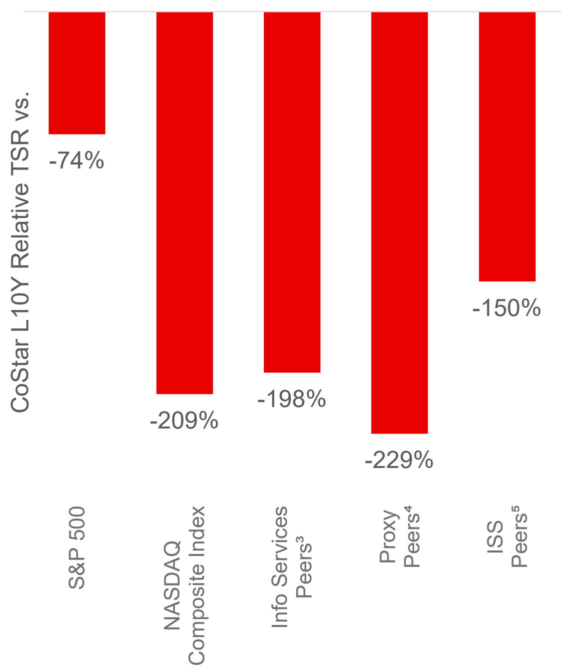


… and these dismal returns are made even worse in the context of a buoyant broader market



Returns over even longer time periods have suffered as well

10-Yr Relative TSR negative



Note(s):
Source: Bloomberg, Company Filings, Institutional Shareholder Services Governance Report. Market data as of 01/30/2026. Total shareholder return inclusive of dividends

1. CoStar relaunched Homes.com at the annual National Association of Realtors (NAR) conference in November 2022
2. Homes.com was acquired by CoStar on 04/14/2021
3. Info Services peers include Equifax, FactSet Research Systems, Fair Isaac Corp, Gartner, Moody's Corp, MSCI, S&P Global, Thomson Reuters, TransUnion, and Verisk Analytics
4. Proxy Peers include ANSYS Inc, Akamai Technologies, Equifax, FactSet Research Systems, Fair Isaac Corp, Gartner, MercadoLibre, MSCI, Paycom Software, PTC, ServiceNow, TransUnion, Tyler Technologies, VeriSign, Verisk Analytics, Workday, and Zillow Group. ANSYS is excluded due to its delisting
5. ISS Peers include ANSYS, Equifax, Hubspot, Newmark Group, DocuSign, Dun & Bradstreet Holdings, FactSet Research Systems, Fair Isaac Corp, Gartner, MSCI, PTC, Paycom Software, TransUnion, Tyler Technologies, Verisk Analytics, and Zillow Group. ANSYS and Dun & Bradstreet are excluded due to their delisting

… Over Virtually Every Relevant Time Period Relative To Every Relevant Peer Set…

CoStar's Total Shareholder Return vs:	Proxy Peers[1]	ISS Peer Group[2]	Info Services Peers[3]	NASDAQ	S&P 500
10-Year	-229%	-150%	-198%	-209%	-74%
9-Year	-106%	-83%	-134%	-149%	-49%
8-Year	-92%	-74%	-132%	-163%	-103%
7-Year	-80%	-57%	-117%	-186%	-129%
6-Year	-59%	-51%	-77%	-172%	-138%
5-Year	-48%	-54%	-88%	-118%	-132%
4-Year	-23%	-14%	-34%	-85%	-75%
3-Year	-38%	-37%	-43%	-132%	-101%
2-Year	-17%	-18%	-22%	-81%	-72%
1-Year	3%	8%	3%	-40%	-35%
	CoStar underperformed in 9 of 10 periods	*CoStar underperformed in 9 of 10 periods*	*CoStar underperformed in 9 of 10 periods*	*CoStar underperformed in 10 of 10 periods*	*CoStar underperformed in 10 of 10 periods*

Note(s):
Source: Bloomberg, Company Filings, Institutional Shareholder Services Governance Report. Market data as of 01/30/2026. Total shareholder return inclusive of dividends

1. Proxy Peers include ANSYS Inc, Akamai Technologies, Equifax, FactSet Research Systems, Fair Isaac Corp, Gartner, MercadoLibre, MSCI, Paycom Software, PTC, ServiceNow, TransUnion, Tyler Technologies, VeriSign, Verisk Analytics, Workday, and Zillow Group. ANSYS is excluded due to its delisting
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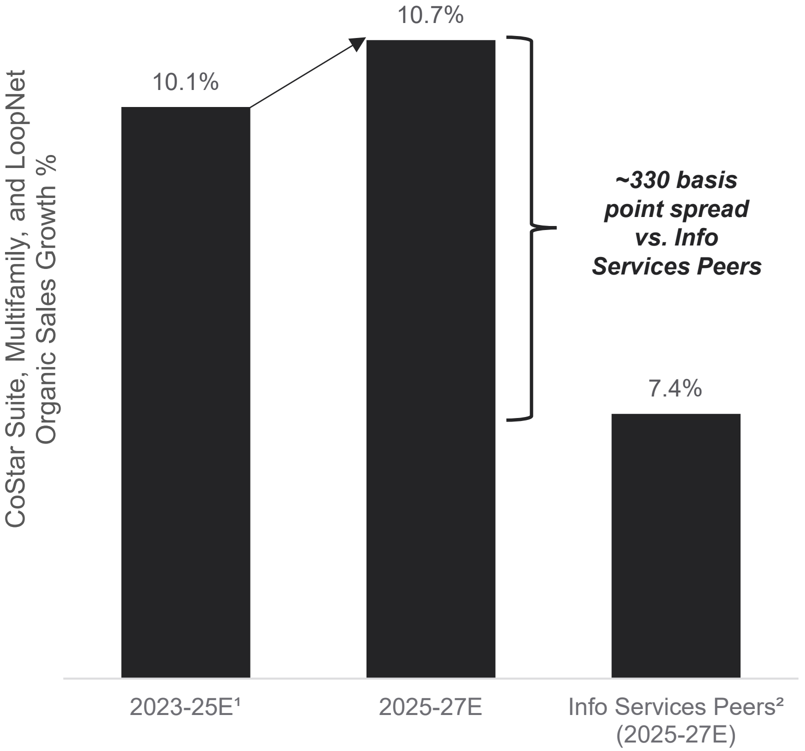
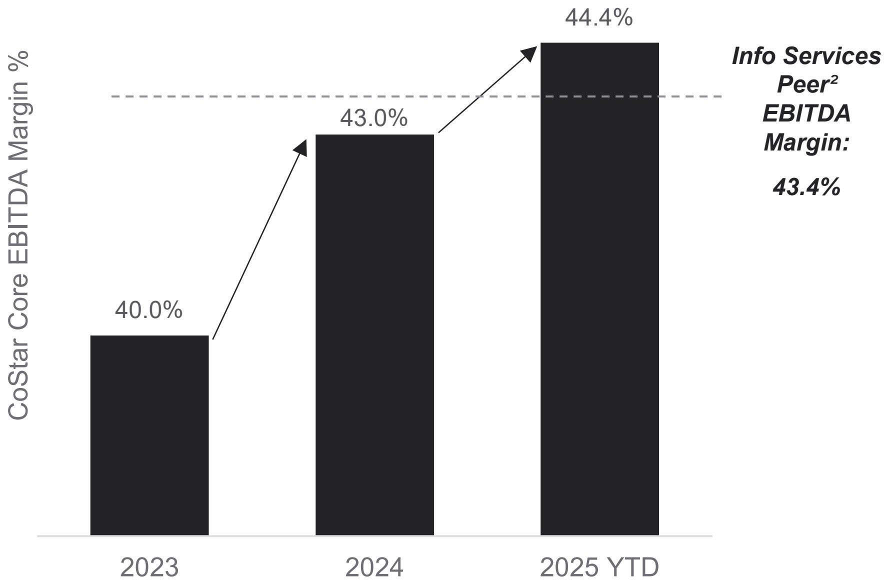
3. Info Services peers include Equifax, FactSet Research Systems, Fair Isaac Corp, Gartner, Moody's Corp, MSCI, S&P Global, Thomson Reuters, TransUnion, and Verisk Analytics

… Despite Strong Core Business Performance…

CoStar's core business has delivered double-digit organic growth, which is expected to accelerate…



… while EBITDA[3] margins associated with the core business have expanded materially



	2024	2025 YTD	***Info Services Peer[2] EBITDA Growth:***
Core EBITDA Margin YoY Expansion:	***300bps***	***362bps[4]***	
Core EBITDA Growth YoY:	***18%***	***18%***	***~10%***

Note(s):
Source: Bloomberg, Company Filings, Visible Alpha
1. Adjusted for impact of the integration of the STR benchmarking production into CoStar Suite in 2024 (moved from Information Services), which added four percentage points to CoStar Suite sales growth
2. Consensus 2025-27E revenue CAGR, 2025 EBITDA margin and 2023-25E EBITDA CAGR for Info Services peers (Equifax, FactSet Research Systems, Gartner, Moody's, MSCI, S&P Global, Thomson Reuters, TransUnion, and Verisk Analytics)
3. Using management's definition of commercial information and marketplace businesses, which excludes the impact of Homes.com, OnTheMarket, Domain, and Matterport
4. Margin expansion based on 2025 year to date performance relative to 2024 year to date performance

… Leaving The Board's Homes.com Investment As The Key Culprit

"

We **continue to be wary of CSGP's heavy investment in Homes.com**."

– Wells Fargo, December 2025

"

…we think **investors need more clarity and comfort around the path to profitability for Homes.com**"

– Deutsche Bank, November 2025

"

Despite activist involvement leading to a board refresh & formation of a capital allocation committee, **our sense is that management remains very much committed to the resi portal effort with no clear line of sight on a path to profitability**"

– BTIG, October 2025

"

We see challenges in scaling Resi[dential] profitably, and view this as the **primary risk to an otherwise solid growth story**. We think CoStar could face shareholder pressure (after the appointment of 3 board members proposed by activists) to scale back Resi investments and **a material reduction in losses could be a catalyst for shares**."

– BofA, May 2025

"

... **many investors appear to be assigning minimal or negative value to Homes.com**"

– William Blair, February 2025

"

Investor sentiment remains relatively negative as [management] deals with defending Homes.com's value proposition and investment spend."

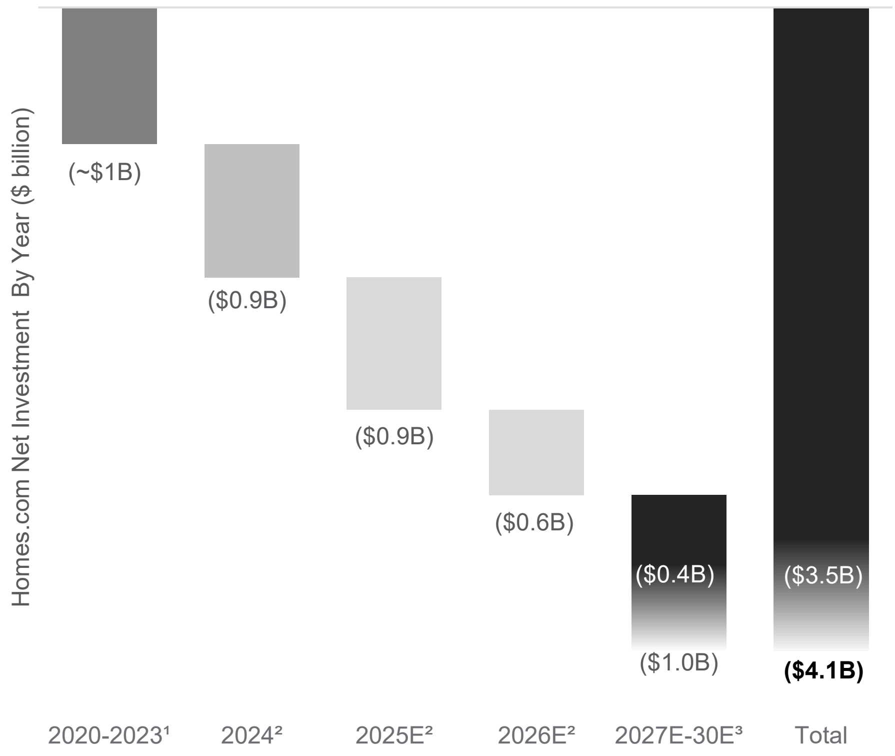
– Jefferies, October 2024

Source: Sell-side Research Reports

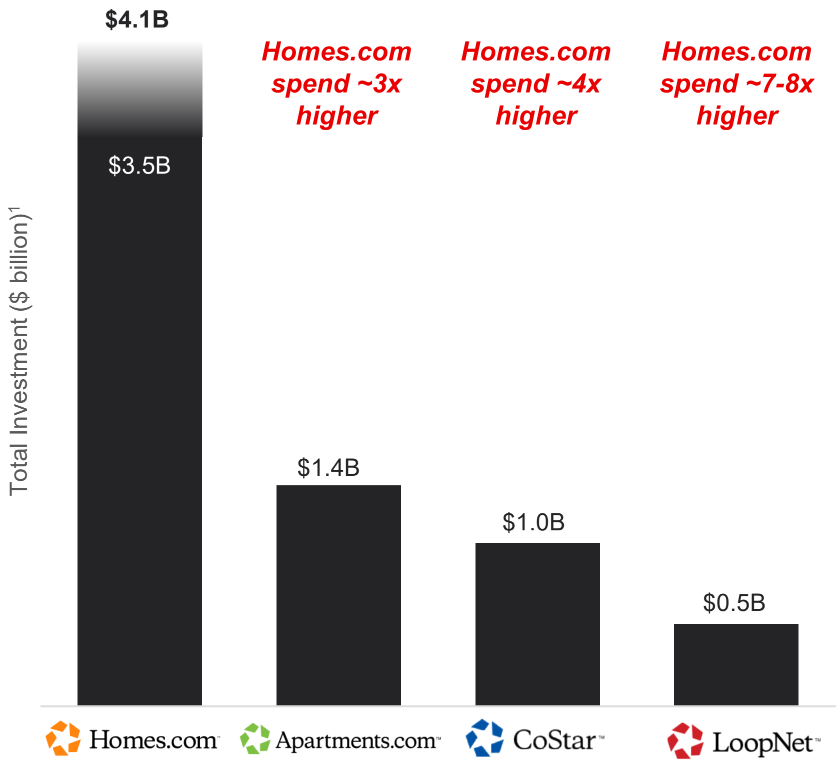
COSTAR'S HOMES.COM STRATEGY HAS DESTROYED BILLIONS OF DOLLARS OF VALUE

CoStar Is Spending Billions Of Dollars On Homes.com…

CoStar is expected to spend approximately $4 billion on Homes.com by the end of 2030 after nearly a decade of annual operating losses…



… which far exceeds the cumulative amount spent on CoStar's other businesses

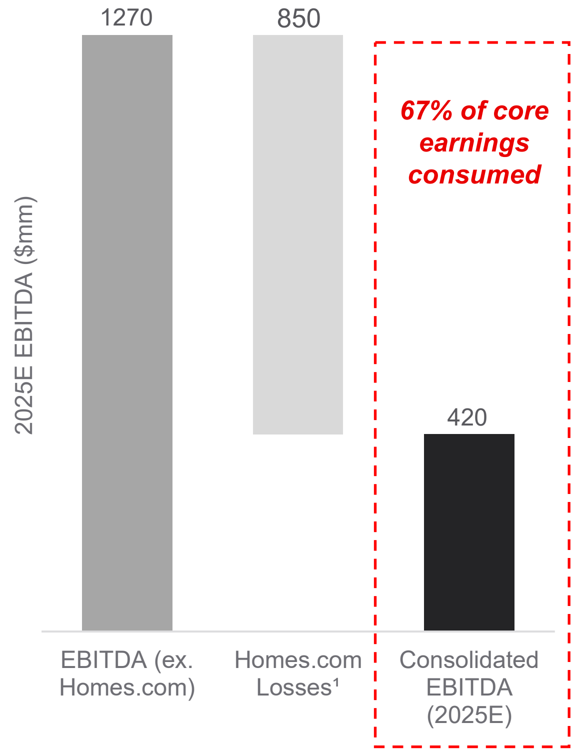


Note(s):
Source: Company Filings, Investor Presentations, Visible Alpha, Bloomberg

1. Investment figures for Homes.com, Apartments.com, CoStar Suite, and LoopNet are based on CoStar January 2026 Investor Presentation disclosures. CoStar invested ~$500 million in Homes.com sales and marketing in 2023 (implied based on reported 2023 commercial information and marketplace businesses EBITDA margin of 40%) and spent $156 million and $250 million acquiring Homes.com and Homesnap.com in 2021 and 2020, respectively
2. In 2024, Homes.com spend increased to ~$900 million. In 2025 and 2026, Homes.com net investment spend is expected to be $850 million and $550 million, respectively, based on management guidance
3. The low-end of the Homes.com investment range assumes a $300 million reduction in net investment spend in 2027E and a $100 million reduction each year during the 2028E-30E period. The high-end of the Homes.com investment range assumes a $100 million reduction each year in net investment spend during the 2027E-29E period and a $300 million reduction in net investment spend in 2030E. The low-end and high-end are consistent with management guidance, which includes a $600 million Homes.com EBITDA increase from 2026E to 2030E and an expectation to reduce net investment in Homes.com by $100+ million annually from 2027E until 2030E

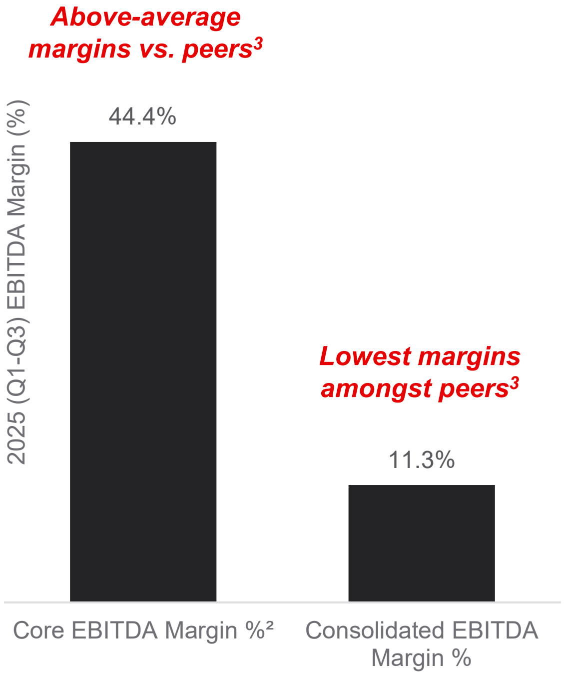
… An Investment That Consumes The Majority Of Core Earnings…

Homes.com losses consume nearly 70% of CoStar's core earnings…



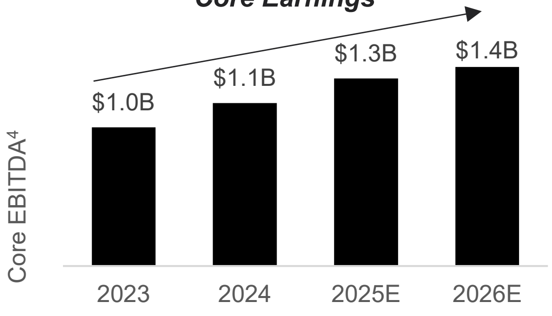
… and mask the strong underlying profitability of the business

Core CoStar margin ~~4x higher~~ than consolidated levels

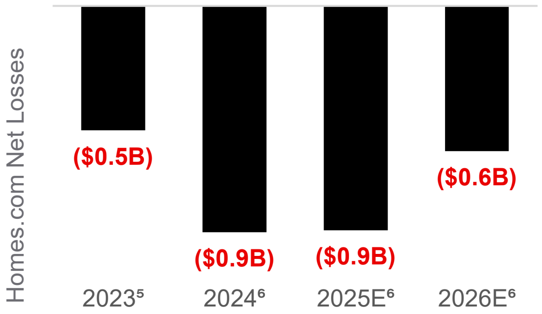


Homes.com has been subsidized by strong and stable core business earnings over the last several years

Core Earnings



Homes.com losses



Note(s):
Source: Company Filings, Investor Presentations, Visible Alpha, Earnings Call Transcripts
1. Homes.com losses based on management guidance
2. Core EBITDA margin refers to commercial information and marketplace businesses, and excludes the impact of Homes.com, OnTheMarket, Domain, and Matterport. CoStar disclosed core EBITDA margin of 43%, 43% and 47% in 1Q25, 2Q25 and 3Q25, respectively
3. 2025 Consensus EBITDA margin of 43.4% for Info Services peers (Equifax, FactSet Research Systems, Gartner, Moody's, MSCI, S&P Global, Thomson Reuters, TransUnion, and Verisk Analytics)
4. Consensus Core EBITDA excludes Homes.com net losses (based on guidance) and Domain, OnTheMarket and Matterport EBITDA estimates (based on sell-side survey of consensus estimates) from consensus consolidated EBITDA
5. CoStar invested ~$500 million in Homes.com sales and marketing in 2023 (implied based on reported 2023 commercial information and marketplace businesses EBITDA margin of 40%)
6. In 2024, 2025 and 2026, Homes.com net spend increased to ~$900 million, $850 million and $550 million, respectively, based on management guidance

… Is Lower Quality Than CoStar's Core Franchises…

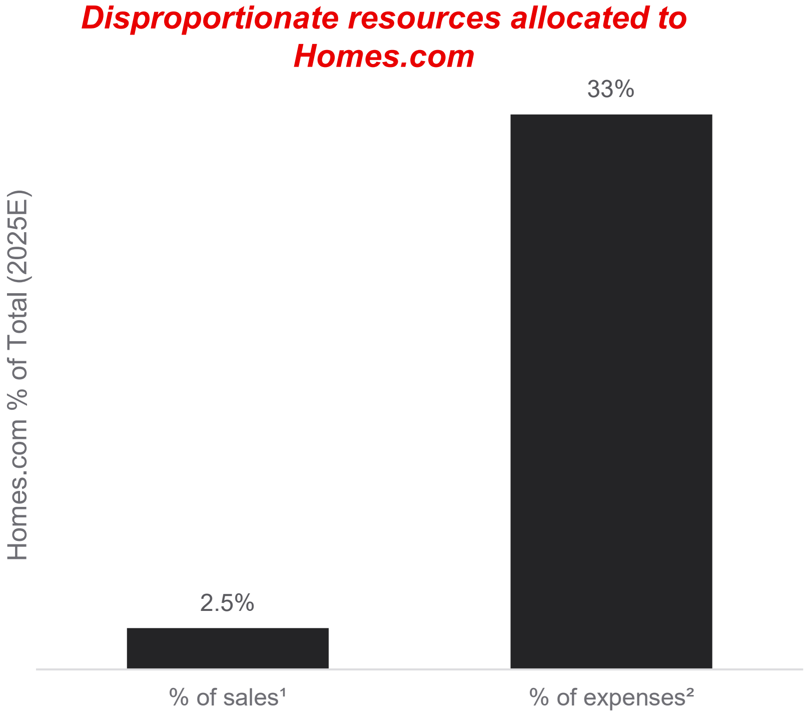
	CoStar Suite benefits from proprietary data and high barriers to entry… (CoStar)	… and Apartments.com fulfills all the criteria to be a successful marketplace… (Apartments.com)	… unlike Homes.com, which lacks the attributes that enable long-term success (Homes.com)
Proprietary Data	✓ *Proprietary dataset built over 4 decades*	✓ *Apartments.com draws on CoStar's multifamily database*	X *Limited proprietary listings due to current MLS framework*
Limited Competition	✓ *No.1 player with no significant competitors*	✓ *No. 1 player with nearly double the revenue of next largest competitor*	X *Well entrenched competitors like Zillow, Realtor.com, and Redfin.com*
Barriers to Entry & Moat	✓ *'Mission critical' in CRE market with high barriers to entry*	✓ *Network effects driven by scale and access to proprietary data*	X *No established moat due to lack of scale and proprietary data*
Financial Profile	✓ *Revenue growth volatility[1] of ~1%* *Margins 40%+*	✓ *Revenue growth volatility[1] of <1%* *Margins 40%+*	X *High revenue growth volatility* *Best in-class margins <25%[2]*

Low discount rate / high valuation multiple

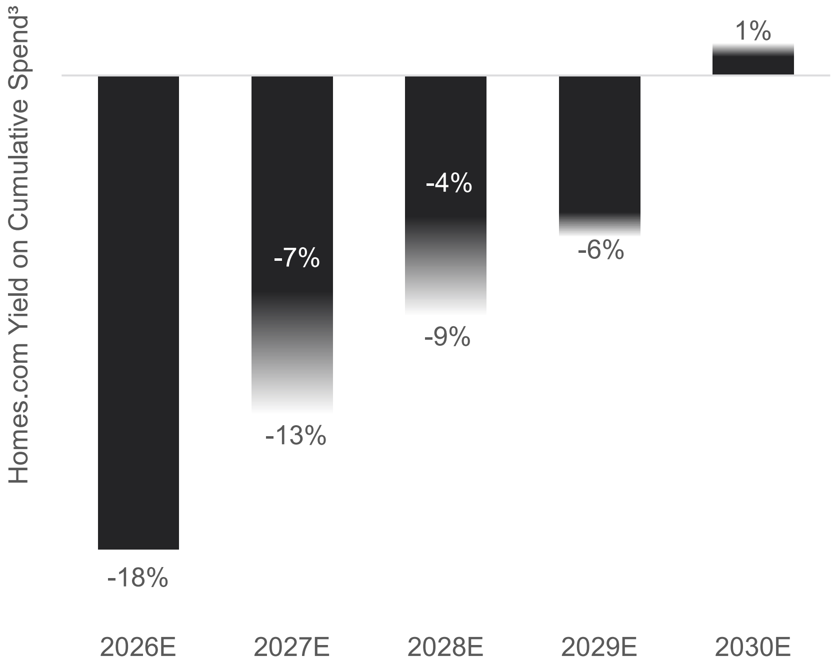
Note(s):
Source: Bloomberg, Visible Alpha, Company Filings, the D. E. Shaw group Proprietary Analysis
1. Standard deviation of expected consensus revenue growth from 2025-27E
2. Zillow 2025 consensus EBITDA margin of 24%

… And Is Not Expected To Generate Adequate Returns For The Foreseeable Future…

Homes.com is expected to have generated less than 3% of sales in 2025 despite being over 30% of CoStar's expenses…



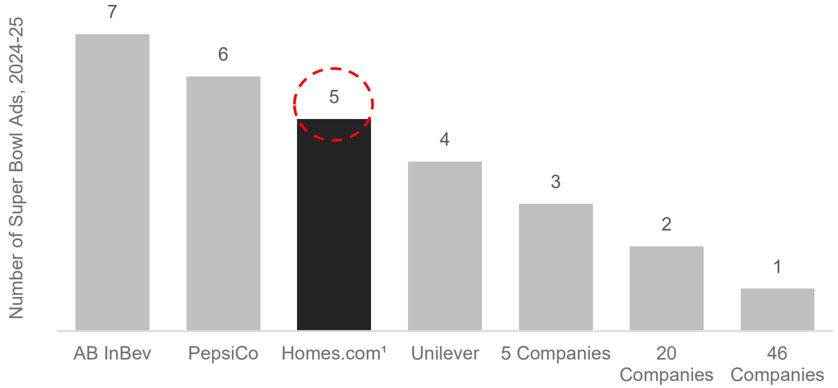
… and will generate low or negative earnings yield on cumulative spend through the end of the decade based on management's estimates

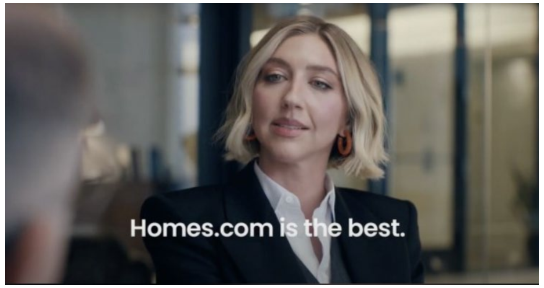


Note(s):
Source: Sell-side Survey, Visible Alpha, Company Filings
1. Consensus expectation of $80 million in Homes.com revenue in 2025 (based on sell-side survey) of the total $3.235 billion revenue at the mid-point of management guidance
2. Based on Homes.com net loss of $850 million in 2025 per management guidance and total expenses implied by the mid-point of management's EBITDA guidance
3. CoStar invested ~$500 million in Homes.com sales and marketing in 2023 (implied based on reported 2023 commercial information and marketplace businesses EBITDA margin of 40%) and spent $156 million and $250 million acquiring Homes.com and Homesnap.com in 2021 and 2020, respectively. In 2024, Homes.com spend increased to ~$900 million. Investment figures for Homes.com 2025-30E are based on CoStar January 2026 Investor Presentation disclosures. The low-end of the Homes.com investment range assumes a $300 million reduction in net investment spend in 2027E and a $100 million reduction each year during the 2028E-30E period. The high-end of the Homes.com investment range assumes a $100 million reduction each year in net investment spend during the 2027E-29E period and a $300 million reduction in net investment spend in 2030E. The low-end and high-end are consistent with management guidance, which includes a $600 million Homes.com EBITDA increase from 2026E to 2030E and an expectation to reduce net investment in Homes.com by $100+ million annually from 2027E until 2030E. The cumulative Homes.com spend for a given year includes all spend from 2020 through the end of that year

… Yet Management Remains Committed To Misguided Spend At Shareholder Expense…

Homes.com was one of the most prolific advertisers across the last two Super Bowls, spending alongside companies with >100x more revenue…





Homes.comisthebest.com

… and is expected to run Super Bowl ads for the third straight year while other US residential marketplace participants have never spent on Super Bowl ads

"Real estate giant Homes.com is **returning to the Super Bowl for its third straight year**, securing national ad time for the Big Game.."

– *iSpot.tv, 2026*

"Homes.com is back in for its third consecutive Super Bowl. **The brand will run national ad slots during the game, a spokesperson confirmed**…"

– *ADWEEK, November 2025*

"30 second advertisement slots cost ~$7-8M this year, with **CoStar spending most among our covered universe and direct competitors on the promo activity**."

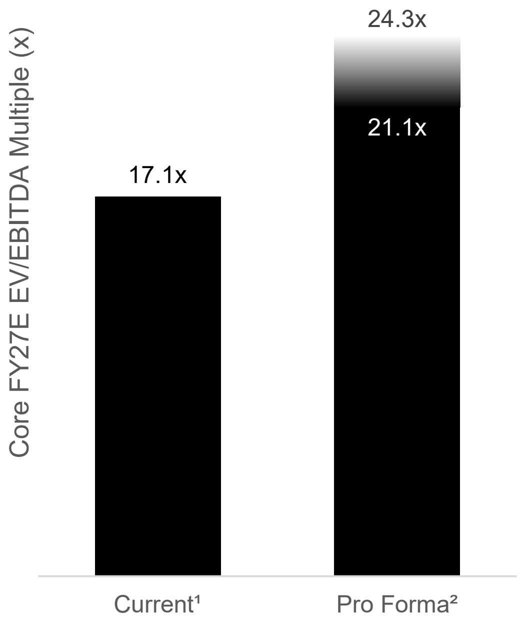
– *J.P. Morgan, February 2024*

Note(s):
Source: Company Filings, Sell-Side Research Reports, the D. E. Shaw group Proprietary Analysis, The New York Times, USA Today, iSpot, ADWEEK

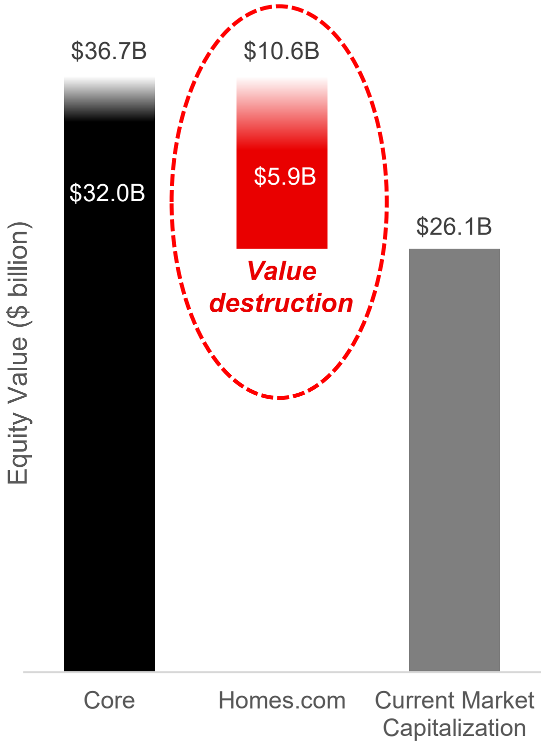
1. CoStar ran three Homes.com ads in 2024 (one 60-second slot and two 30-second slots). In 2025, CoStar ran two Homes.com ads (two 30-second slots)
2. Per iSpot.tv, Homes.com has purchased two 30-second spots for the 2026 edition of the Super Bowl, including which the total number of 30-second ad spots over 2024-26 increases to 8. Based on various media reports, ad spend assumed at ~$7 million per 30-second slot (low-end) to ~$8 million per 30-second slot (high-end) for 2024-26

… Leading The Market To Ascribe Materially Negative Value To The Endeavor

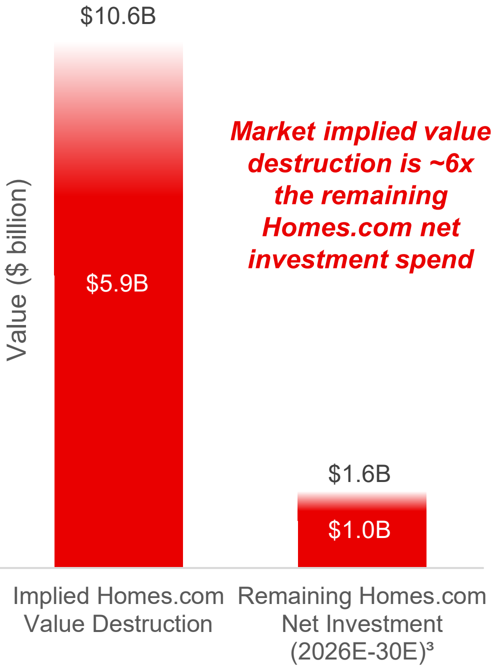
Core earnings[1] have historically traded at a material premium to peers…



… suggesting the market is ascribing billions of negative value to Homes.com…



… which is multiples of the remaining Homes.com investment spend

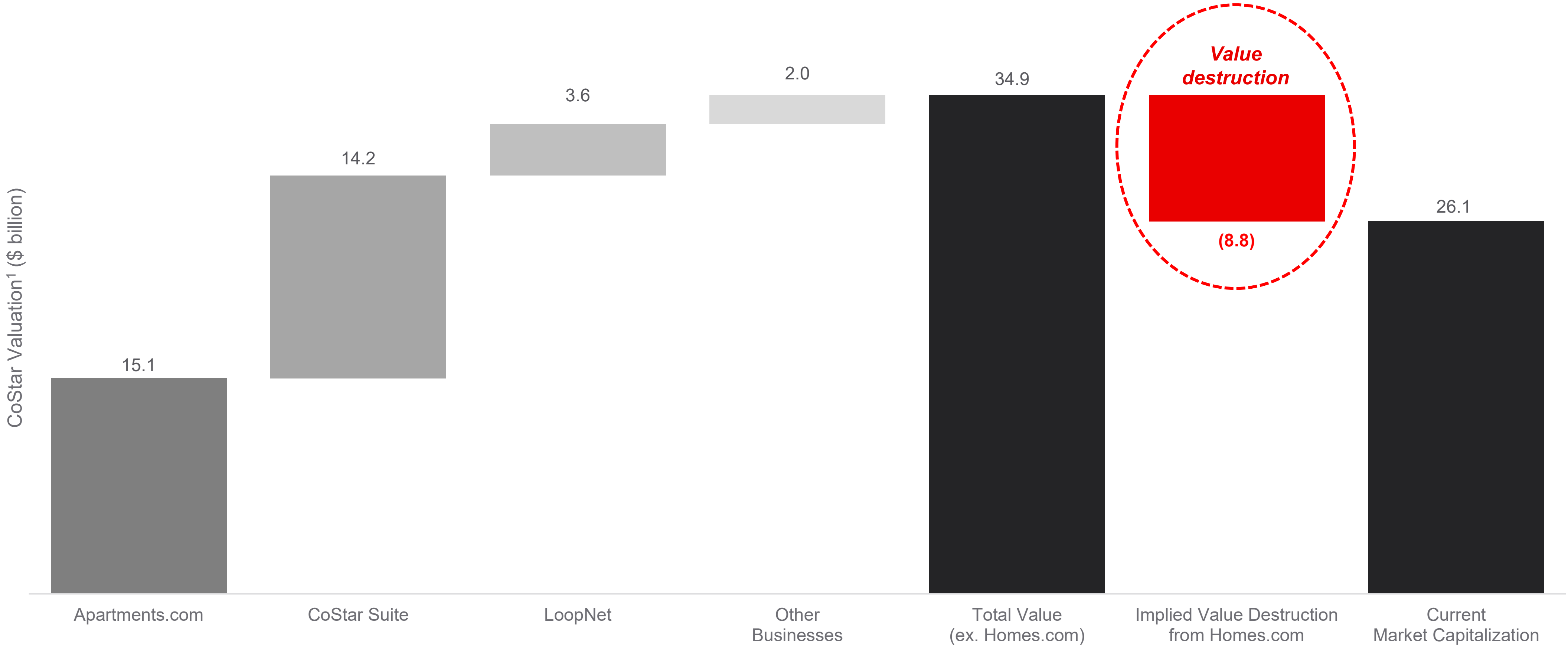


Note(s):
Source: Company Filings, Visible Alpha, Bloomberg, Sell-side Survey, the D. E. Shaw group Proprietary Estimates. Market data as of 01/30/2026

1. Excludes Homes.com net losses (based on guidance) and Domain, OnTheMarket and Matterport EBITDA estimates (based on sell-side survey of consensus estimates) from consensus consolidated EBITDA
2. Low-end multiple values Apartments.com at 10% premium to Zillow's multiple and other core businesses (excluding Homes.com, Domain, OnTheMarket and Matterport) in-line with the historical relative valuation premium versus Info Services peers from 2019 to 2022 prior to the Homes.com relaunch. High-end multiple values all core businesses (excluding Homes.com, Domain, OnTheMarket and Matterport) in-line with the historical relative valuation premium versus Info Services peers from 2019 to 2022 prior to the Homes.com relaunch. Info Services peers include Equifax, FactSet, Gartner, Moody's, MSCI, S&P Global, Thomson Reuters, TransUnion, and Verisk Analytics
3. The low-end of the Homes.com investment range assumes a $300 million reduction in net investment spend in 2027E and a $100 million reduction each year during the 2028E-30E period. The high-end of the Homes.com investment range assumes a $100 million reduction each year in net investment spend during the 2027E-29E period and a $300 million reduction in net investment spend in 2030E. The low-end and high-end are consistent with management guidance, which includes a $600 million Homes.com EBITDA increase from 2026E to 2030E and an expectation to reduce net investment in Homes.com by $100+ million annually from 2027E until 2030E

The Board And Management Seem To Agree The Market Is Ascribing Materially Negative Value To Homes.com…

CoStar estimates the sum of all its businesses excluding Homes.com and other recently acquired residential properties to be worth $35 billion implying material negative value being ascribed to its residential strategy



Note(s):
Source: Company Filings, Bloomberg. Market Data as of 01/30/2026
1. Based on CoStar's estimated market value of each brand (January 2026 Investor Presentation)

… And There Exists Clear Evidence Of Dis-Synergy With The Core Through Misallocation Of Resources...

Distractions from Homes.com sales efforts impacted the non-residential business negatively and…

"…**we asked all the sales teams across CoStar Group to help sell the new Homes.com product**"

– CEO, Q3 Earnings Call, October 2024

"**as salespeople went into selling Homes.com**… **I think they ended up spending a little more time in the Homes side** and they were not as experienced at selling that new product… So **it's a price you pay as you launch a new potential $1 billion product line, but I think it's well worth it**."

– CEO, Q3 Earnings Call, October 2024

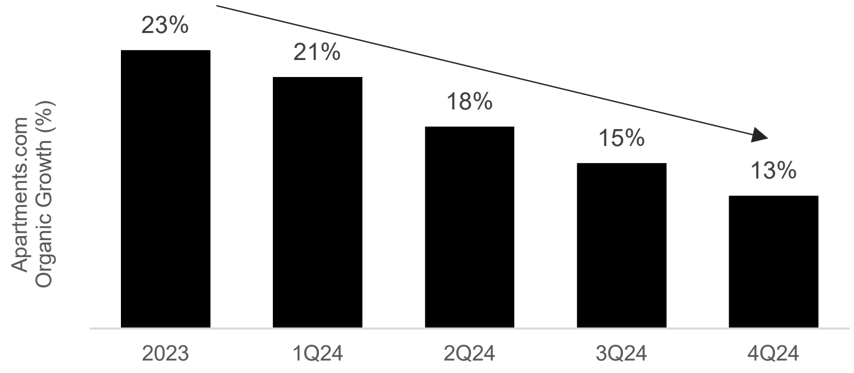
"They did successfully sell a significant volume of Residential, but **it came at the price of selling less of their core product**"

– CEO, Q3 Earnings Call, October 2024

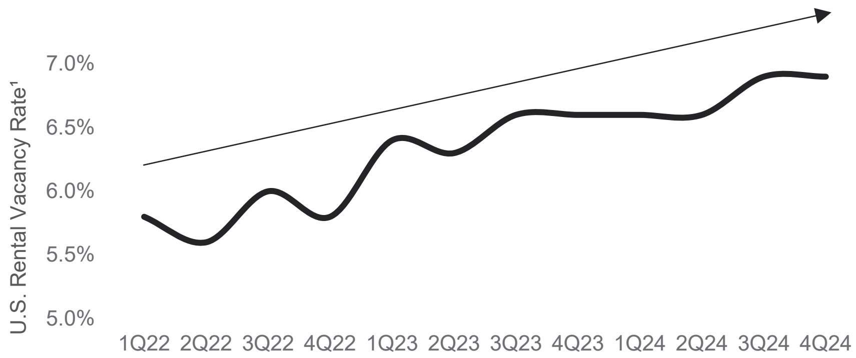
"…**we pushed all of our sales force to attack Homes.com**. And inevitably, **there was distraction as they were trying to hit targets and goals and servicing requirements**... **So they were distracted**… **first, second into the third quarter**"

– CFO, RBC Conference, November 2024

… contributed to lower organic growth at Apartments.com…



… despite a constructive environment with vacancy rates increasing



Note(s):
Source: Company Filings, Conference Call Transcripts, Earnings Call Transcripts, U.S. Census Bureau Data
1. U.S. Census Bureau Data

… Which Severely Harmed Apartments.com And Drove Poor Outcomes For Homes.com…

Salesforce distraction across multiple products led to underperformance in the core business…

"The Homes.com product launch was rushed, **leading to challenges in sales effectiveness and internal disruption**"

– Multifamily Sales Executive

"The sales staff was somewhat set up haphazardly and **transitioned its efforts from selling the suite in Multifamily** to really focusing just on Homes.com"

– Former Senior Executive

"**It was fairly difficult because you had to** - in addition to doing your day job for the product you were hired to sell, you also now had to **focus on selling Homes.com**"

– Sales Executive

"The **team really struggled with finding the right balance in terms of time and the return on that time**"

– Business Development Leader

… while a rushed sales effort for Homes.com resulted in a disjointed go-to-market which ultimately impacted retention

"**Training was a shotgun approach**—there were a couple of main rollout days, but the **script kept changing, making it chaotic**."

– Former Senior Sales Executive

"**It was chaos. Rolling out Homes.com was rushed**. **There wasn't enough time to effectively train the entire sales team**"

– Sales Director

"Salespeople were more incentivized to sell Homes.com, but **they were over-promising and under-delivering, leading to retention problems**."

– Former Regional Director of Sales

"…**It's a gamble** – **selling to individual agents is vastly different from selling to institutional clients**…requiring a completely different sales approach"

– Sales Executive

"**It was a very different sales process** speaking to a residential broker than it is sitting in front of an institutional enterprise client"

– Regional Business Development Executive

Note(s):
Source: Interviews with CoStar Group formers, Proprietary Analysis by Leading Management Consulting Firm

CoStar Group

… Yet Management Continues To Make Strained Arguments For Synergy Value

Management claims that Homes.com drives synergy value across the enterprise are strained at best…	**… but reality suggests Homes.com is at best a nice to have and at worst a costly distraction**

Management Claim on synergy with Apartments.com

"Without Homes.com, we would lose a critical partner for Apartments.com and key component of our digital ecosystem."

– CoStar Press Release, January 2026

- Apartments.com salespeople were diverted to Homes.com, leading **to a deceleration in CoStar's top-line growth from mid-teens to low-teens**
- The market is different with **no inventory synergy**: homes are listed by brokers, while most apartments are listed by owners
- **AI technology**, like conversational search, **can and should be developed independently of Homes.com**

Management Claim on Homes.com fitting into historically successful acquisition strategy

"Our strategy is grounded in our proven playbook of broadening our reach in existing and adjacent markets through disciplined acquisitions and organic investments… This is the strategy we are successfully repeating with Homes.com."

– CoStar Press Release, January 2026

- CoStar has **spent more on Homes.com than all of its prior investments combined**
- Homes.com has no traction despite **an investment period substantially longer** than any prior investment by CoStar as a public company

Management Claim on creating value for the franchise through Homes.com

"We have never failed before in realizing the vision, and we won't now. One thing we know for certain is that abandoning Homes.com now that the investment phase is tapering would be a certain way to destroy long-term value for stockholders."

– CoStar Press Release, January 2026

- Homes.com **has already failed** by failing to achieve management's initial revenue projections by >60%
- The **market ascribes negative value to Homes.com**; ending the continued, futile spend is the best way to restore the value that has been destroyed
- CoStar went from best-in-class to worst-in-class total shareholder returns, with the **stock down over the last one, two, three, four and five years**

Note(s):
Source: Company Filings, Earnings Call Transcripts, Conference Call Transcripts, the D. E. Shaw group Proprietary Estimates. Market data as of 01/30/2026. Total shareholder return inclusive of dividends

Recent Attempts To Address Homes.com Concerns Fell Short Of Investor Expectations…

“**Feedback was mostly negative** from investors (as is apparent by the stock price reaction)…”

– Deutsche Bank, January 2026

“**A step-down in Homes.com losses appears to be more about revenue growth than lower spend & that doesn't sit well given investor doubt around [CoStar’s] ability to challenge Zillow**…”

– BTIG, January 2026

“The long-awaited **capital allocation update that CoStar (CSGP) released yesterday morning was met by a chorus of boos**...”

– Gordon Haskett, January 2026

“… **the time to get to [Homes.com] profitability is likely disappointing investors**”

– BofA, January 2026

Source: Sell-side Research Reports

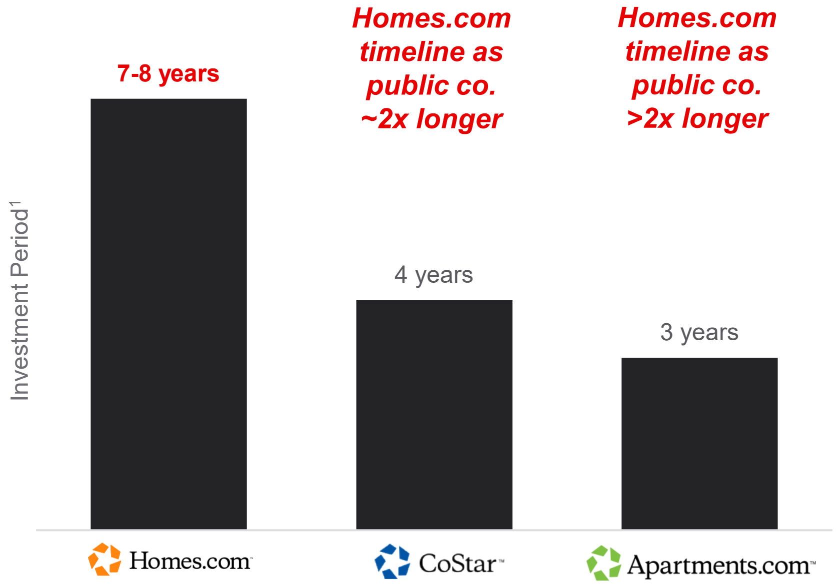
… With Timeline To Profitability Exceeding Past Investment Cycles As A Public Company…

Homes.com will have generated losses for more than seven years from its relaunch in late 2022…

November 2022	Homes.com relaunched after merging with Homesnap
February 2024	Management acknowledges spending $1 billion on Homes.com
2024-25	Homes.com memberships launch; ~$900 million per year of Homes.com spend
2026	Announcement of marginal Homes.com spending cuts starting 2026
2029-30	Targeted breakeven

7-8 years to breakeven

… which is a longer heavy investment period than CoStar experienced for Suite or Apartments.com as a public company based on management disclosures



*"…**timeline for Homes.com to become profitable** (late 2029 on a quarterly basis, 2030 for the full year) **is longer than we anticipated and likely is disappointing to some investors** (many had been hoping for 2028)" – William Blair, January 2026*

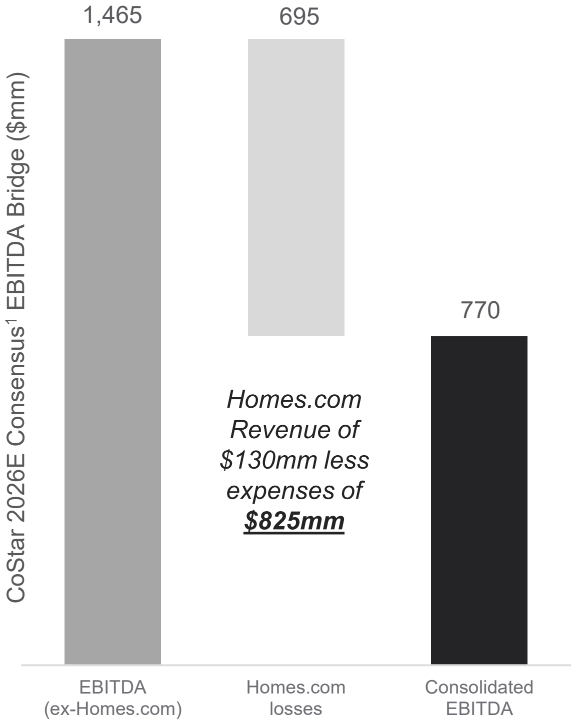
Note(s):
Source: Company Filings, Investor Presentations, Sell-side Research Reports
1. Based on CoStar January 2026 Investor Presentation disclosures

…. And Homes.com Cost Reductions Which Seemingly Amounted To A Mere Recategorizing Of Existing Expenses…

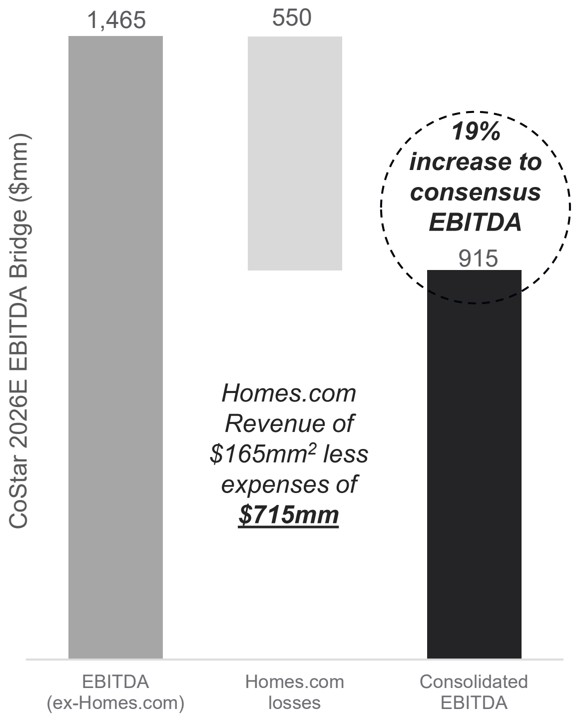
Investors expected ~$700 million of Homes.com losses before the January Business Update…

… and after management's commitment to reduce Homes.com losses, investors expected to see higher EBITDA…

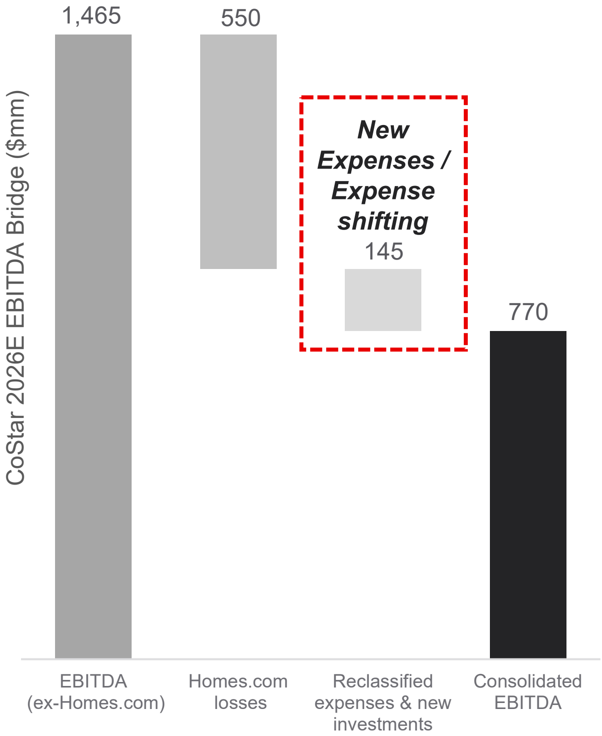
… but instead saw no increase in profitability as expenses were seemingly shifted from the "left pocket" to the "right pocket"



What Should Have Happened = Meaningfully Higher Profitability



What Actually Happened = No Change in Profitability

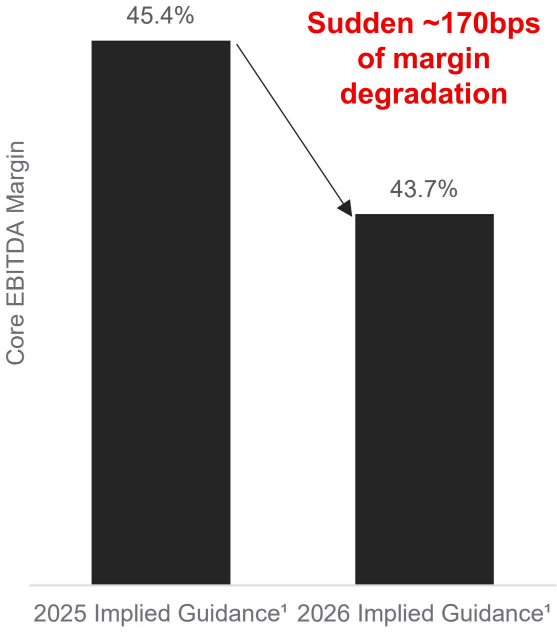


Note(s):
Source: Investor Presentations, Visible Alpha, Sell-side Survey, Sell-side Research Reports

1. Survey of sell-side analyst expectations indicates ~$130 million for 2026E Homes.com revenue and $800 million to $850 million for 2026E Homes.com gross expenses
2. Survey of sell-side analyst expectations indicates ~$80 million for 2025E Homes.com revenue. Management guided to an $85 million year-on-year increase in Homes.com revenue for 2026E, resulting in $165 million of revenue. Management expects $550 million of net investment spend on Homes.com, implying gross expenses of ~$715 million

… Optically Burdening The Core Business With Superfluous Homes.com Expenses

Investors are questioning how CoStar's core margins suddenly dropped ~200 basis points…



Ex-Homes.com EBITDA Margins: *~40%* *~36%*

… particularly in the context of management's contention that the core should be able to expand margins net of investment…

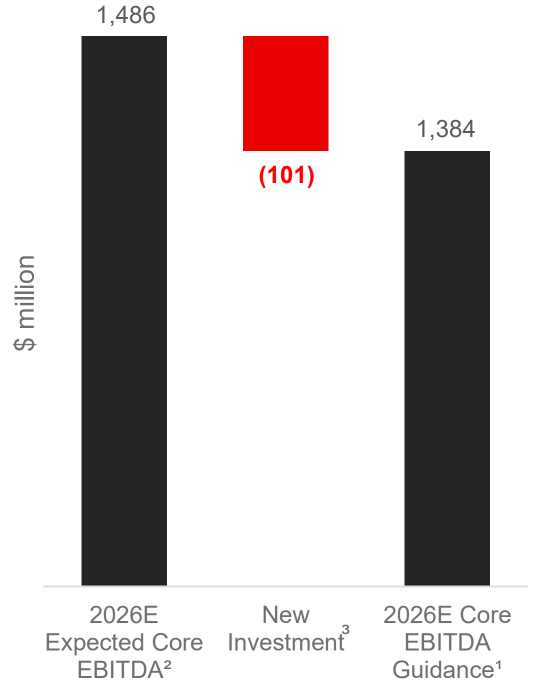
"… **it's all about the fixed cost leverage, maintaining that organic and increasing that organic revenue growth**… **even with big increases in marketing every year, we can still grow our margins**. So the scale of the business and the leverage profile of the business now is really helping us"

– CEO, 1Q21 Earnings Call, April 2021

"what is very apparent to me 7 months into the job is really **how fixed cost our commercial businesses are**. So you see the **power of the increase in the margins every year**, every quarter. And so we talked about **1% or 2% increase in margins year in and year out**"

– CFO, 4Q24 Earnings Call, February 2025

… as it implies that the core business is burdened with over $100 million of new investments



Investor confusion following the January 2026 Business Update drove an avoidable sell-off in the shares that erased ~$4 billion of market capitalization

Note(s):
Source: Company Filings, Sell-side Survey, Visible Alpha, Conference Call Transcripts
1. Excludes Homes.com net losses (based on guidance) and Domain, OnTheMarket and Matterport consensus EBITDA estimates (based on sell-side survey) from consolidated EBITDA guidance for 2025 and 2026. Core revenues exclude consensus revenues for Homes.com, Domain, OnTheMarket and Matterport (based on sell-side survey)
2. Assumes margin expansion of 150bps over the 2025E consensus margin of 45.4%
3. New Investment includes "Resource Reallocation" spend as presented in the January 2026 Investor Presentation as well as product, marketing, and salesforce spend in the core businesses (excluding Homes.com, Domain, OnTheMarket and Matterport)

Now Management Is Effectively Asking Investors to "Just Trust" Them Based On Past Investment Success…

"We are confident in our ability to deliver on these objectives at Homes.com **because we have done so numerous times before**.

Over the last 15 years, we have acquired more than 40 businesses for approximately $7.3 billion, **generating IRRs between 17% - 39% on our major investments. This is the strategy we are successfully repeating with Homes.com**

The investment periods, whether for CoStar, Apartments.com, LoopNet, or our other platforms always took time, and **we asked investors to trust that we have the expertise to make the vision a reality. We have never failed before in realizing the vision, and we won't now**."

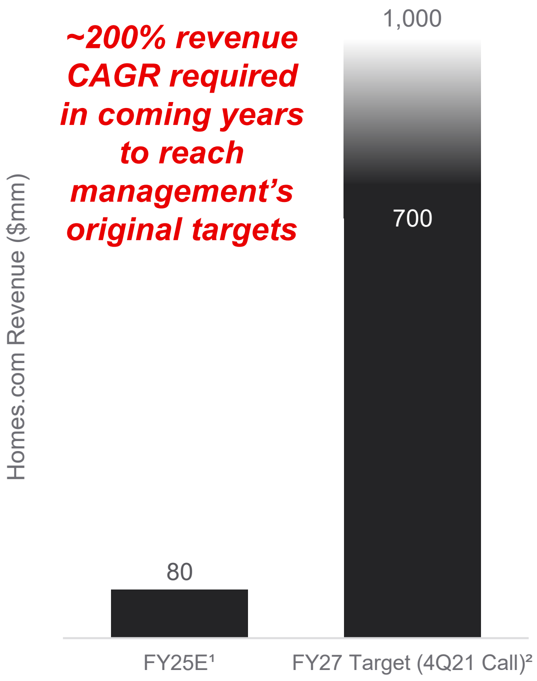
CoStar Press Release, January 28th 2026

Source: Company Filings

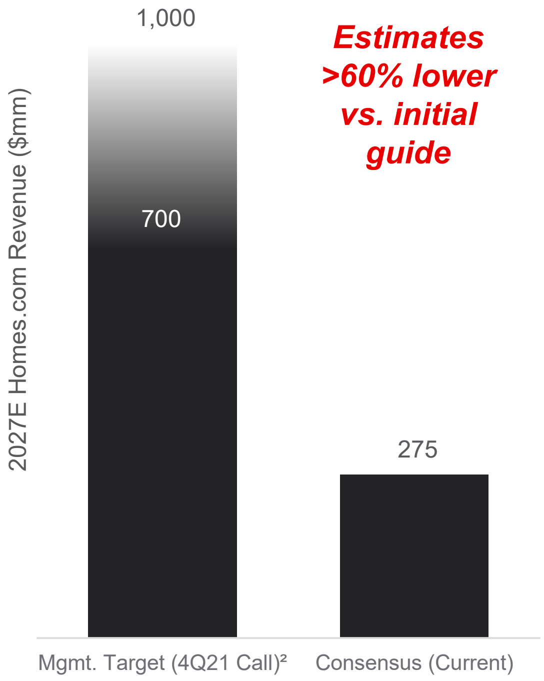
… Unfortunately, Missed Homes.com Targets Show Past Success Is No Indication Of Future Performance…

CoStar Group

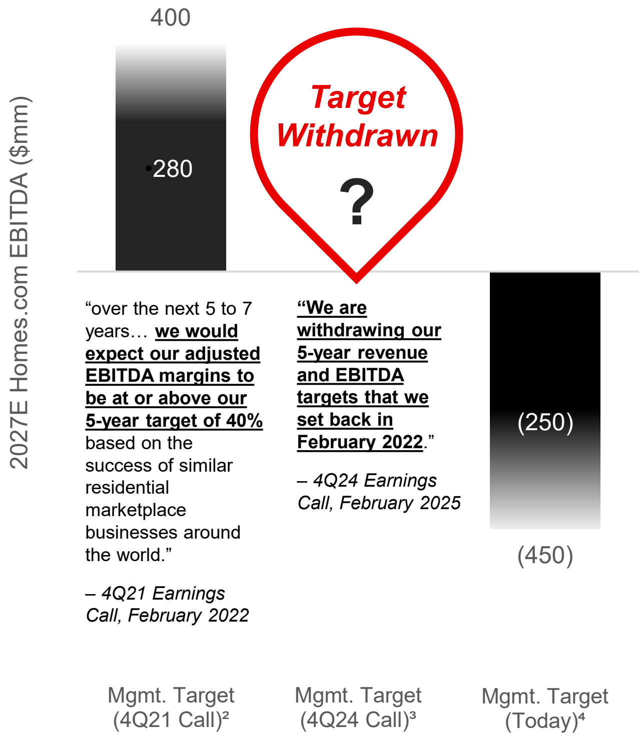
Homes.com is on track to fall far short of its original revenue targets…



… leading consensus estimates materially lower than initial expectations



Management withdrew its previous guidance, and Homes.com is now expected to incur negative EBITDA in 2027



Note(s):
Source: Company Filings, Visible Alpha, Bloomberg, Earnings Call Transcripts, Sell-side Survey

1. Based on sell-side survey
2. Based on management targets, including $700 million to $1 billion of residential products revenue (shared during Q4 2021 earnings call)
3. During 4Q24 earnings call, management withdrew 5-year revenue and EBITDA targets, previously set in February 2022
4. The low-end of the Homes.com investment range assumes a $300 million reduction in net investment spend in 2027E and a $100 million reduction each year during the 2028E-30E period. The high-end of the Homes.com investment range assumes a $100 million reduction each year in net investment spend during the 2027E-29E period and a $300 million reduction in net investment spend in 2030E. The low-end and high-end are consistent with management guidance, which includes a $600 million Homes.com EBITDA increase from 2026E to 2030E and an expectation to reduce net investment in Homes.com by $100+ million annually from 2027E until 2030E

… And Homes.com Investment Bears Little Resemblance To Past CoStar Investments

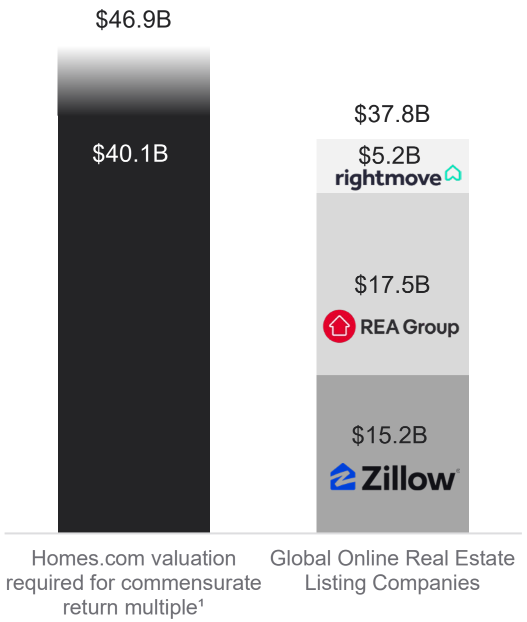
CoStar Group

At the time of the deal[1], CoStar management pitched the Apartments.com thesis along several critical dimensions…			… none of which existed for Homes.com…		… and, previously, CoStar's CEO agreed with this viewpoint
No clear market leader	✓	*Combined top 3 player share: ~33% (Apartments in Top 3)* *"when you give renters in a focus group the names of the top 6 sites and ask for reactions, there's real brand confusion"* *– CoStar CEO, Special Call 2/17/15*	X	Consolidated marketplace with a dominant, entrenched leader, Zillow Combined top 3 player share: ~77% (Homes.com was not in Top 3)	"So this is **nothing like the residential resale market for homes**, where the **competitors are all using roughly the same content that's derived from MLS systems** and that they're **just differentiating on the quality of their UI experience and the scale of their brand**." *- CoStar CEO on Apartments.com during Launch Call, February 2015*
Proprietary content	✓	*"we're building proprietary content here. We don't have 10 competitors with the same content we do"* *– CoStar CEO, Special Call 2/17/15*	X	MLS listing requirement commoditizes content / inventory	
Strong existing financial profile	✓	*~$28mn in EBITDA at acquisition, ~33% margins*	X	Not profitable; no ability to self-fund	

Note(s):
Source: Earnings Call Transcripts, M&A Call Transcript, Proprietary Analysis by Leading Management Consulting Firm
1. CoStar completed the acquisition of Apartments.com in April 2021

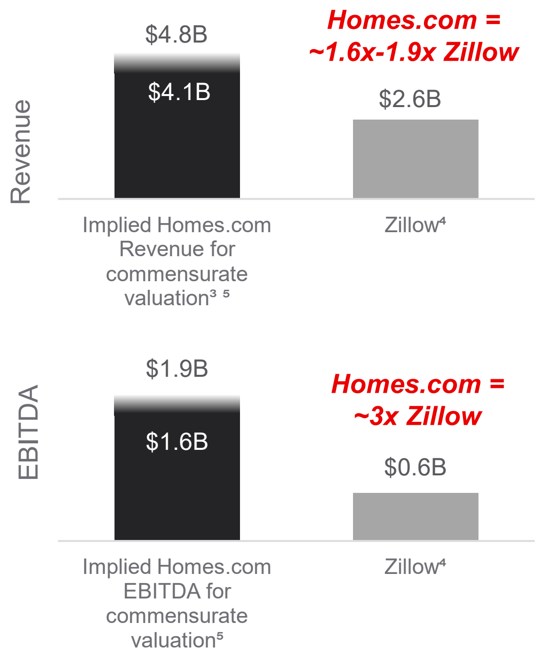
Generating Returns Similar To Prior Investments Requires Implausible Outcomes

Generating similar returns requires that Homes.com be worth more than several publicly traded real estate portals combined…



… worth more than all of CoStar's existing businesses combined…

… and generate nearly double the revenue and three times the EBITDA of Zillow despite having less than half the audience[6]



Note(s):
Source: Bloomberg, Investor Presentations, the D. E. Shaw group Proprietary Estimates. Market data as of 01/30/2026

1. Based on ~11.4x return multiple, as suggested by management disclosures on investment return multiples across CoStar Suite, Apartments.com, LoopNet, CoStar Real Estate Manager, Land.com, and BizBuySell (January 2026 Investor Presentation). Investment figures for Homes.com, Apartments.com, CoStar Suite, and LoopNet are based on CoStar January 2026 Investor Presentation disclosures. Homes.com investments cover the 2020-2030E period. CoStar invested ~$500 million in Homes.com sales and marketing in 2023 (implied based on reported 2023 commercial information and marketplace businesses EBITDA margin of 40%) and spent $156 million and $250 million acquiring Homes.com and Homesnap.com in 2021 and 2020, respectively. In 2024, Homes.com spend increased to ~$900 million. The low-end of the Homes.com investment range assumes a $300 million reduction in net investment spend in 2027E and a $100 million reduction each year during the 2028E-30E period. The high-end of the Homes.com investment range assumes a $100 million reduction each year in net investment spend during the 2027E-29E period and a $300 million reduction in net investment spend in 2030E. The low-end and high-end are consistent with management guidance, which includes a $600 million Homes.com EBITDA increase from 2026E to 2030E and an expectation to reduce net investment in Homes.com by $100+ million annually from 2027E until 2030E
2. Based on disclosures from CoStar's January 2026 Investor Presentation
3. Assuming 40% EBITDA margins at Homes.com
4. Consensus 2025 Revenue and EBITDA numbers for Zillow
5. Assuming Homes.com valuation at REA's 2025E EV/EBITDA multiple
6. As of Q3 2025, Zillow's apps and sites featured 250 million average monthly unique users while the Homes.com network featured 115 million unique monthly visitors based on management commentary during earnings calls

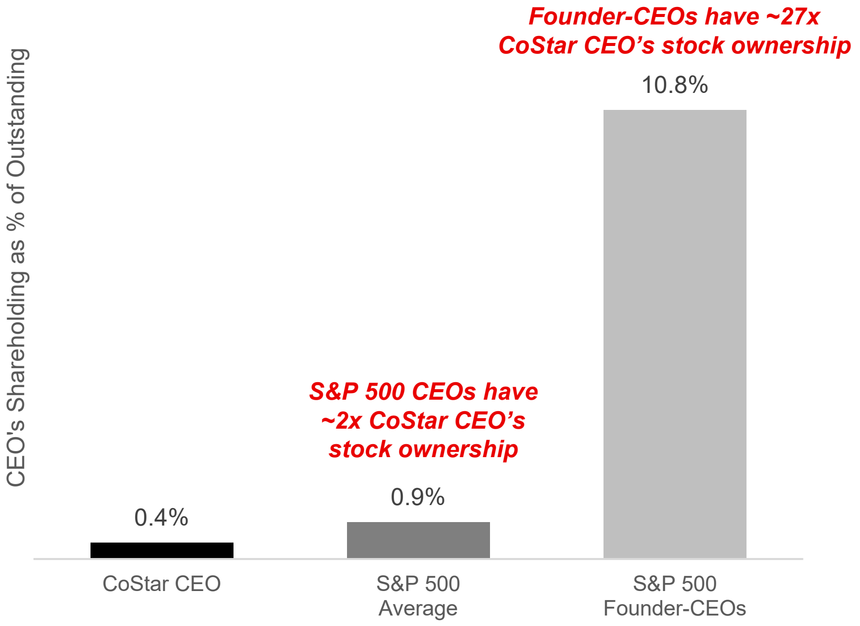
VALUE DESTRUCTION AT COSTAR
IS A DIRECT RESULT OF A DEFICIENT BOARD

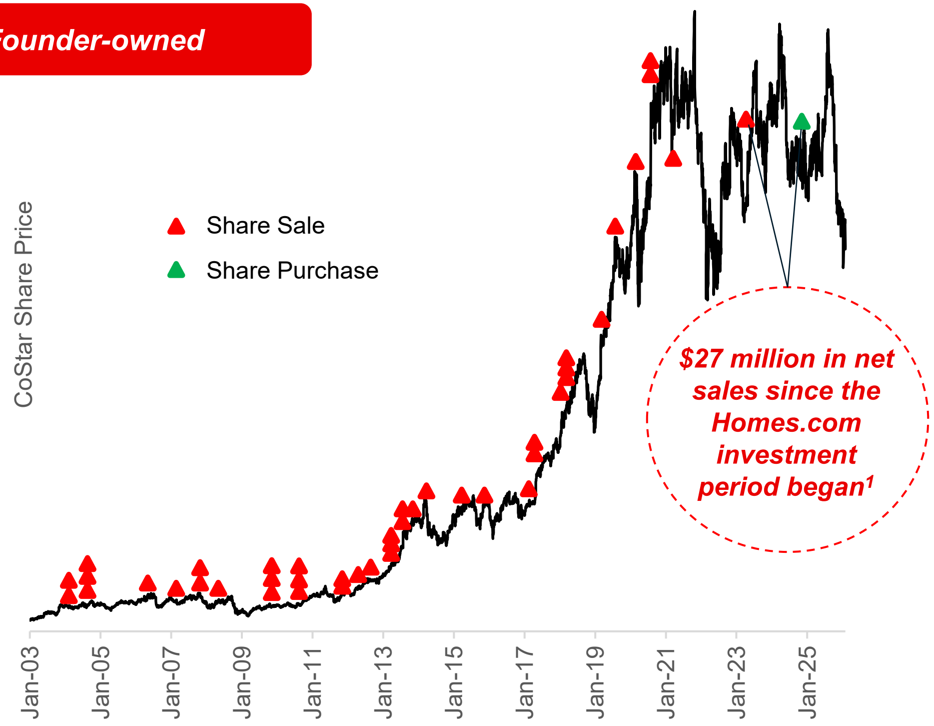
CEO Apathy Towards Value Creation Stems From Historical Misalignment With Shareholders…

CEO owns very little stock despite being the founder of the Company and taking substantial risk with shareholder capital…

… because he has sold most of his stock in approximately 40 transactions over the last two decades

CoStar is Founder-led, but barely Founder-owned





CoStar CEO has been granted over $200 million in stock over the last two decades

CoStar CEO has sold more than $270 million of stock through open market transactions over the last two decades

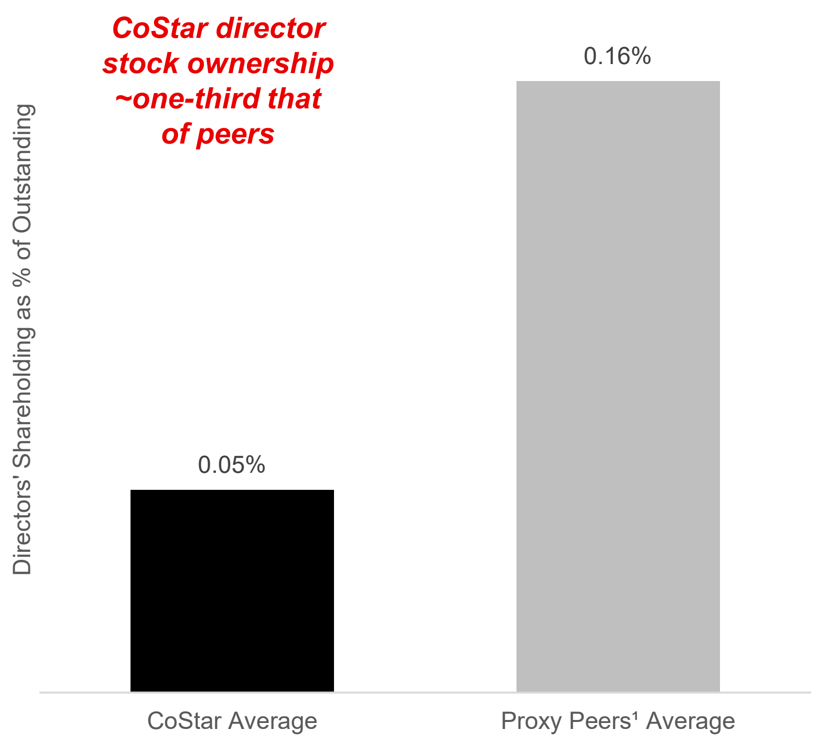
Note(s):
Source: Bloomberg, Company Filings. Market data as of 01/30/2026
1. Based on CoStar CEO's open market transactions since November 2022 when CoStar relaunched Homes.com at the annual National Association of Realtors (NAR) conference

… And The Same Is True Of The Board…

Long-tenured directors who presided over the Homes.com strategy have not purchased a single share…

Director	Tenure	Purchases	Sales
John Hill	14 years	None	$4mm
Louise Sams	6 years	None	None
Robert Musslewhite	6 years	None	None
Angelique Brunner	3 years	None	None

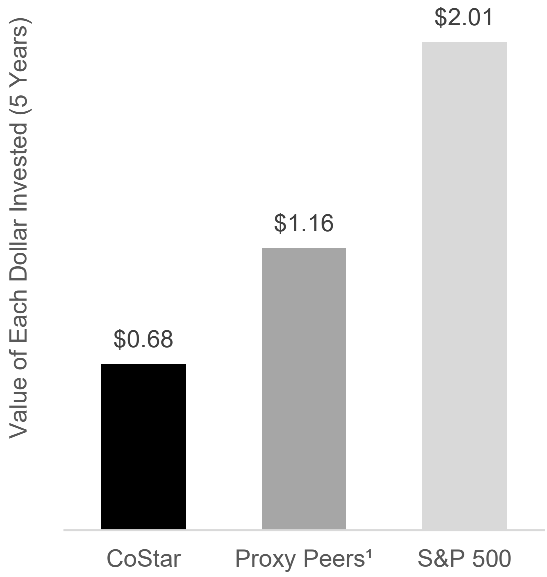
… and directors at proxy peer companies have ~3x as much stock ownership as CoStar directors on average



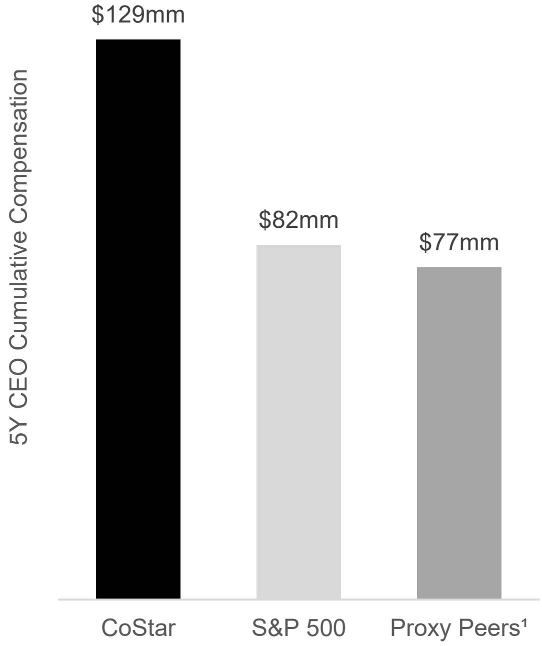
Note(s):
Source: Bloomberg, Company Filings, Institutional Shareholder Services Governance Report
1. Proxy Peers include ANSYS Inc, Akamai Technologies, Equifax, FactSet Research Systems, Fair Isaac Corp, Gartner, MercadoLibre, MSCI, Paycom Software, PTC, ServiceNow, TransUnion, Tyler Technologies, VeriSign, Verisk Analytics, Workday, and Zillow Group. ANSYS is excluded due to its delisting

… Which Rewarded An Underperforming CEO With Excess Pay…

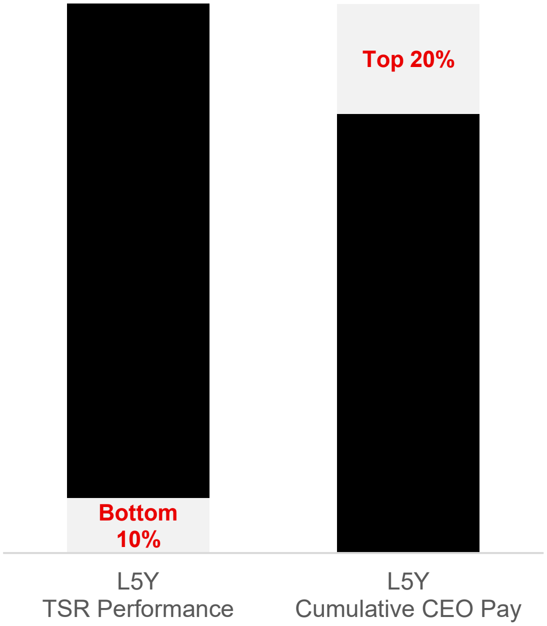
Every dollar invested in CoStar has generated lower shareholder returns relative to peers and the market during the recent past…



… yet CoStar's CEO has been paid at a level higher than peers…



… leading to TSR performance in the bottom decile of S&P 500 companies with CEO pay in the top quintile



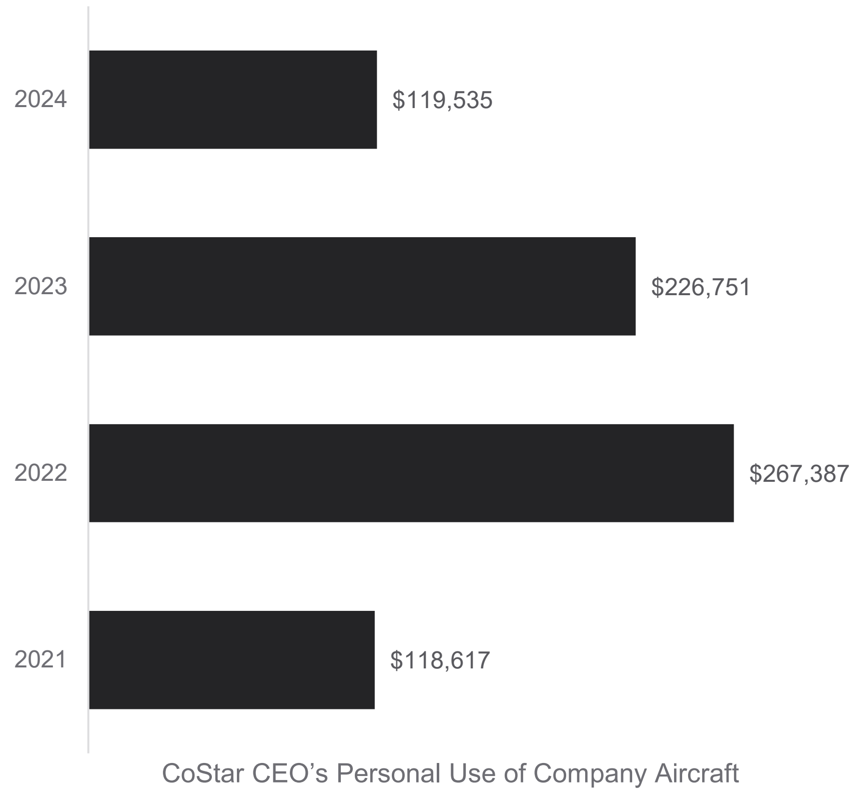
"**CEO pay increased amid TSR underperformance**. One- and three-year TSRs underperformed the S&P 500 Index…"

- ISS 2024 Report

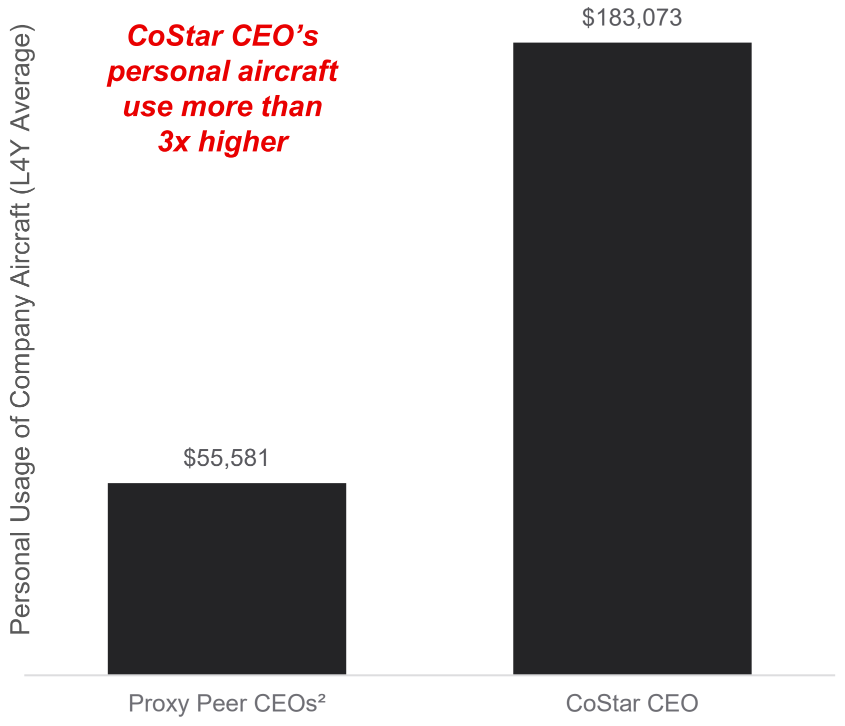
Note(s):
Source: Bloomberg, Company Proxy Filings, Institutional Shareholder Services Governance Report. Market data as of 01/30/2026. Total shareholder return inclusive of dividends
1. Proxy Peers include ANSYS Inc, Akamai Technologies, Equifax, FactSet Research Systems, Fair Isaac Corp, Gartner, MercadoLibre, MSCI, Paycom Software, PTC, ServiceNow, TransUnion, Tyler Technologies, VeriSign, Verisk Analytics, Workday, and Zillow Group. ANSYS is excluded due to its delisting

… And Lavish Perquisites…

CoStar's CEO is compensated with almost $200,000 of annual perquisites related to his personal use of the Company aircraft...



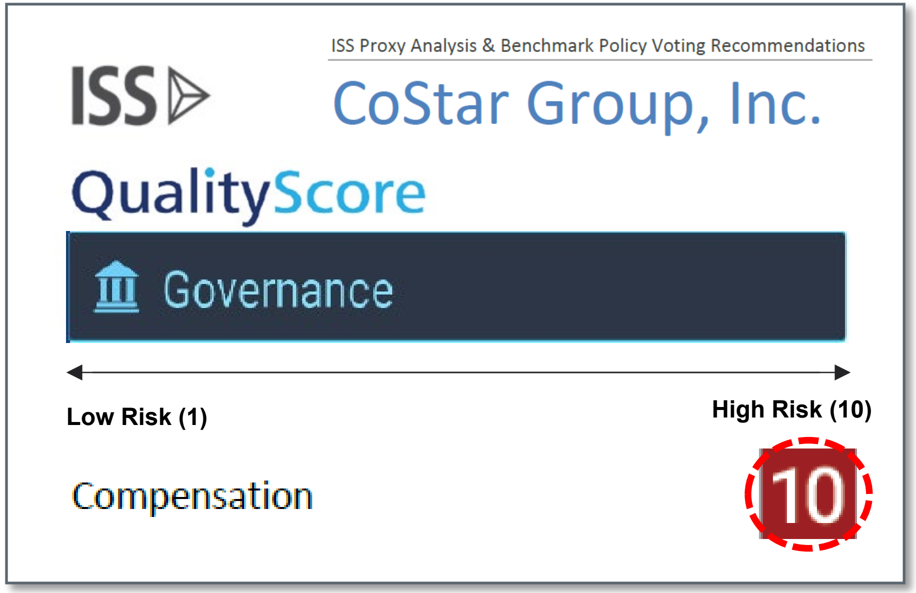
…which is significantly higher than levels seen at proxy peers[1]



Note(s):
Source: Bloomberg, Company Proxy Filings, Institutional Shareholder Services Governance Report
1. Proxy Peers include ANSYS Inc, Akamai Technologies, Equifax, FactSet Research Systems, Fair Isaac Corp, Gartner, MercadoLibre, MSCI, Paycom Software, PTC, ServiceNow, TransUnion, Tyler Technologies, VeriSign, Verisk Analytics, Workday, and Zillow Group
2. Based on the four-year average across all proxy peers. Only five companies in the proxy peer group (Equifax, Paycom Software, PTC, ServiceNow, and Workday) compensate their CEOs for personal use of the company aircraft

… Leading To Last Year's Abysmal Say-On-Pay Outcome

ISS placed CoStar squarely in the high-risk category as it pertains to compensation structure…



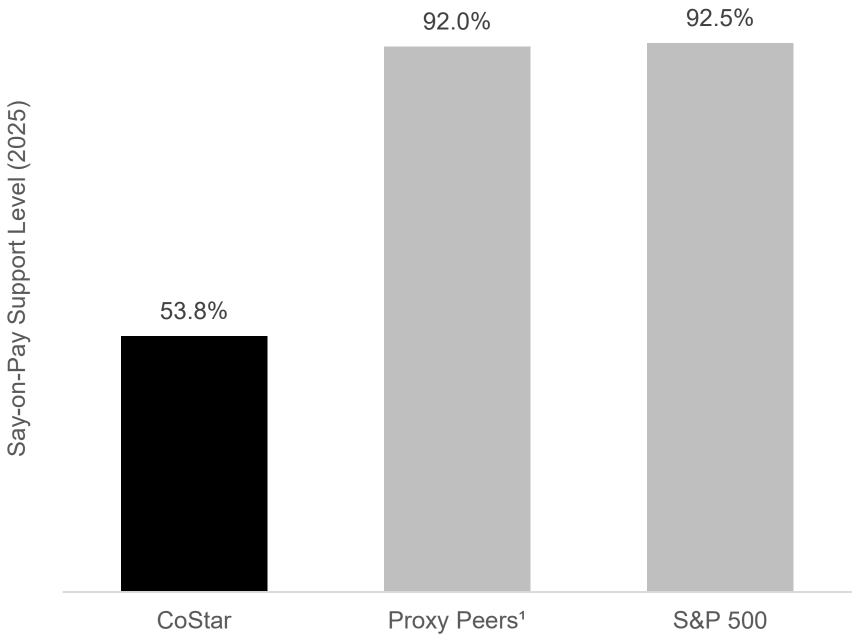
"***CEO's total pay significantly increased year-over-year****…*
The significant increase in the CEO's annual equity award value ***is not substantiated by sustained TSR outperformance and the proxy did not disclose compelling rationale****"*

- ISS 2025 Report

… and CoStar's say-on-pay support level is materially below that of proxy peers and S&P 500 companies

CoStar is at the bottom of its proxy peer group

CoStar is in the bottom three percent of S&P 500 companies



Note(s):
Source: Bloomberg, Company Filings, Institutional Shareholder Services Governance Report
1. Proxy Peers include ANSYS Inc, Akamai Technologies, Equifax, FactSet Research Systems, Fair Isaac Corp, Gartner, MercadoLibre, MSCI, Paycom Software, PTC, ServiceNow, TransUnion, Tyler Technologies, VeriSign, Verisk Analytics, Workday, and Zillow Group. ANSYS is excluded due to its delisting

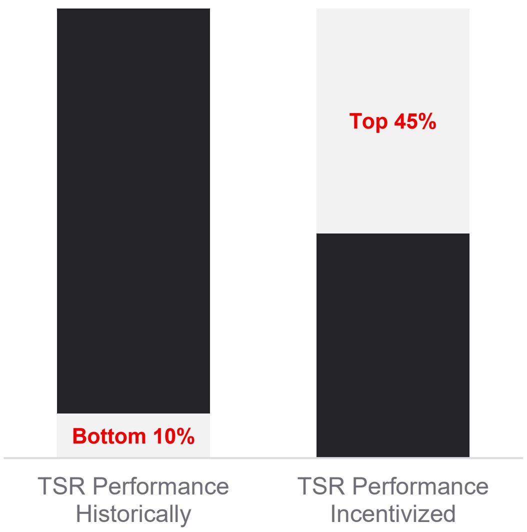
The Board's Misalignment With Shareholders Remains Unresolved

Despite bottom decile TSR performance[1], the Board set targets to pay out at modestly above average performance…

… and TSR is too small a component of compensation given gross historical misalignment

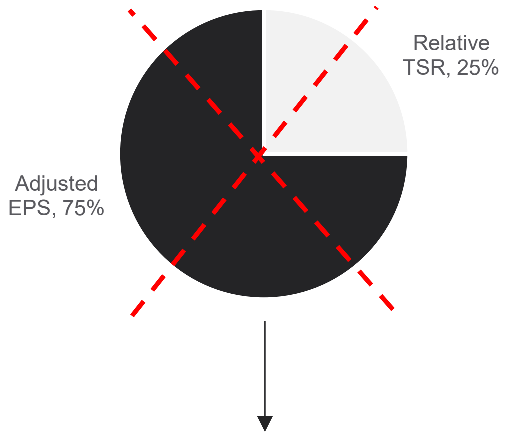
Lack of disclosure of performance targets is troubling in the context of poor goal rigor

Reversing severe, long-standing TSR underperformance requires both greater TSR weighting in incentives and a more demanding relative TSR standard



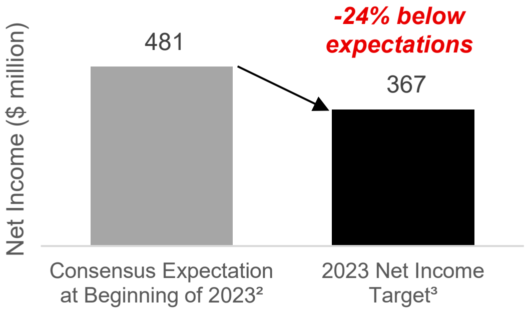
To reverse value destruction, Board should incentivize more than roughly average performance going forward

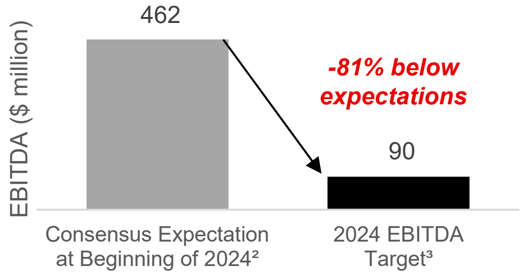
Board LTIP Proposal



Better Alignment

TSR should have at least a 50% weighting if not comprised of additional operating return or margin metrics





"**<u>… goal rigor concerns are raised in pay programs as the EBITDA target goal in the STI program was set below the prior year's performance… and was achieved at maximum</u>… <u>warrants fulsome disclosure of the goal-setting process</u>.**"

- ISS 2025 Report

Note(s):
Source: Bloomberg, Company Filings, Visible Alpha, Institutional Shareholder Services Governance Report. Market data as of 01/30/2026. Total shareholder return inclusive of dividends
1. Based on TSR performance relative to the S&P 500 over the last five years
2. Consensus figures are based on expectations of GAAP (Net Income) and non-adjusted (EBITDA) figures at the beginning of the relevant year
3. Based on executive compensation plan targets, including the EBITDA target for the annual cash incentive award and net income target for the performance-based restricted stock award

COSTAR HAS A UNIQUE OPPORTUNITY TO CREATE SUSTAINABLE VALUE BY SEPARATING HOMES.COM

The D. E. Shaw Group's Plan Could Unlock Substantial Value

1 **Monetize Homes.com or achieve break-even by 2027**

- Allows core business to be valued directly without earnings drag from Homes.com losses
- Core business historically traded at a material premium to information services peer set

2 **Refocus on core business operations**

- Accelerate organic growth to low teens annually by improving sales efficiency following refocus of sales organization
- Drive margin expansion of ~150bps annually through core operating leverage, net of reinvestment spend
- Optimize existing cost structure to generate savings of $60-120 million which can be further used to reinvest in the core business

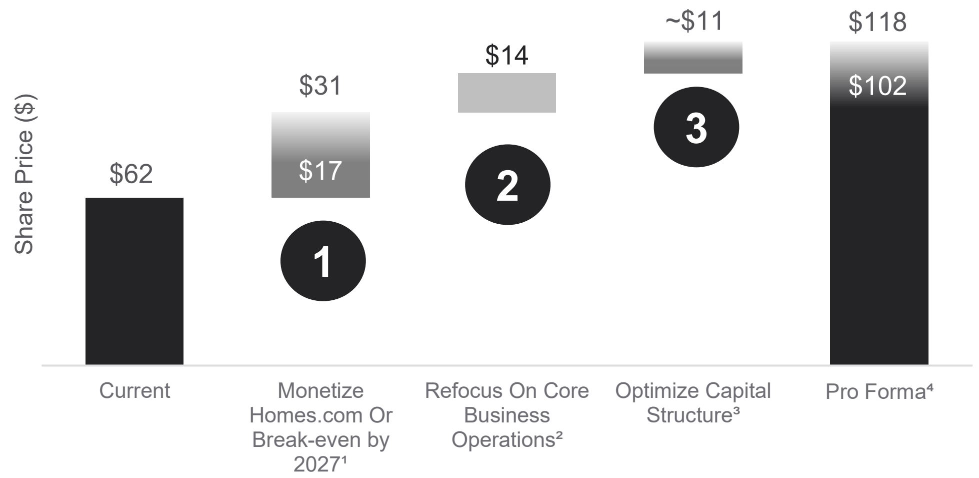
3 **Optimize capital structure**

- Accelerated share repurchase after levering up to 1.6x net leverage

4 **Improve corporate governance**

- Restructure the executive compensation program to improve alignment with shareholder returns
- Replace majority of long-tenured independent directors that presided over Homes.com strategy

Combination of the D. E. Shaw group's portfolio changes and operational recommendations could result in 66% to 93% upside to CoStar's current share price



	Current		Pro Forma
FY27 Core EBITDA Margin:	**42.2%**	→	**48.4%**
FY27 Core EV/EBITDA[4]:	**17.1x**	→	**~21x to ~24x**

Note(s):
Source: Bloomberg, Visible Alpha, Company Filings, Sell-side Survey, the D. E. Shaw group Proprietary Estimates, Proprietary Analysis by Leading Management Consulting Firm. Market data as of 01/30/2026
1. Assumes CoStar separates Homes.com or reaches breakeven in 2027; CoStar FY27E EBITDA increases to ~$1.5 billion reflecting the core earnings power of the business excluding losses attributable to Homes.com, Domain, OnTheMarket and Matterport based on consensus estimates
2. Assumes salesforce productivity reaches 2019-23 average levels. Further, CoStar benefits from increased margin expansion (~150bps annually) due to inherent operational leverage in the core business
3. Assumes CoStar increases its net leverage to 1.6x which is in-line with average of Info Services peers and uses excess cash (including 100% of free cash flow generated) to repurchase shares
4. Pro forma share price ranges are derived from a low-end and high-end FY27E EBITDA multiple assumption. Low-end multiple values Apartments.com at 10% premium to Zillow's multiple and other core businesses (excluding Homes.com, Domain, OnTheMarket and Matterport) in-line with the historical relative valuation premium versus Info Services peers from 2019 to 2022 prior to the Homes.com relaunch. High-end multiple values all core businesses (excluding Homes.com, Domain, OnTheMarket and Matterport) in-line with the historical relative valuation premium versus Info Services peers from 2019 to 2022 prior to the Homes.com relaunch. Info Services peers include Equifax, FactSet, Gartner, Moody's, MSCI, S&P Global, Thomson Reuters, TransUnion, and Verisk Analytics

1

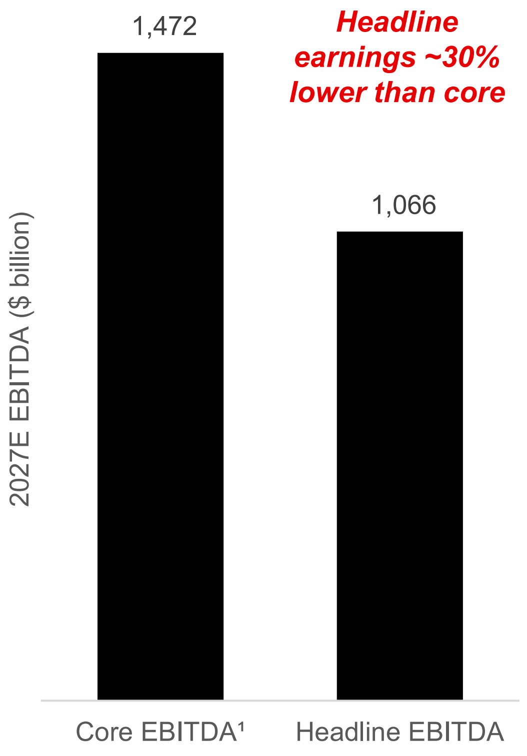
MONETIZE HOMES.COM OR ACHIEVE BREAK-EVEN BY 2027

Separating Homes.com Would Allow CoStar's Core Business To Be Valued Appropriately…

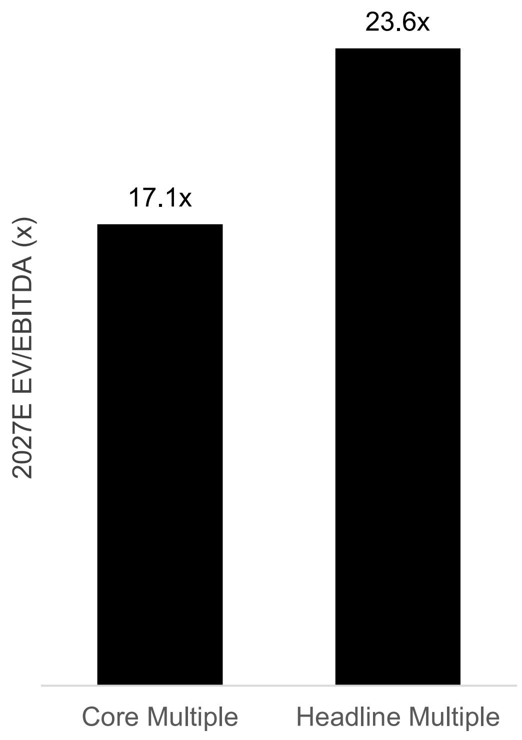
1

CoStar Group

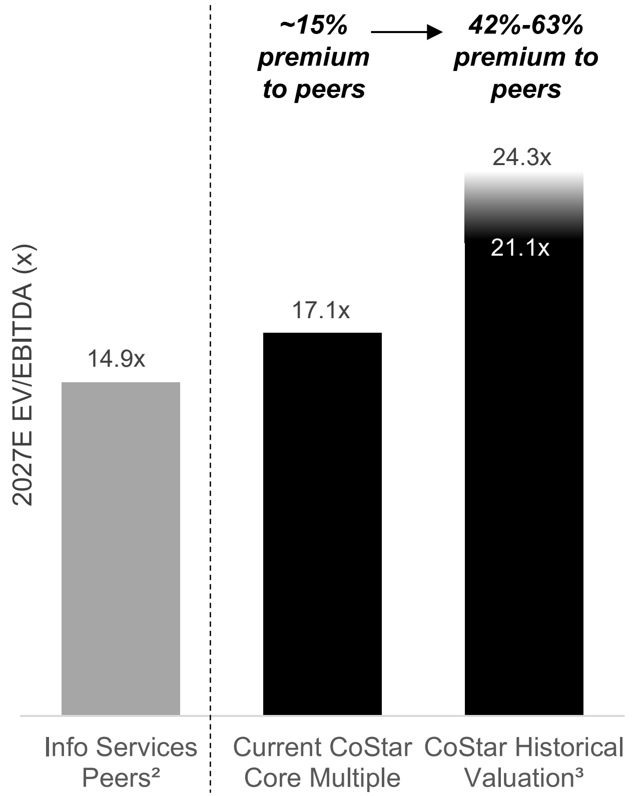
Current business configuration drives investors to capitalize Homes.com losses…



… resulting in an optically high multiple when in reality CoStar is cheap on its core business



Separation would allow the core business to re-rate free and clear of Homes.com

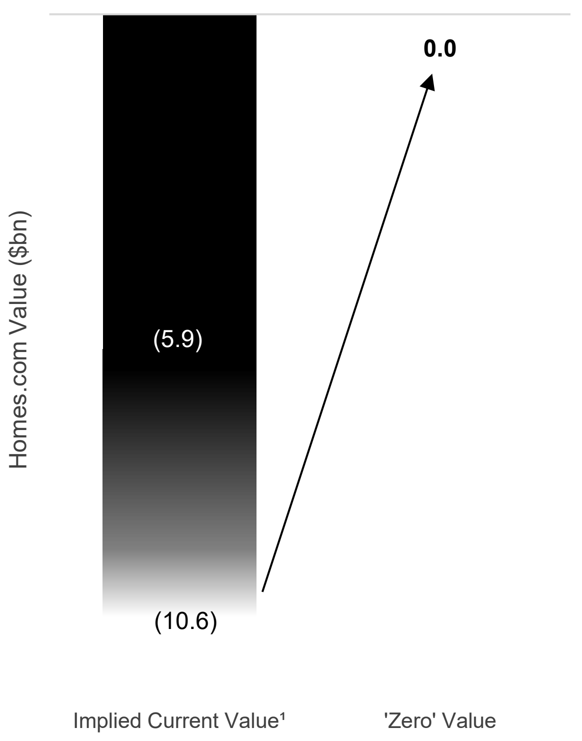


Note(s):
Source: Company Filings, Visible Alpha, Bloomberg. Market data as of 01/30/2026

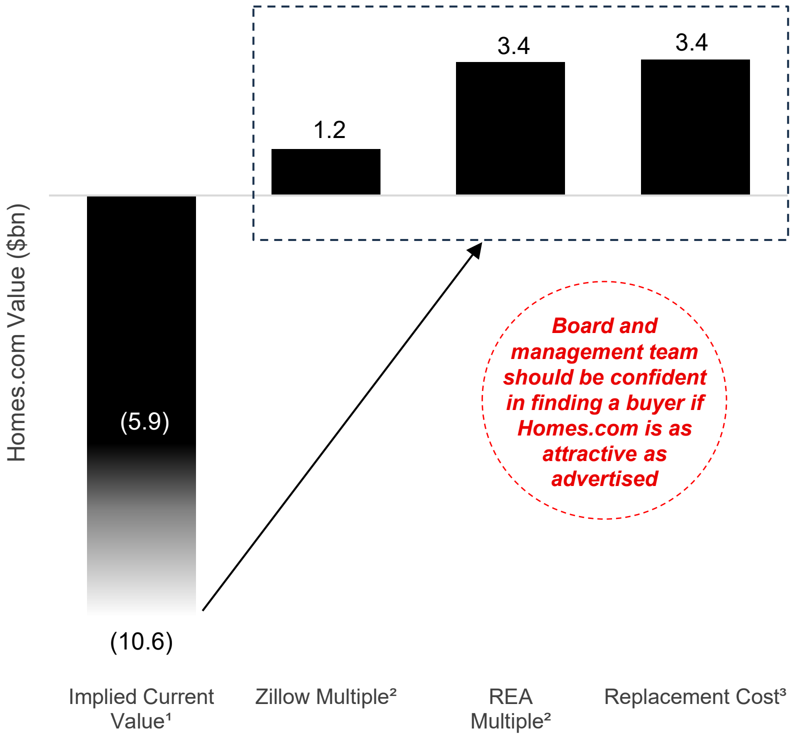
1. Consensus Core EBITDA excludes Homes.com net losses (based on guidance) and Domain, OnTheMarket and Matterport EBITDA estimates (based on sell-side survey of consensus estimates) from consensus consolidated EBITDA
2. Info Services peers include Equifax Inc, FactSet Research Systems Inc, Gartner Inc, Moody's Corp, MSCI Inc, S&P Global Inc, Thomson Reuters Corp, TransUnion and Verisk Analytics Inc
3. Low-end multiple values Apartments.com at 10% premium to Zillow's multiple and other core businesses (excluding Homes.com, Domain, OnTheMarket and Matterport) in-line with the historical relative valuation premium versus Info Services peers from 2019 to 2022 prior to the Homes.com relaunch. High-end multiple values all core businesses (excluding Homes.com, Domain, OnTheMarket and Matterport) in-line with the historical relative valuation premium versus Info Services peers from 2019 to 2022 prior to the Homes.com relaunch. Info Services peers include Equifax, FactSet, Gartner, Moody's, MSCI, S&P Global, Thomson Reuters, TransUnion, and Verisk Analytics

1 … Removing Homes.com Valuation Overhang…

Homes.com separation would at the very least undo its negative market implied equity value...



… but if as attractive as advertised, management should be able to find third party capital…



… given CoStar's current investor base is unwilling to ascribe positive value to Homes.com

"We think **the stock embeds little for Homes.com at this point …getting out of the business altogether would likely be welcomed by the market**."

– *BTIG, January 2026*

"…with shares range-bound in recent years, the company's valuation on the core business **assuming zero value from residential (some investors likely assigning negative value)** has trended significantly lower."

– *William Blair, December 2025*

"We have **assigned no value to Homes.com's optionality** given the lack of clarity on Homes.com's revenue potential…"

– *RBC, November 2025*

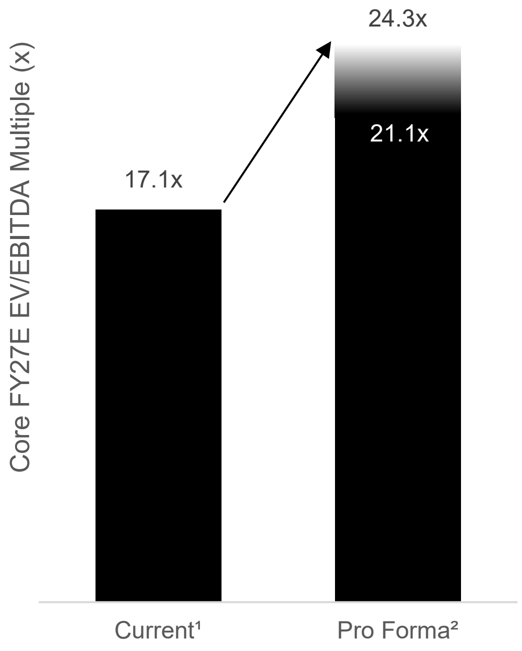
Note(s):
Source: Visible Alpha, Company Filings, Bloomberg, Sell-side Research Reports. Market data as of 01/30/2026

1. Low-end multiple values Apartments.com at 10% premium to Zillow's multiple and other core businesses (excluding Homes.com, Domain, OnTheMarket and Matterport) in-line with the historical relative valuation premium versus Info Services peers from 2019 to 2022 prior to the Homes.com relaunch. High-end multiple values all core businesses (excluding Homes.com, Domain, OnTheMarket and Matterport) in-line with the historical relative valuation premium versus Info Services peers from 2019 to 2022 prior to the Homes.com relaunch. Info Services peers include Equifax, FactSet, Gartner, Moody's, MSCI, S&P Global, Thomson Reuters, TransUnion, and Verisk Analytics
2. Zillow implied valuation and REA implied valuation based on their respective 2026 EV/Sales multiples
3. "Replacement cost" estimated at $3.4 billion based on gross dollars invested to date, including $156 million and $250 million spent on acquiring Homes.com and Homesnap.com in 2021 and 2020, respectively, ~$500 million spent on Homes.com in 2023, ~$900 million spent in 2024 and 2025 each and ~$700 million guided for 2026E (based on CoStar January 2026 Investor Presentation disclosures)

1 … Which Would Drive Meaningful Value Creation For CoStar Shareholders

CoStar Group™

Core business multiple could re-rate to historical levels on a return to high business quality…	… increasing enterprise value by ~$6 billion to ~$11 billion...	… and leading to substantial share price upside
23% to 42% higher multiple	***~$6 billion to ~$11 billion increase in value***	***23% to 41% higher stock price***



Note(s):
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CoStar Group

1 Numerous Potential Paths Exist For Separating Homes.com

CoStar can explore a sale or majority sale to financial sponsor or strategic buyers…

Outright sale: Sale of 100% of Homes.com equity to third party buyer

Considerations
- Full separation allows for core business revaluation and a simplified equity narrative
- No ongoing financial exposure to Homes.com (including equity performance and funding obligations)

Potential Partners
- Private equity firms[1] that have transacted in the residential marketplace space
- Strategic buyers where anti-trust concerns are unlikely to exist (Realtor.com (CoStar has considered this), other media & communications platforms)

Partial sale: Sale of >50% of Homes.com equity to third party buyer

Considerations
- Some risk of continued valuation headwind and management distraction
- Reduced financial exposure to Homes.com

… a spinoff to existing shareholders or spinoff sponsored by private equity…

Sponsored spinoff: Homes.com spun off to existing shareholders with additional anchor investor to provide valuation floor

Considerations
- Full separation allows for core business revaluation and a simplified equity narrative
- Homes.com losses funded initially with third party capital
- No ongoing financial exposure to Homes.com after initial funding
- Third party validation capital reduces Homes.com valuation risk

Spinoff: Homes.com spun off to existing shareholders

Considerations
- Full separation allows for core business revaluation and a simplified equity narrative
- No partners required
- Homes.com losses need to be funded initially with CoStar balance sheet
- No ongoing financial exposure to Homes.com after initial funding
- Homes.com valuation risk mitigated by status quo negative implied equity value

… or a subsidiary IPO / equity carve out of Homes.com to raise cash and effect partial separation

Subsidiary IPO: Portion of Homes.com subsidiary carved out (>50%) and offered to public investors

Considerations
- Reduced financial exposure to Homes.com
- No partners required
- Incremental capital raised from IPO leveraged to fund initial Homes.com capital needs
- Homes.com valuation risk mitigated by status quo negative implied equity value

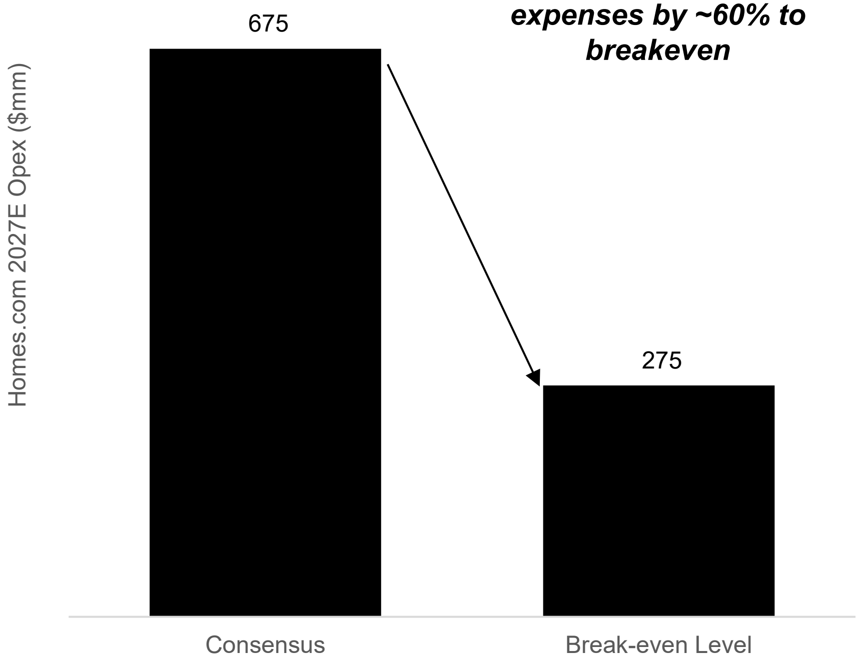
Note(s):
Source: Company Filings, the D. E. Shaw group Proprietary Analysis
1. Apax Partners and Hellman & Friedman previously offered $1.9 billion for Trade Me, New Zealand's leading classifieds and marketplace portal. Blackstone invested in Zumper, the largest privately-owned rental platform in North America. General Atlantic previously acquired a majority stake in Hemnet (Swedish RE portal) and invested in Property Finder (Dubai-based RE portal). Silver Lake previously acquired Zoopla (British RE portal). Examples are purely illustrative; the D. E. Shaw group has not spoken to these firms at this time

1 Eliminating Homes.com Losses Through Substantial Cost Reduction Would Have A Similar Effect

CoStar Group

CoStar should aim for break-even or better levels of profitability in Homes.com by 2027 if monetization path is not viable…

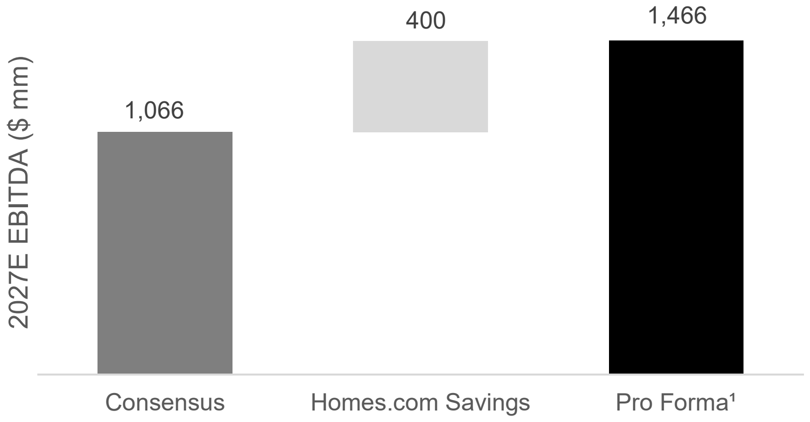
Reduce Homes.com expenses by ~60% to breakeven



Homes.com EBITDA: -$400mm → 0

… or to the extent that all other options for eliminating Homes.com losses from CoStar's balance sheet are exhausted, shutting down the business is superior to the status quo

Status quo < Core Earnings Power



Shutdown only after all other options are explored but in no event should CoStar investors be forced to continue funding Homes.com losses

Enterprise Value: $25.1bn → $35.7bn

FY27E EBITDA Margin: ~25% → ~35%

Note(s):
Source: Visible Alpha, Bloomberg, Company Filings, the D. E. Shaw group Proprietary Estimates. Market data as of 01/30/2026
1. Pro forma for Homes.com breakeven earnings. Assumes Homes.com net losses of $400 million in 2027 based on management guidance, which includes $550 million net losses in 2026 and $600 million Homes.com EBITDA increase from 2026E to 2030E which translates to ~$150 million of annual reduction in net investment spend

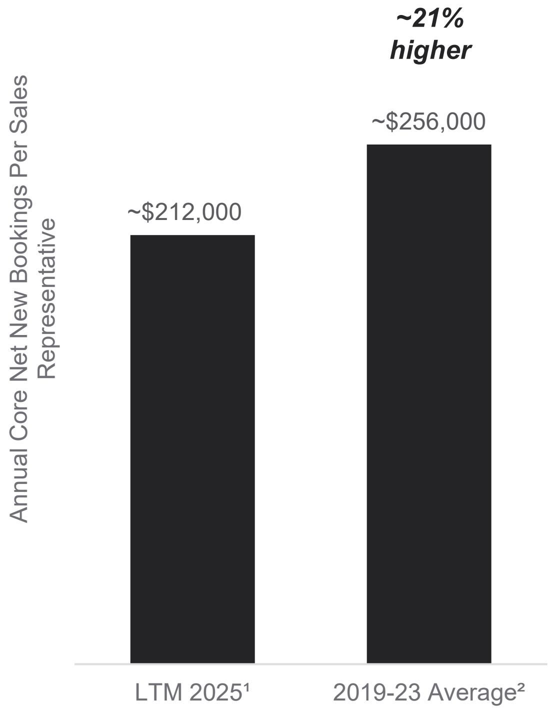
2

REFOCUS ON CORE BUSINESS OPERATIONS

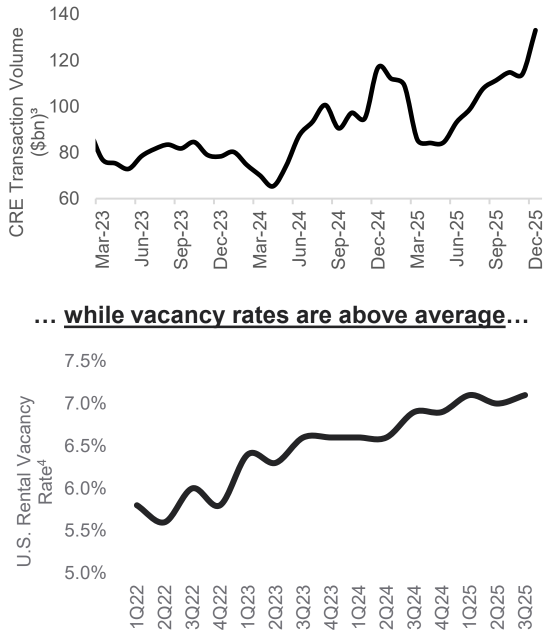
Separating Homes.com Allows CoStar To Capitalize On Productivity Rebound From Constructive Macro And Renewed Focus…

CoStar Group

CoStar can improve salesforce productivity from depressed levels…

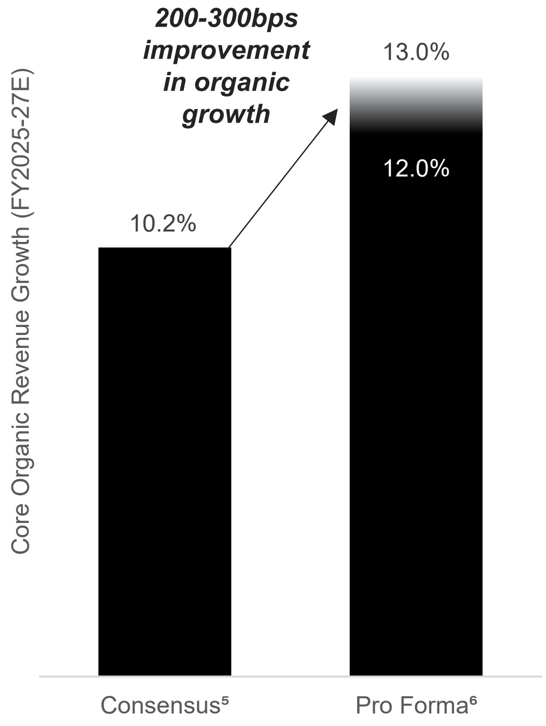


… aided by constructive macro environment and renewed focus…



… providing CoStar with an opportunity to exercise pricing power

… creating a potential acceleration in organic growth



Note(s):

Source: Bloomberg, Visible Alpha, Company Filings, Sell-side Survey, the D. E. Shaw group Proprietary Estimates

1. For the twelve-month period ending 3Q 2025, the total net new bookings for the core business (ex-Homes.com) is calculated based on reported figures and divided by the average number of sales representatives during the period. The number of sales representatives for the core business is based on reported figures for the total excluding those hired for Homes.com and Domain (estimated at ~180 based on disclosures in the January 2026 investor presentation)
2. Salesforce productivity in the 2019-23 period is based the reported total net new bookings for each year divided by the total sales headcount reported by the company
3. Three-month moving total of CRE transaction volumes across the Apartment, Office, Hotel, Retail, and Industrial segments (proxy for the U.S. CRE market)
4. U.S. Census Bureau Data
5. Core revenue growth consensus excludes Homes.com, Domain, OnTheMarket and Matterport revenues (based on sell-side survey) from overall revenue consensus
6. Pro Forma for core business salesforce productivity reaching 2019-23 average levels. Salesforce numbers for the core business estimated for 2025-27E based on disclosures in the January 2026 investor presentation

… And Harness The Margin Expansion Potential Inherent In the Core Business…

CoStar's core businesses have tremendous operating leverage that allows for 100-200 basis points of margin expansion net of re-investment…

"what is very apparent to me 7 months into the job is really **how fixed cost our commercial businesses are**. So you see the **power of the increase in the margins every year**, every quarter. And so we talked about **1% or 2% increase in margins year in and year out**"

– CFO, 4Q24 Earnings Call, February 2025

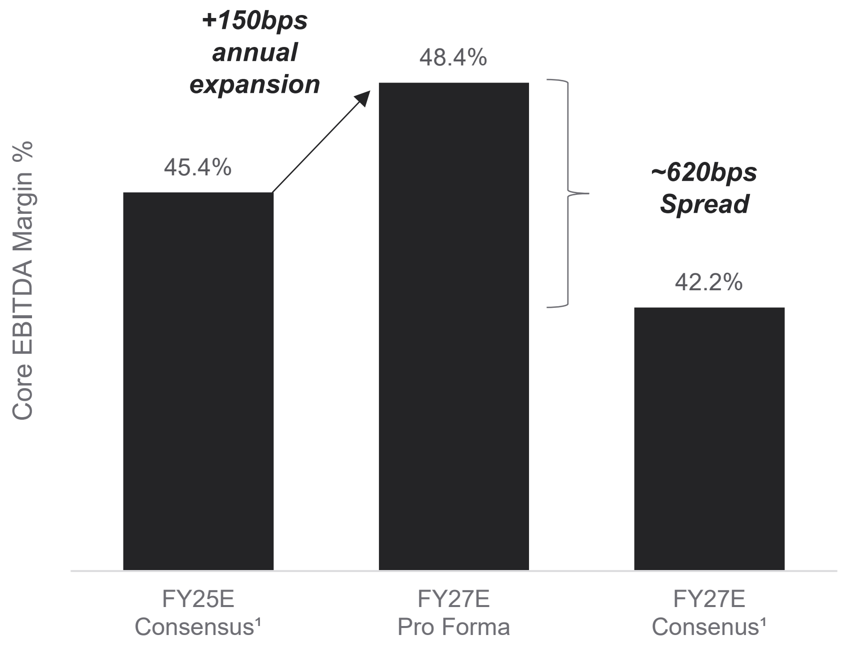
"Well, the reason people love these businesses and our business is very similar to the other ones you cite… you have a fixed cost base basically. The CapEx requirements aren't that great. And therefore, **incremental dollars that come on to the platform at a very attractive margin**… So **inevitably, you should get uplift in margin over time**… you obviously have to invest in the platform… But **inevitably, there is an upward to right bias because of the incremental value of dollars coming on the platform**."

– CFO, RBC Conference, November 2024

"… **it's all about the fixed cost leverage, maintaining that organic and increasing that organic revenue growth**… **even with big increases in marketing every year, we can still grow our margins**. So the scale of the business and the leverage profile of the business now is really helping us"

– CEO, 1Q21 Earnings Call, April 2021

… suggesting margins can approach 50% over the next two years



CoStar's operating leverage implies ~240–265bps of annual margin expansion[2], leaving scope for ~$30-40mm of annual core business investment while meeting the mid-point of management's annual margin expansion outlook[3]

Note(s):
Source: Bloomberg, Visible Alpha, Company Filings, Earnings Call Transcripts, Conference Call Transcripts, Sell-side Survey, the D. E. Shaw group Proprietary Estimates
1. Core EBITDA margin consensus excludes Homes.com net losses (based on guidance) and Domain, OnTheMarket and Matterport EBITDA estimates (based on sell-side survey of consensus estimates) from consensus consolidated EBITDA
2. Assuming pro-forma organic revenue growth of 12-13% consists of 5% price increase (3.5% driven by inflation and 1.5% by incremental value addition) and the remaining is volume driven. Accordingly, cash operating cost growth consists of inflation of 3.5% and volume-driven variable cost component
3. Management outlook for 1% to 2% of annual margin expansion in the core business

2

… And Pursue Tailored Cost Reduction Which Can Be Reinvested In The Business As Needed

CoStar Group

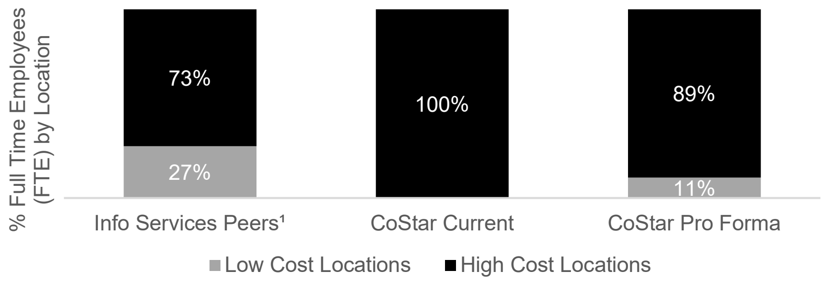
CoStar has many opportunities to drive efficiency and cost reduction across the organization

Category	Description	$mm
G&A expenses	• Pockets of low managerial spans across Finance, HR, IT; Redesigning certain functions around improved director/manager/staff ratios • Establish low-cost location and/or managed services operating model for back-office (non-customer facing functions)	$16.1 -$27.2
Admin & Operations	• Pockets of low managerial spans across regional management and operations teams • Opportunity to reduce middle management layers	$10.5 -$13.8
Product & Engineering	• Establish low-cost location capability for product engineering team. Increased access to engineering talent could reduce cost through rate arbitrage as well as increase product velocity • Leverage AI tools and capabilities to enhance productivity	$17.7 -$50.2
Non-personnel spend	• Pull through reduction in non-personnel spend (Travel, HR, IT, etc.) from headcount reductions • Strengthen strategic sourcing capabilities; Execute a sourcing and procurement program against estimated addressable non-personnel spend base to consolidate vendors and renegotiate contracts	$17.5 -$31.6
	Total	**$61.8 -$122.8**

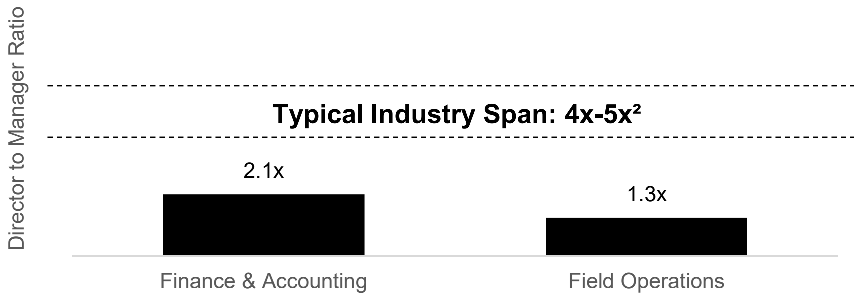
Cost savings can create ~$90mm of annual reinvestment budget

Leveraging low-cost locations for back-office staff is one such opportunity…

Info Services peers have leveraged offshore centers to support global operations



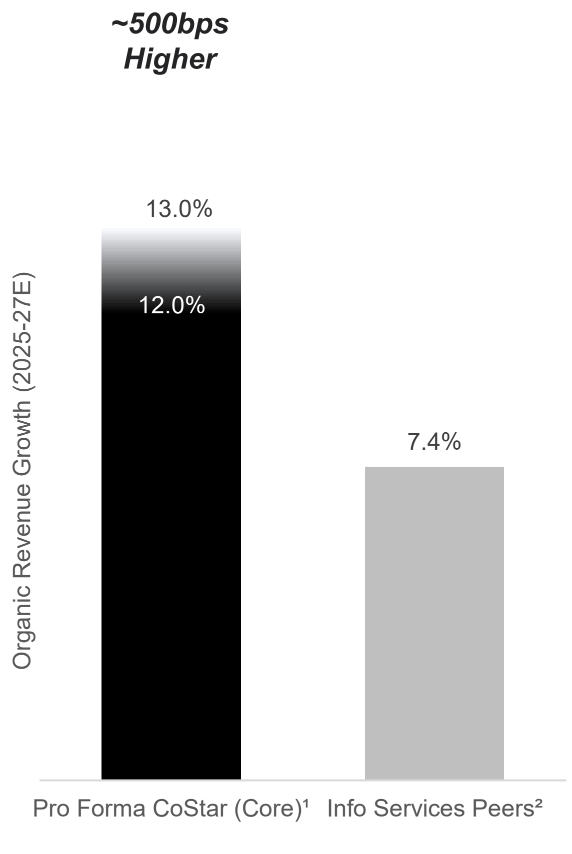
… in addition to addressing excess middle management layers

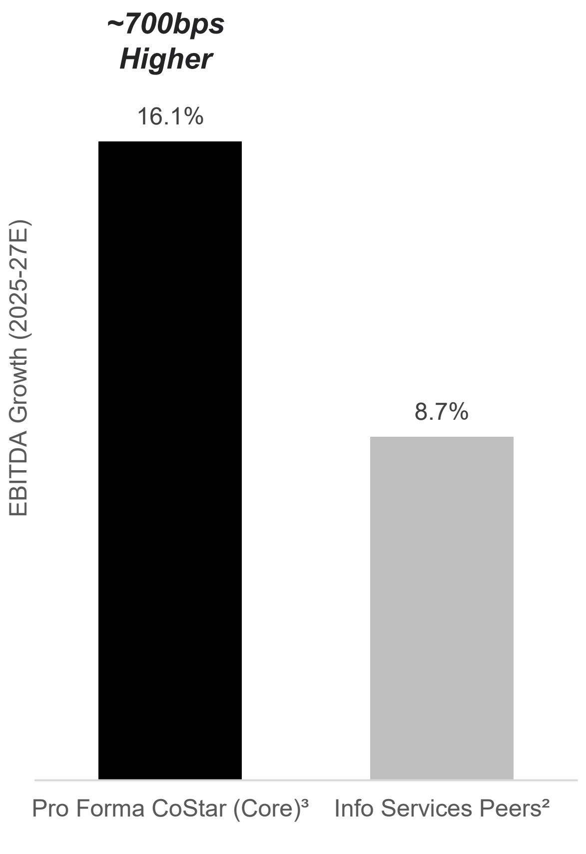


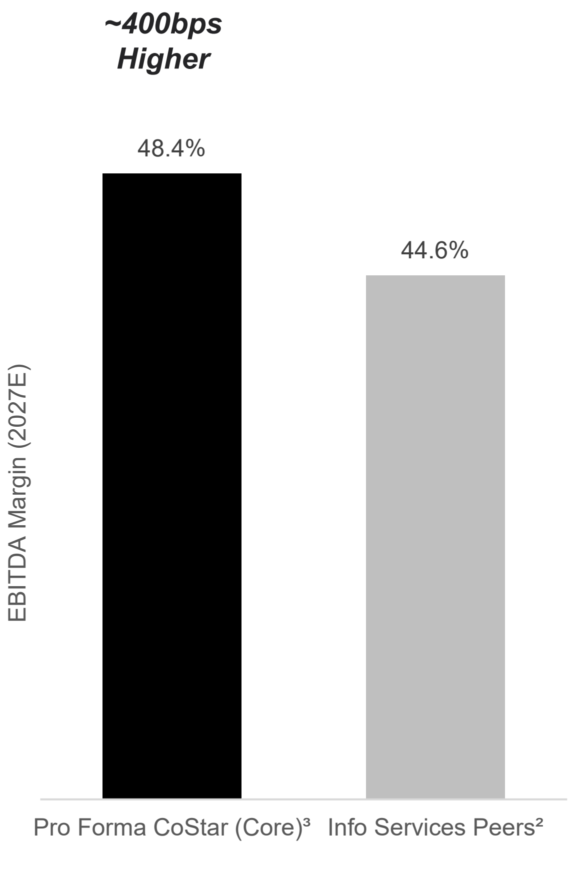
Note(s):
Source: Company Filings, Proprietary Analysis by Leading Management Consulting Firm based on comprehensive review of headcount and salary data by division, function, geography and title from various web-based services that cover 80%+ of CoStar's full-time employee base (6,593 CoStar FTEs as of January 2025) and expert interviews, the D. E. Shaw group Proprietary Estimates
1. Info Services peers include FactSet Research Systems Inc, S&P Global, MSCI Inc, Fair Isaac Corp, Thomson Reuters Corp, Moody's Corp and Verisk Analytics Inc
2. Proprietary analysis based on decades of experience from leading consulting firm working with B2B tech services companies including Info-services and Fintech. Spans defined as ratios of headcount between various seniority levels within each function (proxy for actual reporting relationships which are not publicly available); levels estimated based on titles from publicly available information sources

2 Combination Of Organic Growth Acceleration And Margin Expansion Creates Strong Economic Model…

Core business would outperform peers in terms of organic growth…	… and EBITDA growth…	… with a more competitive margin profile







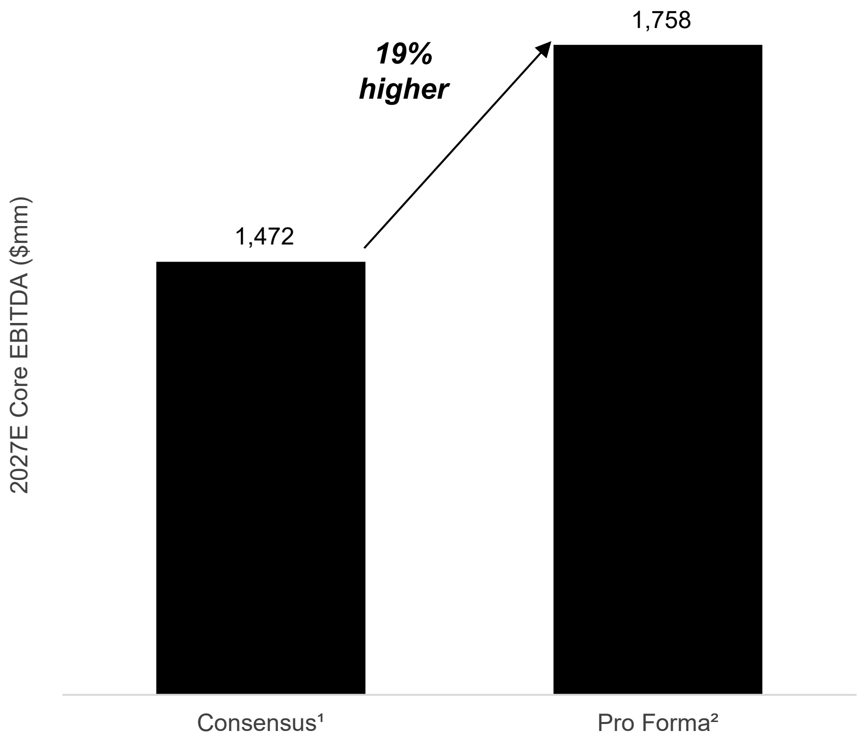
Note(s):
Source: Visible Alpha, Bloomberg, Proprietary Analysis by Leading Management Consulting Firm, the D. E. Shaw group Proprietary Estimates

1. Pro Forma for core business salesforce productivity reaching 2019-23 average levels
2. Info Services peers include Equifax Inc, FactSet Research Systems Inc, Gartner Inc, Moody's Corp, MSCI Inc, S&P Global Inc, Thomson Reuters Corp, TransUnion and Verisk Analytics Inc
3. Assumes 150bps of margin expansion due solely to inherent operational leverage

2

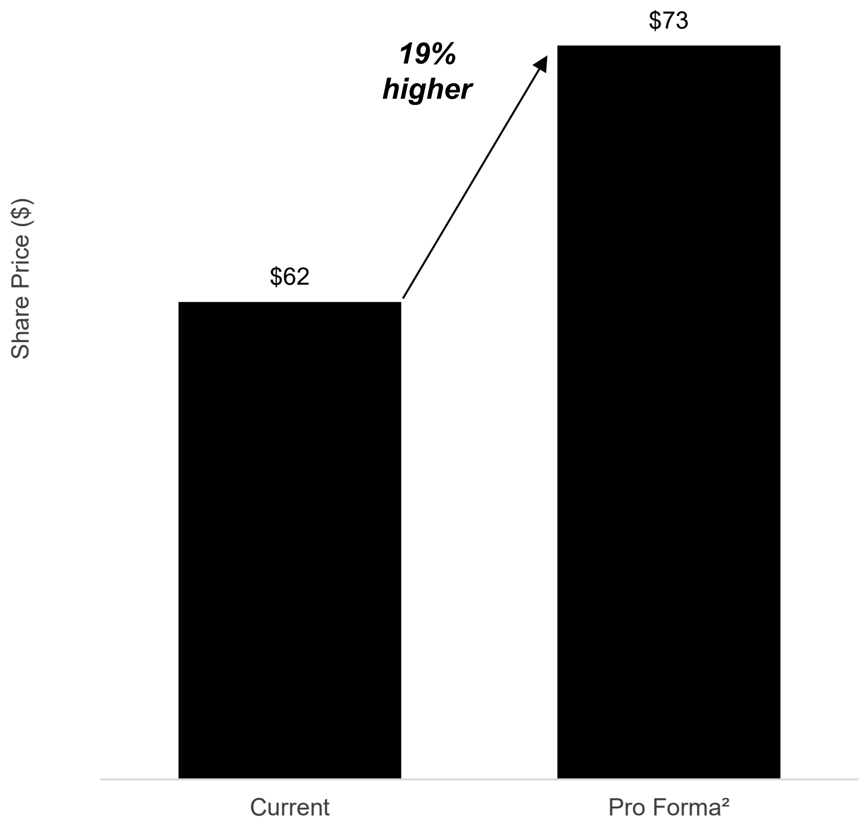
… Leading To Meaningful Value Creation For Shareholders

Improvements in core business would result in ~20% higher EBITDA…



	Consensus[1]	Pro Forma[2]
Core EBITDA Margin:	**42.2%**	**48.4%**

… and could generate over $11 per share of incremental equity value for its shareholders



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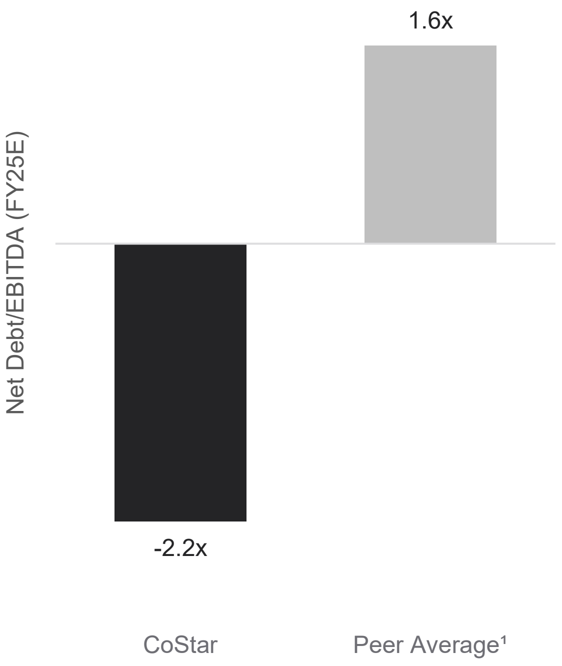
2. Pro Forma for salesforce productivity reaching 2019-23 average levels. Assumes CoStar benefits from increased margin expansion (~150bps annually) due to inherent operational leverage in the core business

3

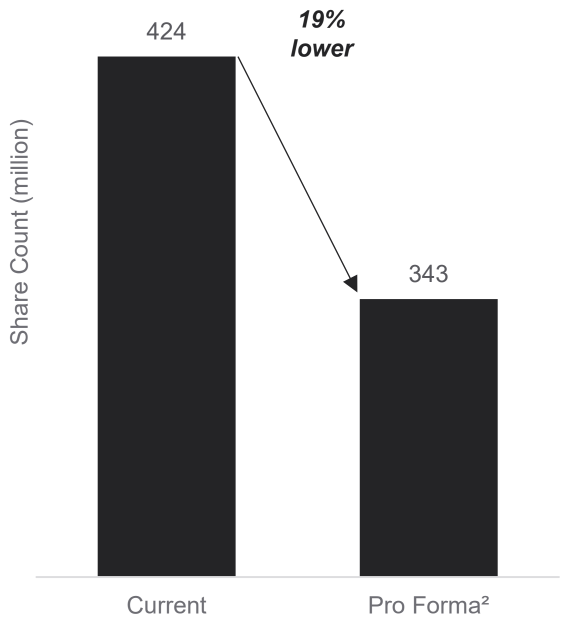
OPTIMIZE CAPITAL STRUCTURE

3 CoStar Should Effectively Leverage Its Balance Sheet To Optimize Value Creation

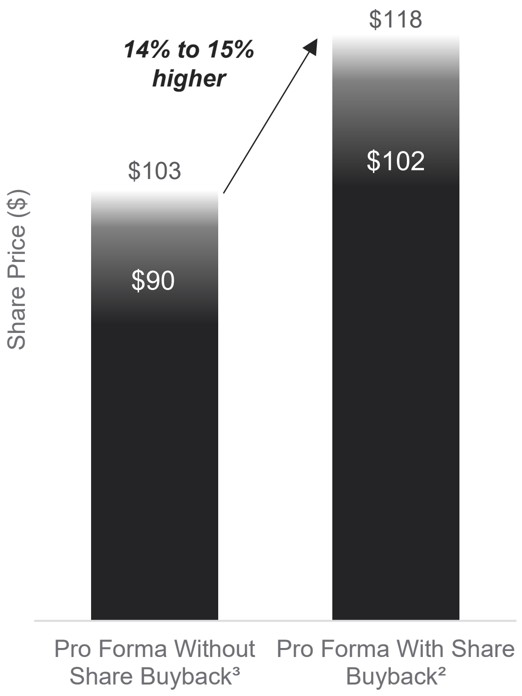
CoStar can drive leverage towards peer levels…



… to return capital to shareholders through buying its discounted stock…



… and generating incremental upside



Note(s):
Source: Bloomberg, Visible Alpha, Company Filings, the D. E. Shaw group Proprietary Estimates. Market data as of 01/30/2026
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3. Pro Forma for salesforce productivity reaching 2019-23 average levels. Assumes CoStar separates the Homes.com business or reaches breakeven in 2027 and benefits from increased margin expansion (~150bps annually) due to inherent operational leverage in the core business. No buybacks

4

IMPROVE ALIGNMENT OF EXECUTIVE COMPENSATION WITH SHAREHOLDER RETURNS

4 Executive Compensation Should Be More Closely Aligned With Shareholder Returns

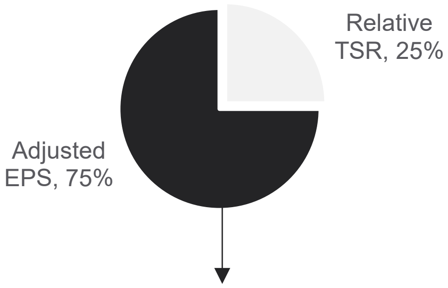
CoStar Group

CoStar's executive compensation plan should be more heavily weighted to TSR…

… and require a more demanding relative TSR standard to reverse long-standing underperformance

CoStar should set transparent and ambitious targets

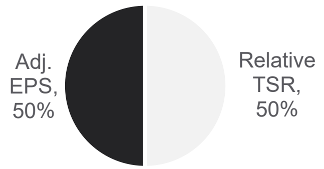
Board LTIP Proposal

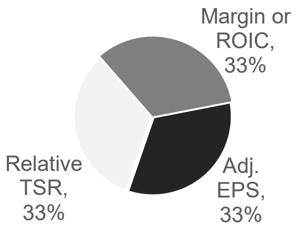


Improved Alignment

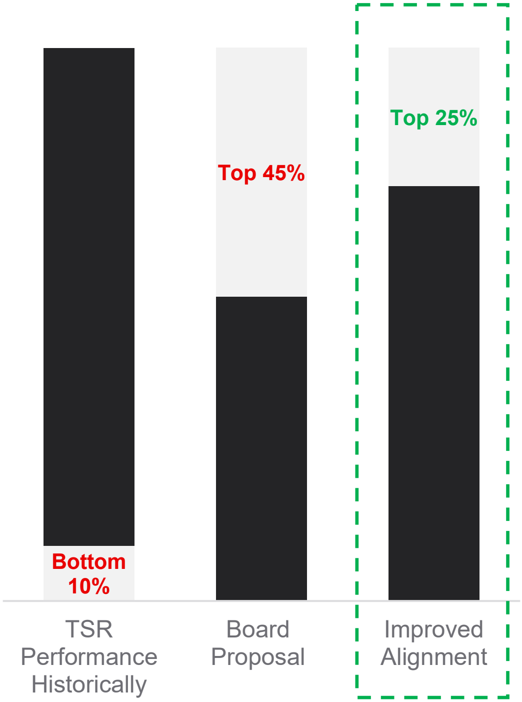
At Least 50% of LTIP allocated to TSR, ROIC, Margins

CoStar's Info Services peers that include TSR as a component of PSUs have ~50% weighting, on average[1]

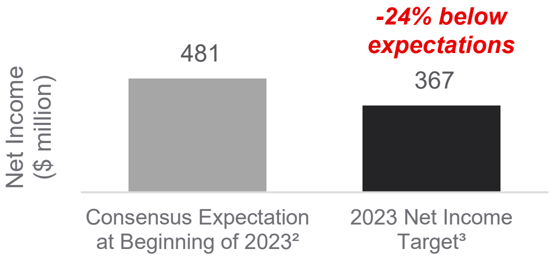


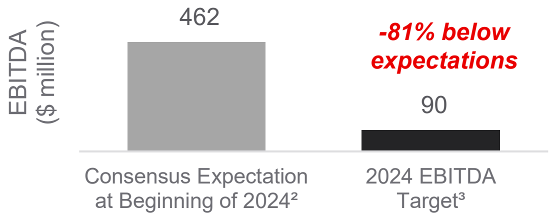


Relative TSR Standard



CoStar's goals historically lacked ambition





Recommendation: CoStar should transparently set more ambitious forward-looking goals consistent with disclosure practices adopted by proxy and industry peers[4]

Note(s):
Source: Bloomberg, Visible Alpha, Company Filings, Investor Presentations. Market data as of 01/30/2026. Total shareholder return inclusive of dividends
1. Info Services peers that include TSR as a component of long-term incentive plan ("LTIP") performance share units ("PSUs") include Equifax, Fair Isaac Corp, MSCI, TransUnion, and Verisk Analytics. MSCI weighting is based on TSR weighting across performance share units and performance stock options. Fair Issac Corp weighting is based on TSR weighting for Market Share Units ("MSUs")
2. Consensus figures are based on expectations of GAAP (Net Income) and non-adjusted (EBITDA) figures at the beginning of the relevant year
3. Based on executive compensation plan targets, including the EBITDA target for the annual cash incentive award and net income target for the performance-based restricted stock award
4. Several of CoStar's proxy and industry peers disclose forward-looking operating metrics and/or TSR hurdles that are embedded in their executive compensation plans, including Verisk Analytics, S&P Global, Tyler Technologies, and MSCI

SUMMARY OF VALUE CREATION FROM D. E. SHAW GROUP’S RECOMMENDATIONS

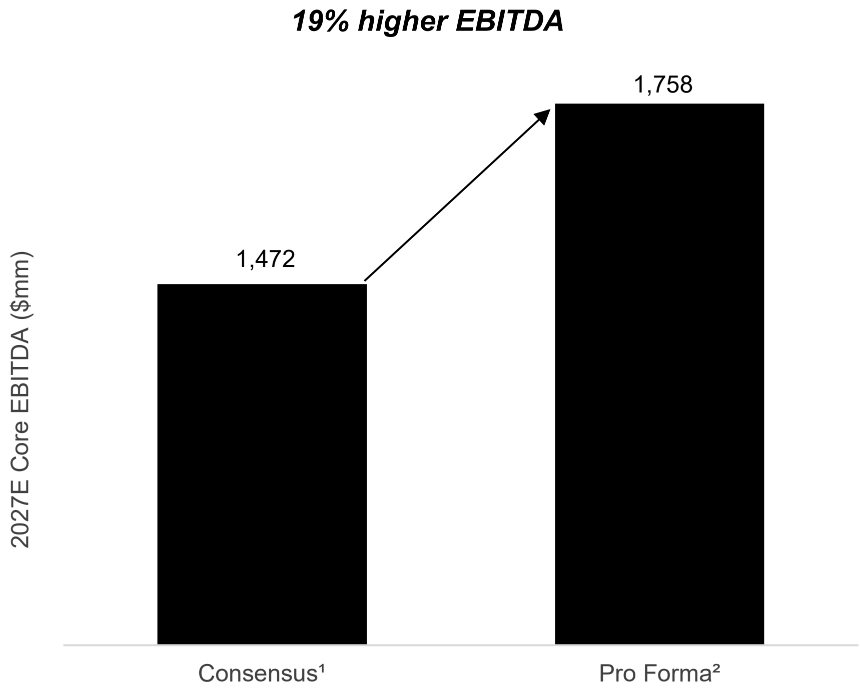
CoStar Group

Summary Of The D. E. Shaw Group's Recommendations

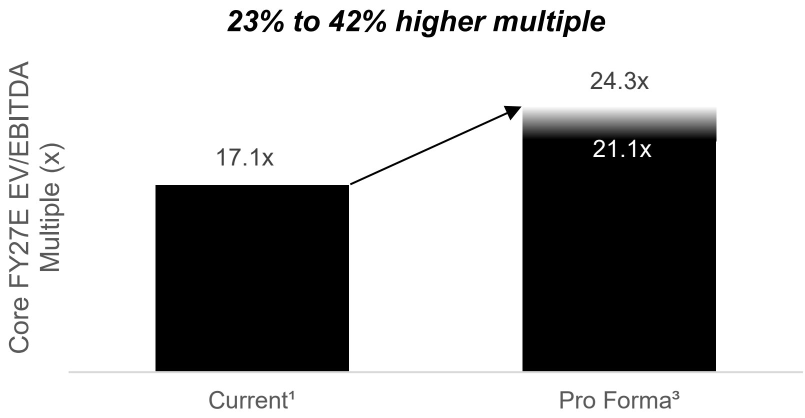
1. Monetize Homes.com or achieve break-even by 2027
2. Refocus on core business operations to drive organic growth acceleration and margin expansion
3. Optimize capital structure through levered share buyback and ongoing share repurchases
4. Restructure the executive compensation program to improve alignment with shareholder returns
5. Replace majority of long-tenured independent directors that presided over Homes.com strategy

Separating Homes.com Together With Operational Improvements, Capital Return And Refreshed Board Creates "New CoStar"…

"New CoStar" would reach nearly $1.8 billion in EBITDA by separating Homes.com and focusing on its core business…



… and could restore CoStar's valuation on core earnings to historical premium compared to peers



	CoStar Pro Forma	Info Services[4]
Organic growth%[2]	12.5%	7.4%
EBITDA margin %[2]	48.4%	44.6%
EBITDA growth %[2]	16.1%	8.7%
EPS growth %[2,3,5]	20.7%	12.2%

Higher growth and margin

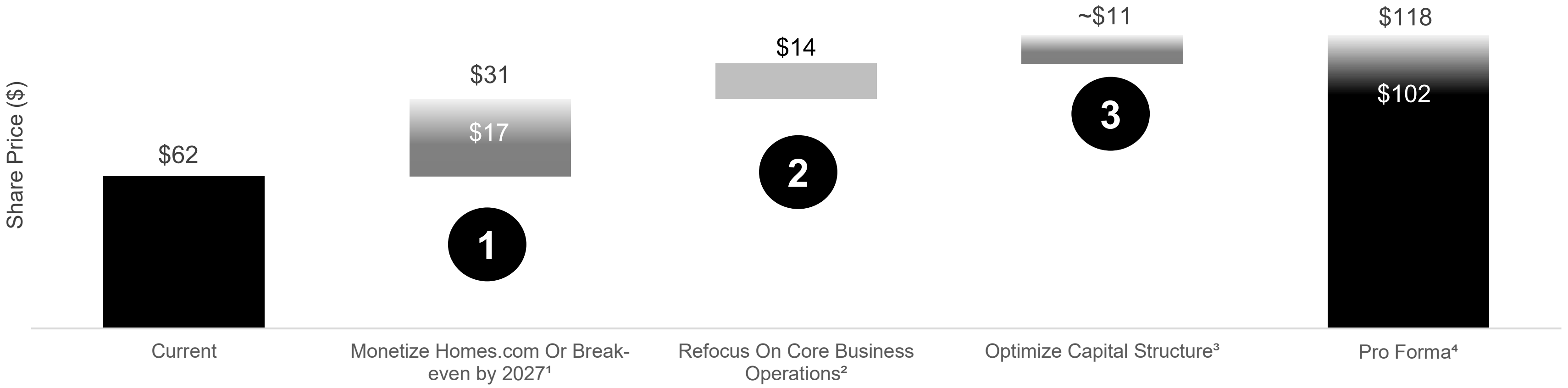
Note(s):
Source: Bloomberg, Visible Alpha, Sell-side Survey, the D. E. Shaw group Proprietary Estimates, Proprietary Analysis by Leading Management Consulting Firm. Market data as of 01/30/2026

1. Consensus Core EBITDA excludes Homes.com net losses (based on guidance) and Domain, OnTheMarket and Matterport EBITDA estimates (based on sell-side survey of consensus estimates) from consensus consolidated EBITDA
2. Pro Forma for 2025-27E assuming salesforce productivity reaches 2019-23 average levels. Further, CoStar separates the Homes.com business or reaches breakeven in 2027 and benefits from increased margin expansion (~150bps annually) due to inherent operational leverage in the core business
3. Low-end multiple values Apartments.com at 10% premium to Zillow's multiple and other core businesses (excluding Homes.com, Domain, OnTheMarket and Matterport) in-line with the historical relative valuation premium versus Info Services peers from 2019 to 2022 prior to the Homes.com relaunch. High-end multiple values all core businesses (excluding Homes.com, Domain, OnTheMarket and Matterport) in-line with the historical relative valuation premium versus Info Services peers from 2019 to 2022 prior to the Homes.com relaunch
4. Info Services peers include Equifax, FactSet, Gartner, Moody's, MSCI, S&P Global, Thomson Reuters, TransUnion, and Verisk Analytics. Growth metrics for the FY25-27E period
5. Assumes CoStar increases its net leverage to 1.6x which is in-line with average of Info Services peers and uses excess cash (including 100% of free cash flow generated) to repurchase shares

… And Can Generate Between ~$9 Billion and ~$14 Billion Of Equity Value For CoStar Shareholders

CoStar Group™

Combination of the D. E. Shaw group's portfolio changes and operational recommendations could add between ~$40 and ~$56 of equity value per share and result in 66% to 93% upside to CoStar's current share price



	Current		Pro Forma
FY27 Core EBITDA Margin:	**42.2%**	→	**48.4%**
Share count:	**424mm**	→	**343mm**
FY27 EV/EBITDA[4]:	**17.1x**	→	**~21x to ~24x**

Note(s):
Source: Bloomberg, Visible Alpha, Company Filings, Sell-side Survey, the D. E. Shaw group Proprietary Estimates, Proprietary Analysis by Leading Management Consulting Firm. Market data as of 01/30/2026

1. Assumes CoStar separates Homes.com or reaches breakeven in 2027; CoStar FY27E EBITDA increases to ~$1.5 billion reflecting the core earnings power of the business excluding losses attributable to Homes.com, Domain, OnTheMarket and Matterport based on consensus estimates
2. Assumes salesforce productivity reaches 2019-23 average levels. Further, CoStar benefits from increased margin expansion (~150bps annually) due to inherent operational leverage in the core business
3. Assumes CoStar increases its net leverage to 1.6x which is in-line with average of Info Services peers and uses excess cash (including 100% of free cash flow generated) to repurchase shares
4. Pro forma share price ranges are derived from a low-end and high-end FY27E EBITDA multiple assumption. Low-end multiple values Apartments.com at 10% premium to Zillow's multiple and other core businesses (excluding Homes.com, Domain, OnTheMarket and Matterport) in-line with the historical relative valuation premium versus Info Services peers from 2019 to 2022 prior to the Homes.com relaunch. High-end multiple values all core businesses (excluding Homes.com, Domain, OnTheMarket and Matterport) in-line with the historical relative valuation premium versus Info Services peers from 2019 to 2022 prior to the Homes.com relaunch. Info Services peers include Equifax, FactSet, Gartner, Moody's, MSCI, S&P Global, Thomson Reuters, TransUnion, and Verisk Analytics

COSTAR SHAREHOLDERS ARE ENTITLED TO A BOARD AND CEO THAT ARE FOCUSED ON MAXIMIZING VALUE