

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): January 7, 2026

COSTAR GROUP, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

0-24531

(Commission File Number)

52-2091509

(I.R.S. Employer Identification No.)

1201 Wilson Blvd. Arlington, VA

(Address of principal executive offices)

22209

(Zip Code)

Registrant's telephone number, including area code: (202) 346-6500

Not Applicable

(Former name or former address, if changed since last report.)

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
Common Stock (\$0.01 par value)

Trading Symbol
CSGP

Name of each exchange on which registered
Nasdaq Global Select 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 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On January 7, 2026, CoStar Realty Information, Inc., a subsidiary of CoStar Group, Inc. (“CoStar” or the “Company”), entered into a second amendment (the “Amendment”) to its employment agreement with Andrew C. Florance, Founder and Chief Executive Officer (“CEO”) of the Company (the “Employment Agreement”). The Amendment, which became effective as of January 1, 2026, deletes Section 22 (Special Reimbursement) of the Employment Agreement, eliminating a legacy tax gross up entitlement related to Sections 280G and 4999 of the Internal Revenue Code of 1986, as amended, which had been in Mr. Florance’s employment agreement since April 1998.

In addition, also on January 7, 2026, the Company adopted an Executive Severance Plan (the “Severance Plan”), which, without duplicating any other severance protections, provides for the payment of customary severance benefits to certain of the Company’s executives, as identified by the administrator of the Severance Plan at the level of Vice President or above in the event of an involuntary termination of employment with the Company, subject to the executive satisfying certain conditions, including the delivery of a release of claims in favor of the Company.

Benefits under the Severance Plan for executive officers generally consist of the executive’s base salary multiplied by a specific severance multiplier, any earned but unpaid bonus, subsidized COBRA health care coverage, a pro-rated bonus (or full bonus if the termination occurs during a change in control protection period) for the year of termination multiplied by a specific severance multiplier, and a number of months of equity vesting acceleration (or full equity vesting acceleration if the termination occurs during a change in control protection period), subject to actual performance for performance awards.

The foregoing descriptions of the Amendment and the Severance Plan do not purport to be complete and are qualified in their entirety by reference to the full text of the Amendment and the Severance Plan, copies of which are attached hereto as Exhibit 10.1 and Exhibit 10.2, respectively, and are incorporated herein by reference.

Item 7.01 Regulation FD Disclosure.

On January 7, 2026, the Company issued a press release (the “Press Release”) providing the Company’s full year 2026 financial outlook and medium-term targets as well as long-term financial targets for its net investment in Homes.com. The Press Release also announced a new \$1.5 billion share repurchase program and a new executive compensation program responding to stockholder feedback. A copy of the Press Release is attached hereto as Exhibit 99.1 and is incorporated by reference herein.

The information contained in this Item 7.01, including Exhibit 99.1, shall be considered “furnished” and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section or Sections 11 and 12(a)(2) of the Securities Act of 1933, as amended, nor shall it be deemed incorporated by reference into any reports or filings with the Securities and Exchange Commission, whether made before or after the date hereof, except as expressly set forth by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits.

| <u>Exhibit No.</u> | <u>Description</u> |
|----------------------|---|
| 10.1 | Second Amendment, dated January 6, 2026, to the Employment Agreement between CoStar Realty Information, Inc. and Andrew C. Florance |
| 10.2 | CoStar Group, Inc. Executive Severance Plan dated January 6, 2026 |
| 99.1 | CoStar Group, Inc. Press Release dated January 7, 2026 |
| 104 | Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101). |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

COSTAR GROUP, INC.

By: /s/ Christian M. Lown

Name: Christian M. Lown

Title: Chief Financial Officer

Date: January 7, 2026

Final

**COSTAR GROUP, INC
EXECUTIVE SEVERANCE PLAN**

I. PURPOSE

The purpose of this CoStar Group, Inc. Executive Severance Plan (the “Plan”) is to encourage employees of CoStar Group, Inc. (together with any successor, the “Company”) and its subsidiaries to remain in the employ of the Employer by providing, among other things, severance protections to such employees in the event their employment is terminated under the circumstances described in this Plan.

II. DEFINITIONS

For purposes of this Plan, the following terms shall have the meanings set forth below:

A. “Administrator” means the Committee or any other committee designated by the Board to administer the Plan. The Committee may from time to time delegate to a committee of one or more members of the Committee the authority to take any actions pursuant to this Plan. Any delegation hereunder shall be subject to the restrictions and limits that the Committee specifies and the time of such delegation, and the Committee may, at any time rescind the authority so delegated or appoint a new delegate. In its sole discretion, the Board may, at any time and from time to time, exercise any and all rights and duties of the Committee under the Plan except with respect to matters which under applicable securities laws and exchange listing rules are required to be determined in the sole discretion of the Committee. Any references in this Plan to the Administrator shall be construed as a reference to the committee to which the Committee has delegated such authority, if any.

B. “Affiliate” means with respect to any person or entity, any other person or entity that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such person or entity. For purposes of this definition, “control,” when used with respect to any person or entity, means the power to direct the management and policies of such person or entity, directly or indirectly, whether through ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

C. “Base Salary” means, with respect to any Participant, the Participant’s base salary at the rate in effect on the Participant’s Termination Date, disregarding for this purpose any decrease in base salary that provides a basis for Good Reason.

D. “Board” means the Board of Directors of the Company.

E. “Cause” means: (i) if the Participant is party to a written employment, consulting or similar agreement with the Company or any of its subsidiaries in which the term “cause” is defined, “Cause” as defined in such agreement, and (ii) if no such agreement exists, (A) the Administrator’s determination that the Participant willfully failed to substantially perform the Participant’s duties (other than a failure resulting from the Participant’s permanent and total disability (as determined under Section 22(e)(3) of the Code), which, if curable, has not been cured to the reasonable satisfaction of the Administrator within thirty (30) business days after the

Participant receiving written notice from the Company; (B) the Administrator's determination that the Participant willfully failed to carry out, or comply with any lawful and reasonable directive of the Board or the Participant's immediate supervisor, which, if curable, has not been cured to the reasonable satisfaction of the Administrator within thirty (30) business days after the Participant receiving written notice from the Company; (C) the occurrence of any act or omission by the Participant that could reasonably be expected to result in (or has resulted in) the Participant's conviction, plea of no contest, plea of nolo contendere, or imposition of unadjudicated probation for any felony or indictable offense or crime involving moral turpitude; (D) the Participant's unlawful use (including being under the influence) or possession of illegal drugs on the premises of the Company or any of its subsidiaries or while performing the Participant's duties and responsibilities for the Company or any of its subsidiaries; or (E) the Participant's commission of an act of fraud, embezzlement, misappropriation, misconduct, or breach of fiduciary duty against the Company or any of its subsidiaries.

- F. "Change in Control" means the occurrence of any of the following events:
- (i) any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing more than fifty percent (50%) total combined voting power of the Company's securities outstanding immediately after such acquisition;
 - (ii) the consummation of the sale or disposition by the Company in one transaction or a series of related transactions of all or substantially all of the Company's assets;
 - (iii) a majority of the individuals who constitute the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the Board during any twelve month period; provided, however, that any individual becoming a member of the Board (a "Director") subsequent to the date hereof whose election, or nomination for election by the Company's stockholders, was approved by a vote of at least a majority of the Directors then comprising the Incumbent Board (either by a specific vote or by approval of the proxy statement of the Company in which such person is named as a nominee for director, without objection to such nomination) shall be deemed to have been a member of the Incumbent Board, but excluding, for this purpose, any such individual whose initial assumption of office occurs as a result of an actual or threatened election contest (within the meaning of Rule 14a-11 of the Exchange Act) with respect to the election or removal of Directors or other actual or threatened solicitation of proxies or consents by or on behalf of a "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) other than the Board; or
 - (iv) the consummation of a reorganization, merger or consolidation of the Company with any other corporation, other than a reorganization, merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its direct or indirect parent) more than fifty percent (50%) of the total voting power represented

by the voting securities of the Company or such surviving entity or its direct or indirect parent outstanding immediately after such merger or consolidation.

Notwithstanding the foregoing, if a Change in Control constitutes a payment event with respect to any amount which constitutes or provides for the deferral of compensation and is subject to Section 409A, the transaction or event with respect to such amount must also constitute a “change in control event,” as defined in Treasury Regulation Section 1.409A-3(i)(5) to the extent required by Section 409A. The Administrator shall have full and final authority, which shall be exercised in its discretion, to determine conclusively whether a Change in Control has occurred pursuant to the above definition, the date of the occurrence of such Change in Control and any incidental matters relating thereto; provided that any exercise of authority in conjunction with a determination of whether a Change in Control is a “change in control event” as defined in Treasury Regulation Section 1.409A-3(i)(5) shall be consistent with such regulation.

G. “CIC Protection Period” means, with respect to a Participant, the period of time set forth opposite the Participant’s Employment Level under the heading “CIC Protection Period” on Schedule A.

H. “CIC Severance Multiplier” means, with respect to a Participant, the number set forth opposite the Participant’s Employment Level under the heading “CIC Severance Multiplier” on Schedule A.

I. “CIC Severance Period” means, with respect to a Participant, the period of time set forth opposite the Participant’s Employment Level under the heading “CIC Severance Period” on Schedule A.

J. “COBRA” means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended.

K. “Code” means the Internal Revenue Code of 1986, as amended from time to time, or any successor statute thereto, and the regulations promulgated thereunder, as in effect from time to time.

L. “Committee” means the Compensation Committee of the Board.

M. “Effective Date” means January 6, 2026.

N. “Employer” means, with respect to a Participant, the Company and its subsidiary that employs the Participant.

O. “Employment Level” means, with respect to a Participant, the Participant’s employment level with the Employer as in effect at the time of the Participant’s Qualifying Termination. The Employment Level shall be determined by the Administrator. A Participant shall be designated with an Employment Level of either (i) CEO, (ii) Executive Officer, or (iii) VP (Non-Executive Officer).

P. “Good Reason” shall mean (i) if the Participant is party to a written employment, consulting or similar agreement with the Company or any of its subsidiaries in which the term “Good Reason” is defined, “Good Reason” as defined in such agreement, and (ii) if no such agreement exists, the occurrence of any of the following events or conditions without the Participant’s written consent: (1) a decrease in the Participant’s Base Salary, other than a reduction in the Participant’s Base Salary of less than 10% that is implemented in connection with an extraordinary event (as determined by the Administrator) and a contemporaneous reduction in annual base salaries affecting other similarly situated employees of the Company; (2) a material decrease in the Participant’s authority or areas of responsibility as are commensurate with such Participant’s title or position; (3) a decrease in the Participant’s Target Bonus Amount, other than a reduction by less than 10% that is implemented in connection with an extraordinary event (as determined by the Administrator) and a contemporaneous reduction in target annual bonuses affecting other similarly situated employees of the Company; (4) a material breach by the Company or any of its subsidiaries of a written employment, consulting or similar agreement; (5) a failure of any successor to the Company to expressly agree to assume this Plan, unless assumption of the Plan occurs by operation of law; or (6) the relocation of the Participant’s primary office to a location more than 50 miles from the Participant’s then-current primary office location. The Participant must provide written notice to the Company of the occurrence of any of the foregoing events or conditions within sixty (60) days after the occurrence of such event or the date upon which the Participant reasonably became aware that such an event or condition had occurred. The Company or any successor, subsidiary or Affiliate shall have a period of thirty (30) days to cure such event or condition after receipt of written notice of such event from the Participant. Any termination for “Good Reason” following such cure period must occur no later than the date that is sixty (60) days following the date that notice was provided by the Participant.

Q. “Performance Award” means each equity or equity-based award under any Company equity compensation plan that vests in whole or in part based upon the attainment of performance vesting conditions.

R. “Pro-Rated Bonus Amount” means the product of (i) the Participant’s Target Bonus Amount times (ii) a fraction, the numerator of which is equal to the number of full calendar days elapsed in the fiscal year in which the Qualifying Termination occurs (up to and including the date of the Qualifying Termination) and the denominator of which is the number of full calendar days in the applicable fiscal year.

S. “Qualifying Termination” means, with respect to a Participant, a termination of the Participant’s employment with the Employer by the Employer without Cause or by the Participant for Good Reason.

T. “Section 409A” means Section 409A of the Code.

U. “Severance Multiplier” means, with respect to a Participant, the number set forth opposite the Participant’s Employment Level under the heading “Severance Multiplier” on Schedule A.

V. “Severance Period” means, with respect to a Participant, the period of time set forth opposite the Participant’s Employment Level under the heading “Severance Period” on Schedule A.

W. “Successor” means any employer (whether or not the employer is an Affiliate of the Company) which acquires (through merger, consolidation, reorganization, transfer, sublease, assignment or otherwise) all or substantially all of the business or assets of the Company or of a division or business of the Company.

X. “Target Bonus Amount” means, with respect to a Participant, the Participant’s target annual performance bonus amount, if any, in effect at the time of the Participant’s Qualifying Termination, disregarding for this purpose any decrease in target annual performance bonus that provides a basis for Good Reason.

Y. “Termination Date” means, with respect to a Participant, the date on which a termination of the Participant’s employment is effective.

Z. “Time Award” means each equity or equity-based award under any Company equity compensation plan that vests based solely on the Participant’s continued service to the Company or its subsidiaries.

AA. “Unpaid Earned Bonus” means, to the extent unpaid, an amount of cash equal to any annual bonus earned by the Participant for the Company’s fiscal year prior to the fiscal year in which the Qualifying Termination occurs.

III. ELIGIBILITY

The participants in this Plan (“Participants”) are those regular U.S. full-time employees of the Company and its direct and indirect subsidiaries who have been designated as a Participant by the Committee, or with respect to individuals who are not executive officers of the Company, the Chief Executive Officer.

IV. BENEFITS

A. Accrued Rights; Death. Upon termination of a Participant’s employment with the Employer for any reason, the Participant will be entitled to receive payment of any earned but unpaid Base Salary and any other amounts or benefits, including accrued paid time off to the extent payable upon termination pursuant to the Employer’s policies, under the Employer’s employee benefit plans, programs or arrangements to which the Participant is entitled pursuant to the terms of such plans, programs or arrangements or applicable law, payable in accordance with the terms of such plans, programs or arrangements or as otherwise required by applicable law (collectively, “Accrued Rights”). In addition, in the event of a Participant’s death, all unvested Time Awards shall become immediately vested and any unvested Performance Awards shall become vested at the performance level that would apply based on actual performance through the Termination Date, taking into account the financial performance reported on the most recent quarterly or annual filings preceding the Termination Date (without any reduction to the overall award to reflect the shortened performance period).

B. Qualifying Termination outside of the CIC Protection Period. If a Participant experiences a Qualifying Termination other than during the CIC Protection Period, then subject to the terms of this Plan (including Sections V, VI and VII), the Participant will be entitled to receive the following payments and benefits:

1. Cash Severance (Base Salary). A cash payment equal to the Participant's annual Base Salary multiplied by the Severance Multiplier, payable in regular installments over the Severance Period in accordance with the Company's regular payroll practices.

2. Cash Severance (Pro-Rated Bonus).

(a) For a Participant with an Employment Level of Executive Officer, a cash payment equal to the Participant's Pro-Rated Bonus Amount, payable in a single lump sum within 60 days following the Termination Date in accordance with the Company's regular payroll practices.

(b) For a Participant with an Employment Level of CEO, a cash payment equal to the Participant's Pro-Rated Bonus Amount multiplied by the Severance Multiplier, payable in a single lump sum within 60 days following the Termination Date in accordance with the Company's regular payroll practices.

(c) For the avoidance of doubt, a Participant with an Employment Level of VP (Non-Executive Officer) shall not be entitled to receive payments or benefits under this Section IV.B.2.

3. Cash Severance (Unpaid Earned Bonus). To the extent unpaid as of the Termination Date, a cash payment equal to any Unpaid Earned Bonus, which amount shall be paid in the Company's fiscal year in which the Qualifying Termination occurs at the same time annual bonuses are generally paid to similarly situated employees of the Company.

4. Continued Healthcare Coverage. If the Participant timely elects continued coverage pursuant to COBRA for the Participant and the Participant's covered dependents under the Company's group health (medical, dental or vision) plans following such Qualifying Termination, then the Company shall pay the COBRA premiums necessary to continue the Participant's and his or her covered dependents' health insurance coverage in effect on the Termination Date until the earliest of (x) the last day of the Severance Period, (y) the date when the Participant becomes eligible for substantially equivalent health insurance coverage in connection with new employment and (z) the date the Participant ceases to be eligible for COBRA continuation coverage for any reason, including plan termination (such period from the Termination Date through the earlier of (x)-(z), the "COBRA Period"). Notwithstanding the foregoing, if at any time the Company determines that its payment of COBRA premiums on the Participant's behalf would result in a violation of applicable law or result in an excise tax, then in lieu of paying COBRA premiums pursuant to this paragraph, the Company shall pay the Participant on the last day of each remaining month of the COBRA Period,

a fully taxable cash payment equal to the COBRA premium for such month, subject to applicable tax withholding, such payment to be made without regard to the Participant's payment of COBRA premiums. The benefits described in this paragraph are referred to as the "COBRA Benefits".

5. Equity Acceleration.

(a) For a Participant with an Employment Level of Executive Officer, (i) all Time Awards that have not vested as of the Termination Date shall become immediately vested as of the Termination Date as to the portion of the Time Awards that were scheduled to vest on or prior to the first anniversary of the Termination Date and (ii) any Performance Awards with a performance period that was scheduled to be completed on or prior to the first anniversary of the Termination Date and that have not vested as of the Termination Date shall become vested as of the Termination Date at the performance level that would apply based on actual performance through the Termination Date, taking into account the financial performance reported on the most recent quarterly or annual filings preceding the Termination Date (without any further reduction to the overall award to reflect the shortened performance period).

(b) For a Participant with an Employment Level of CEO, (i) all Time Awards that have not vested as of the Termination Date shall become immediately vested as of the Termination Date as to the portion of the Time Awards that were scheduled to vest on or prior to the second anniversary of the Termination Date and (ii) any Performance Awards with a performance period that was scheduled to be completed on or prior to the second anniversary of the Termination Date and that have not vested as of the Termination Date shall become vested as of the Termination Date at the performance level that would apply based on actual performance through the Termination Date, taking into account the financial performance reported on the most recent quarterly or annual filings preceding the Termination Date (without any further reduction to the overall award to reflect the shortened performance period).

C. Qualifying Termination During the CIC Protection Period. If a Participant experiences a Qualifying Termination during a CIC Protection Period, then subject to the terms of this Plan (including Sections V, VI and VII), the Participant will be entitled to receive the following payments and benefits:

1. Cash Severance (Base Salary). A cash payment equal to the Participant's annual Base Salary multiplied by the CIC Severance Multiplier, payable in a single lump sum within 60 days following the Termination Date in accordance with the Company's regular payroll practices.

2. Cash Severance (Target Bonus).

(d) For a Participant with an Employment Level of Executive Officer or VP (Non-Executive Officer), a cash payment equal to the Participant's Target

Bonus Amount, payable in a single lump sum within 60 days following the Termination Date in accordance with the Company's regular payroll practices.

6. For a Participant with an Employment Level of CEO, a cash payment equal to the Participant's Target Bonus Amount multiplied by the CIC Severance Multiplier, payable in a single lump sum within 60 days following the Termination Date in accordance with the Company's regular payroll practices.

3. Cash Severance (Unpaid Earned Bonus). To the extent unpaid as of the Termination Date, a cash payment equal to any Unpaid Earned Bonus, which amount shall be paid in the Company's fiscal year in which the Qualifying Termination occurs at the same time annual bonuses are generally paid to similarly situated employees of the Company.

4. Continued Healthcare Coverage. The COBRA Benefits, provided that the "COBRA Period" shall be deemed to be period beginning on the Termination Date until the earliest of (x) the last day of the CIC Severance Period, (y) the date when the Participant becomes eligible for substantially equivalent health insurance coverage in connection with new employment and (z) the date the Participant ceases to be eligible for COBRA continuation coverage for any reason, including plan termination.

5. Equity Acceleration. All Time Awards that have not vested as of the Termination Date shall become immediately vested as of the Termination Date and any Performance Awards that have not vested as of the Termination Date shall become vested as of the Termination Date at the performance level that would apply based on actual performance through the Termination Date, taking into account the financial performance reported on the most recent quarterly or annual filings preceding the Termination Date (without any reduction to the overall award to reflect the shortened performance period), in each case, except as may otherwise be set forth in an award agreement governing a Time Award or Performance Award that is granted following a Change in Control (which award agreement must specifically reference this Plan).

V. RELEASE OF CLAIMS

Notwithstanding any provision of this Plan to the contrary, any payments and benefits provided to a Participant under this Plan, other than the Accrued Rights, shall be subject to and contingent upon the Participant's execution and delivery following the Termination Date of a general release of claims in a form reasonably satisfactory to the Company that becomes effective and irrevocable within thirty (30) days following the Termination Date.

VI. OFFERS OF EMPLOYMENT; SUCCESSORS

No Participant shall be entitled to benefits under this Plan if the Participant rejects or fails to accept a written offer of employment from a Successor or from any Affiliate of the Company made on or before his or her Termination Date that the Company reasonably determines is for substantially comparable employment. The Company will require any Successor that does not assume the Employer's obligations under this Plan by operation of law to expressly assume and agree to

perform this Plan in the same manner and to the same extent that the Employer would be required to perform if no such succession had taken place.

VII. TAX MATTERS

A. Withholding

The Employer may deduct and withhold from any amounts payable under this Plan such federal, state, local, foreign or other taxes as are required to be withheld pursuant to any applicable law or regulation.

B. Section 409A

The payments and benefits under this Plan are intended to comply with or be exempt from Section 409A and, accordingly, to the maximum extent permitted, this Plan shall be interpreted to be in compliance therewith. Notwithstanding any provision of this Plan to the contrary, in the event that the Administrator determines that any amounts payable hereunder would be immediately taxable to any Participant under Section 409A, the Administrator may (without any obligation to do so or to indemnify the Participant for failure to do so) (A) adopt such amendments to this Plan or adopt such other policies and procedures (including amendments, policies and procedures with retroactive effect) that it determines to be necessary or appropriate to preserve the intended tax treatment of the benefits provided by this Plan or the economic benefits of this Plan and (B) take such other actions it determines to be necessary or appropriate to exempt the amounts payable hereunder from Section 409A or to comply with the requirements of Section 409A and thereby avoid the application of penalty taxes thereunder.

Notwithstanding any provision of this Plan to the contrary, no termination or other similar payments and benefits under this Plan will be payable to a Participant unless the Participant's termination of employment constitutes a "separation from service" within the meaning of Section 409A (a "Separation from Service").

Notwithstanding any provision of this Plan to the contrary, if a Participant is deemed by the Company at the time of the Participant's Separation from Service to be a "specified employee" for purposes of Section 409A, to the extent delayed commencement of any portion of the benefits to which the Participant is entitled under this Plan is required in order to avoid a prohibited distribution under Section 409A, such portion of the Participant's benefits will not be provided to the Participant prior to the earlier of (i) the expiration of the six-month period measured from the date of the Participant's Separation from Service or (ii) the date of the Participant's death. As promptly as possible following the expiration of the applicable Section 409A period, all payments and benefits deferred pursuant to the preceding sentence will be paid in a lump sum to a Participant (or the Participant's estate), and any remaining payments due to the Participant under this Plan will be paid as otherwise provided herein.

A Participant's right to receive any installment payments under this Plan shall be treated as a right to receive a series of separate payments and, accordingly, each such installment payment shall at all times be considered a separate and distinct payment as permitted under Section 409A. To the extent necessary to comply with Section 409A, if the designated payment period for any payment

under this Plan begins in one taxable year and ends in the next taxable year, the payment will commence or otherwise be made in the later taxable year.

C. Potential Reduction of Certain “Parachute Payments”

1. Notwithstanding any other provisions of this Plan, in the event that any payment or benefit by the Company or otherwise to or for the benefit of a Participant, whether paid or payable or distributed or distributable pursuant to the terms of this Plan (all such payments and benefits, including the payments and benefits under Section IV of the Plan, being hereinafter referred to as the “Total Payments”), would be subject (in whole or in part) to the excise tax imposed by Section 4999 of the Code (the “Excise Tax”), then the Total Payments shall be reduced (in the order provided in subsection B below) to the minimum extent necessary to avoid the imposition of the Excise Tax on the Total Payments, but only if (i) the net amount of such Total Payments, as so reduced (and after subtracting the net amount of federal, state and local income and employment taxes on such reduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such reduced Total Payments), is greater than or equal to (ii) the net amount of such Total Payments without such reduction (but after subtracting the net amount of federal, state and local income and employment taxes on such Total Payments and the amount of the Excise Tax to which the Participant would be subject in respect of such unreduced Total Payments and after taking into account the phase out of itemized deductions and personal exemptions attributable to such unreduced Total Payments).

2. The Total Payments shall be reduced in the following order: (i) reduction on a pro-rata basis of any cash severance payments that are exempt from Section 409A, (ii) reduction on a pro-rata basis of any non-cash severance payments or benefits that are exempt from Section 409A, and (iii) reduction of any payments or benefits otherwise payable to the Participant on a pro-rata basis or such other manner that complies with Section 409A; provided, in case of clauses (ii) and (iii), that reduction of any payments attributable to the acceleration of vesting of Company equity awards shall be first applied to Company equity awards that would otherwise vest last in time.

3. All determinations regarding the application of Section VII.C shall be made by an accounting firm or consulting group with experience in performing calculations regarding the applicability of Section 280G of the Code and the Excise Tax selected by the Company (the “Independent Advisors”). For purposes of determinations, no portion of the Total Payments shall be taken into account which, in the opinion of the Independent Advisors, (i) does not constitute a “parachute payment” within the meaning of Section 280G(b)(2) of the Code (including by reason of Section 280G(b)(4)(A) of the Code) or (ii) constitutes reasonable compensation for services actually rendered, within the meaning of Section 280G(b)(4)(B) of the Code, in excess of the “base amount” (as defined in Section 280G(b)(3) of the Code) allocable to such reasonable compensation. The costs of obtaining such determination and all related fees and expenses (including related fees and expenses incurred in any later audit) shall be borne by the Company.

4. In the event it is later determined that a greater reduction in the Total Payments should have been made to implement the objective and intent of Section VII.C, the excess amount shall be returned promptly by the Participant to the Company.

VIII. DURATION; TERMINATION; AMENDMENT; MODIFICATION

This Plan will become effective on the Effective Date. The Board or the Administrator may amend, modify or terminate this Plan at any time; provided that, except as otherwise provided in Section VII:

A. No amendment, modification or termination may affect any right of any Participant to claim benefits under this Plan as in effect prior to such amendment, modification or termination with respect to a Termination Date that occurs prior to the date of such amendment, modification or termination; and

B. During the CIC Protection Period for a given Participant, this Plan may not be amended or modified in any manner that decreases the payments or benefits payable to the Participant or otherwise adversely affects the Participant's economic rights or terminated.

IX. RELATION TO OTHER PLANS

Nothing in this Plan will prevent or limit a Participant's continuing or future participation in any plan, contract, agreement, practice, policy or program provided by the Company or any Affiliate thereof for which the Participant may qualify (an "Other Arrangement"), nor will anything in this Plan limit or otherwise affect any rights the Participant may have under any Other Arrangement with the Company or any Affiliate thereof, provided that the benefits received under this Plan and an Other Arrangement shall not be duplicative. Therefore, notwithstanding any provision herein to the contrary, the payments and benefits payable hereunder shall be reduced (on a dollar for dollar basis) by the amount of such severance payments and benefits payable under an Other Arrangement to the extent duplicative, such that a Participant who is entitled to receive payments and benefits hereunder receives, in the aggregate, not more than the amount of payments and benefits that would be provided hereunder if there were no such Other Arrangement. Any such reduction in payments and benefits provided hereunder shall be implemented in such manner as is determined by the Company in compliance with all applicable laws, including Section 409A, if applicable, without changing the time or form of payment of any severance payments and benefits payable under an Other Arrangement. Vested benefits and other amounts a Participant is otherwise entitled to receive under any incentive compensation (including any equity award agreement), deferred compensation, retirement, pension or other plan, practice, policy or program of, or any contract or agreement with, the Company or any Affiliate thereof shall be payable in accordance with the terms of each such plan, practice, policy, program, contract or agreement, as the case may be.

X. NOTICES

All notices or other communications required or permitted by this Plan will be made in writing and all such notices or communications will be deemed to have been duly given when delivered

or (unless otherwise specified) mailed by United States certified or registered mail, return receipt requested, postage prepaid, addressed as follows:

If to the Company: CoStar Group, Inc.
1201 Wilson Blvd
Arlington, VA 22209
Attn: General Counsel

If to the Participant: The Participant's last known address as set forth in the
Company's records.

XI. ADMINISTRATION

The Plan will be interpreted in accordance with its terms and their intended meanings. However, the Administrator will have the discretion to interpret or construe ambiguous, unclear, or implied (but omitted) terms in any fashion the Administrator determines to be appropriate in its reasonable discretion, and to make any findings of fact needed in the administration of the Plan. The Administrator shall have the duties, power and authority to conduct the general administration of the Plan in accordance with its provisions. Without limiting the foregoing, the Administrator shall have the power to (i) make any determinations concerning the Plan, including whether any individual is a Participant and whether a Qualifying Termination or other termination of service has occurred, (ii) construe and interpret this Plan and any other agreement or document executed pursuant to this Plan, (iii) subject to any limitations under the Plan or applicable laws, prescribe, amend and rescind rules and regulations as it shall deem necessary for the efficient administration of the Plan and (iv) make all other decisions and determinations (including factual determinations) as deemed necessary or advisable in carrying out its duties and responsibilities or exercising its powers.

If, due to errors in drafting, any Plan provision does not accurately reflect its intended meaning, as demonstrated by consistent interpretations or other evidence of intent, or as determined by the Administrator in its reasonable discretion, the provision shall be considered ambiguous and shall be interpreted by the Administrator in a manner consistent with its intent, as determined in the reasonable discretion of the Administrator. The Administrator may amend the Plan retroactively to cure any such ambiguity. Any determination made by the Administrator with respect to this Plan shall be final, binding and conclusive on all parties.

XII. CLAIMS PROCEDURES

The Company intends that the Plan shall, at all times, be maintained on an unfunded basis for federal income tax purposes under the Code and administered as a non-qualified, "top hat" welfare plan, exempt from the substantive requirements of the Employee Retirement Income Security Act of 1974, as amended from time to time ("ERISA").

A Participant who believes he or she is entitled to a payment under the Plan that has not been received may submit a written claim for benefits to the Plan within 60 days after the Participant's Qualifying Termination. Claims should be addressed and sent to:

CoStar Group, Inc.
1201 Wilson Blvd
Arlington, VA 22209
Attn: General Counsel

If the Participant's claim is denied, in whole or in part, the Participant will be furnished with written notice of the denial within 90 days after the Administrator's receipt of the Participant's written claim, unless special circumstances require an extension of time for processing the claim, in which case a period not to exceed 180 days will apply. If such an extension of time is required, written notice of the extension will be furnished to the Participant before the termination of the initial 90-day period and will describe the special circumstances requiring the extension, and the date on which a decision is expected to be rendered. Written notice of the denial of the Participant's claim will contain the following information: (i) the specific reason or reasons for the denial of the Participant's claim; (ii) references to the specific Plan provisions on which the denial of the Participant's claim was based; (iii) a description of any additional information or material required by the Administrator to reconsider the Participant's claim (to the extent applicable) and an explanation of why such material or information is necessary; and (iv) a description of the Plan's review procedures and time limits applicable to such procedures, including a statement of the Participant's right to bring a civil action under Section 502(a) of ERISA following a benefit claim denial on review.

If the Participant's claim is denied and he or she wishes to submit a request for a review of the denied claim, the Participant or his or her authorized representative must follow the procedures described below:

(i) Upon receipt of the denied claim, the Participant (or his or her authorized representative) may file a request for review of the claim in writing with the Administrator. This request for review must be filed no later than 60 days after the Participant has received written notification of the denial.

(ii) The Participant has the right to submit in writing to the Administrator any comments, documents, records or other information relating to his or her claim for benefits.

(iii) The Participant has the right to be provided with, upon request and free of charge, reasonable access to and copies of all pertinent documents, records and other information that is relevant to his or her claim for benefits.

The review of the denied claim will take into account all comments, documents, records and other information that the Participant submitted relating to his or her claim, without regard to whether such information was submitted or considered in the initial denial of his or her claim.

The Administrator will provide the Participant with written notice of its decision within 60 days after the Administrator's receipt of the Participant's written claim for review. There may be special circumstances which require an extension of this 60-day period. In any such case, the Administrator will notify the Participant in writing within the 60-day period and the final decision will be made no later than 120 days after the Administrator's receipt of the Participant's written claim for review. The Administrator's decision on the Participant's claim for review will be

communicated to the Participant in writing and will clearly state: (i) the specific reason or reasons for the denial of the Participant's claim; (ii) reference to the specific Plan provisions on which the denial of the Participant's claim is based; (iii) a statement that the Participant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, the Plan and all documents, records and other information relevant to his or her claim for benefits; and (iv) a statement describing the Participant's right to bring an action under Section 502(a) of ERISA.

The exhaustion of these claims procedures is mandatory for resolving every claim and dispute arising under the Plan. As to such claims and disputes: (i) no claimant shall be permitted to commence any legal action to recover benefits or to enforce or clarify rights under the Plan under Section 502 or Section 510 of ERISA or under any other provision of law, whether or not statutory, until these claims procedures have been exhausted in their entirety; and (ii) in any such legal action, all explicit and implicit determinations by the Administrator (including, but not limited to, determinations as to whether the claim, or a request for a review of a denied claim, was timely filed) shall be afforded the maximum deference permitted by law.

XIII. MISCELLANEOUS

All payments provided under this Plan shall be paid in cash from the general funds of the Company, and no special or separate fund or other segregation of assets shall be required to be made to assure payment. To the extent that any person acquires a right to receive payments from the Company under this Plan, such right shall be no greater than the right of an unsecured creditor of the Company.

Nothing in this Plan shall interfere with or limit in any way the right of the Company or its subsidiaries and/or its Affiliates to terminate any Participant's employment or service for the Company at any time or for any reason, nor shall this Plan itself confer upon any Participant any right to continue his or her employment or service for any specified period of time. Benefits arising under this Plan shall not constitute an employment contract with the Company or any subsidiary and/or its Affiliates. No payment under the Plan will be taken into account in determining any benefits under any pension, retirement, savings, profit sharing, group insurance, welfare or other benefit plan of the Company except as expressly provided in writing in such other plan or an agreement thereunder. This Plan and any documents hereunder shall be interpreted and construed in accordance with the laws of the Delaware and applicable federal law.

* * * * *

Final

Schedule A

Severance Amounts

| Employment Level | Severance Multiplier | Severance Period | CIC Protection Period | CIC Severance Multiplier | CIC Severance Period |
|----------------------------|-----------------------------|--|---|---------------------------------|--|
| CEO | 2.0 | 24 months following the Termination Date | 24 months following a Change in Control | 2.0 | 24 months following the Termination Date |
| Executive Officers | 1.0 | 12 months following the Termination Date | 24 months following a Change in Control | 1.0 | 12 months following the Termination Date |
| VP (Non-Executive Officer) | 0.5 | 6 months following the Termination Date | 24 months following a Change in Control | 0.5 | 6 months following Termination Date |

SECOND AMENDMENT TO ANDREW C. FLORANCE EMPLOYMENT AGREEMENT

THIS SECOND AMENDMENT to the Employment Agreement is made and entered into January 6, 2026, by and between CoStar Realty Information, Inc. ("Company") and Andrew C. Florance ("Executive").

W I T N E S S E T H;

WHEREAS, Company and Executive are parties to that certain Employment Agreement dated as of April 24, 1998, effective as of January 1, 1998 (the "Employment Agreement") and amended as of December 2008, effective as of January 1, 2009 (the "First Amendment"), pursuant to which Executive is employed as the Company's President and Chief Executive Officer; and

WHEREAS, Company and Executive desire to amend the terms of the Employment Agreement as set forth herein effective as of January 1, 2026 (the First Amendment and the Employment Agreement, as amended, is hereinafter referred to as the "Agreement"), in order to comply with the provisions of Section 409A of the Internal Revenue Code and the rules and regulations promulgated thereunder and to make certain other clarifying revisions.

NOW, THEREFORE, in consideration of the mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto hereby agree as follows:

1. Section 22 (Special Reimbursement) is deleted in its entirety.
 2. Counterparts. This Second Amendment, for the convenience of the parties, may be executed in any number of counterparts, all of which when taken together shall constitute one and the same agreement.
 3. Except as modified hereby, the Agreement continues in full force and effect.
-

IN WITNESS WHEREOF, the parties have executed this Second Amendment as of the day and year first written above.

COSTAR REALTY INFORMATION, INC.

By: /s/ Louise S. Sams
Name: Louise S. Sams
Title: Director

/s/ Andrew C. Florance
Andrew C. Florance



CoStar Group Provides Full Year 2026 and Medium-Term Outlook with Significant Adjusted EBITDA Expansion

Issues Long-Term Financial Outlook for Homes.com, Including Meaningful Moderation in Net Investment in 2026 and beyond

Announces New \$1.5 Billion Share Repurchase Program

Implements New Executive Compensation Program Responding to Stockholder Feedback

Arlington, VA – January 7, 2026 – CoStar Group, Inc. (NASDAQ: CSGP), a leading provider of online real estate marketplaces, information, analytics, and 3D digital twin technology in the property markets, today provided an update on key business, financial, and corporate governance initiatives for 2026 and beyond, which have all been unanimously approved by the Company’s Board of Directors and its Capital Allocation Committee. As a result of a robust review undertaken by the Capital Allocation Committee, the plan calls for significant expansion of Adjusted EBITDA. CoStar Group also announced the authorization of a new \$1.5 billion share repurchase program.

Based on its results to date and the initiatives underway, the Company is providing the following outlook for 2026:

- Revenue: \$3.78 billion to \$3.82 billion, representing approximately 18% year-over-year growth over the midpoint of our previously provided 2025 guidance
- Net income: \$175 million to \$215 million and \$0.42 to \$0.52 per diluted share based on 416 million shares for the full year 2026
- Adjusted EBITDA: \$740 million to \$800 million, the highest Adjusted EBITDA in Company history, representing a 20% margin at the midpoint, and 83% year-over-year growth over the midpoint of our previously provided 2025 guidance
- Adjusted EPS or Non-GAAP net income per diluted share: \$1.22 to \$1.33 based on 416 million shares

The Company is also providing the following medium-term targets:

- Revenue: ~15% compound annual growth rate (CAGR) from 2025 to 2028
- Adjusted EBITDA: \$1.25 billion in 2028

Homes.com is an important component of our Residential portfolio which includes Apartments.com, Domain, OnTheMarket, and Land.com. Homes.com is experiencing rapid growth, with a 337% increase in subscribers since Q1 2024. The Company is implementing its proven playbook to continue to scale Homes.com and drive profitability. This includes lowering the capital intensity of Homes.com. CoStar Group intends to reduce net investment, revenue less directly attributable and allocated costs, by more than \$300 million in 2026, down from \$850 million in 2025. Moving forward, CoStar Group expects to continue to reduce net investment in Homes.com by \$100+ million annually until 2030.

CoStar Group now expects Homes.com to:

- Deliver revenue in excess of expenses exiting 2029, supported by subscriber acquisition, in-depth advertising, builder partnerships, the Company’s Boost program, and continued reduction in expenses.
- Attain positive Adjusted EBITDA in 2030.
- Ultimately, CoStar Group expects Homes.com to be a strong contributor to Adjusted EBITDA and stockholder value.

“Building on our strong foundation, we continue to expand and evolve our platforms and increase the efficiency of our business model to accelerate profitability while growing the top-line,” said Andy Florance, Founder and Chief Executive Officer of CoStar Group. “We deliver unparalleled value to customers and extend our market-leading positions through our comprehensive ecosystem, underpinned by unmatched, integrated infrastructure and the world’s largest proprietary real estate information database. This positions CoStar Group to capture compelling near- and long-term growth with significant Adjusted EBITDA expansion for several years to come. Homes.com is an important part of our ecosystem; we now have a clear path to accelerate top-line growth and drive profitability. Through the deployment of our scalable AI platform and our disciplined capital allocation approach, we are well positioned to build on our strong trajectory and drive enhanced stockholder value.”

CoStar Group’s core business has strong momentum driven by its high-growth, high-margin subscription business model that continues to deliver excellent customer retention resulting in predictable and resilient revenue streams. The Company is taking action to accelerate progress in 2026, including the continued rollout of its comprehensive deployment of AI across CoStar Group to drive revenue growth and reduce costs. The Company has already achieved outstanding efficiencies through AI deployment – particularly in content creation, research of public records, writing code, and lease data extraction – the savings of which are included in the 2026 outlook provided today. Additionally, CoStar Group intends to make AI enhancements to the user experience on all marketplace platforms to extend its competitive advantages.

“The actions announced today are the result of a thorough, independent review by the Capital Allocation Committee and reflect the Board’s commitment to aligning capital allocation and executive compensation programs with the interests of all stockholders,” said Louise Sams, Independent Chair of the Board. “These updates follow robust engagement with stockholders over the last six months and implement the feedback we’ve received. The Board unanimously believes that CoStar Group is executing the right strategy to drive sustainable, profitable growth and is focused on holding management accountable to deliver on the Company’s objectives for the benefit of our stockholders.”

Increased Return of Capital to Stockholders

In alignment with CoStar Group’s commitment to disciplined and proactive return of capital to stockholders, the Capital Allocation Committee recommended, and the Board authorized, a new \$1.5 billion repurchase of common stock.¹ This new authorization follows the Company’s accelerated completion of its \$500 million share repurchase program in 2025. The Company continues to fund its organic growth primarily through capital generated from its businesses, maintaining ample liquidity to support its business strategy as well as returning capital to stockholders.

New Executive Compensation Program Responding to Stockholder Feedback

Following robust stockholder engagement and an extensive review, the Board’s Compensation Committee recommended, and the Board approved a redesigned executive compensation program for 2026. The new program features more rigorous (and more heavily quantitative) goals, enhanced transparency, and a simplified structure, with a focus on close alignment with stockholder interests. Additional information regarding the new executive compensation program will be available in the Company’s proxy statement for its 2026 Annual Meeting of Stockholders.

Forward-Looking Statements

The preceding forward-looking statements reflect CoStar Group’s expectations as of January 7, 2026, including forward-looking non-GAAP financial measures on a consolidated basis, based on current estimates, expectations, observations, and trends. Given the risk factors, rapidly evolving economic environment, and uncertainties and assumptions discussed in this release and in our quarterly reports on Form 10-Q and annual reports on Form 10-K, actual results may differ materially. Other than in publicly available statements, the Company does not intend to update its forward-looking statements until its next quarterly results announcement.

¹ The program has no time limit and can be discontinued at any time at the Company’s discretion.

Reconciliations of Adjusted EBITDA, non-GAAP net income, and adjusted EPS or non-GAAP net income per diluted share to the most directly comparable GAAP measures are shown in detail below, along with definitions for those terms. A reconciliation of forward-looking non-GAAP guidance to the most directly comparable GAAP measure, net income, can be found within the tables included in this release.

Non-GAAP Financial Measure

For information regarding the purpose for which management uses the non-GAAP financial measures disclosed in this release and why management believes they provide useful information to investors regarding the Company's financial condition and results of operations, please refer to the Company's latest periodic report.

EBITDA is a non-GAAP financial measure that represents GAAP net income attributable to CoStar Group before interest income or expense, net; other income or expense, net; loss on debt extinguishment; income taxes, and depreciation and amortization expense.

Adjusted EBITDA is a non-GAAP financial measure that represents EBITDA before stock-based compensation expense; acquisition- and integration-related costs; restructuring and related costs, including certain advisory fees; and settlements and impairments incurred outside the Company's ordinary course of business. Adjusted EBITDA margin represents Adjusted EBITDA divided by revenues for the period.

Adjusted EPS or Non-GAAP net income per diluted share is a non-GAAP financial measure that represents non-GAAP net income divided by the number of diluted shares outstanding for the period used in the calculation of GAAP net income per diluted share. For periods with GAAP net losses and non-GAAP net income, the weighted average outstanding shares used to calculate non-GAAP net income per share includes potentially dilutive securities that were excluded from the calculation of GAAP net income per share as the effect was anti-dilutive.

Non-GAAP net income is a non-GAAP financial measure determined by adjusting GAAP net income (loss) attributable to CoStar Group for stock-based compensation expense; acquisition- and integration-related costs, including gains or losses on equity investments acquired in prospective targets and related to deal-contingent financial instruments; restructuring costs; settlement and impairment costs incurred outside the Company's ordinary course of business, and loss on debt extinguishment, as well as amortization of acquired intangible assets and other related costs, and then subtracting an assumed provision for income taxes.

CoStar Group, Inc.
Reconciliation of Forward-Looking Guidance - Unaudited
(in millions, except per share data)

Reconciliation of Forward-Looking Guidance, Net Income to Non-GAAP Net Income

| | Guidance Range For the Year Ending December 31, 2026 | |
|--|---|-------------|
| | Low | High |
| Net income | \$ 175 | \$ 215 |
| Income tax expense | 85 | 105 |
| Income before taxes | 260 | 320 |
| Amortization of acquired intangible assets | 245 | 245 |
| Stock-based compensation expense | 177 | 177 |
| Acquisition and integration related costs | 3 | 3 |
| Non-GAAP income before income taxes | 685 | 745 |
| Assumed rate for income tax expense ⁽¹⁾ | 26 % | 26 % |
| Assumed provision for income tax expense | 178 | 194 |
| Non-GAAP net income | \$ 507 | \$ 551 |
| Net income per share - diluted | \$ 0.42 | \$ 0.52 |
| Non-GAAP net income per share - diluted | \$ 1.22 | \$ 1.33 |
| Non-GAAP weighted average outstanding shares - diluted | 416 | 416 |

⁽¹⁾The assumed tax rate approximates our statutory federal and state corporate tax rate for the applicable period.

Reconciliation of Forward-Looking Guidance, Net Income to Adjusted EBITDA

| | Guidance Range For the Year Ending December 31, 2026 | |
|--|---|-------------|
| | Low | High |
| Net income | \$ 175 | \$ 215 |
| Amortization of acquired intangible assets | 245 | 245 |
| Depreciation and other amortization | 77 | 77 |
| Interest income, net | (22) | (22) |
| Other income, net | — | — |
| Income tax expense | 85 | 105 |
| Stock-based compensation expense | 177 | 177 |
| Acquisition and integration related costs | 3 | 3 |
| Adjusted EBITDA | \$ 740 | \$ 800 |

Investor Relations:

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About CoStar Group

CoStar Group (NASDAQ: CSGP) is a global leader in commercial real estate information, analytics, online marketplaces, and 3D digital twin technology. Founded in 1986, CoStar Group is dedicated to digitizing the world's real estate, empowering all people to discover properties, insights, and connections that improve their businesses and lives.

CoStar Group's major brands include CoStar, a leading global provider of commercial real estate data, analytics, and news; LoopNet, the most trafficked commercial real estate marketplace; Apartments.com, the leading platform for apartment rentals; Homes.com, the fastest-growing residential real estate marketplace; and Domain, one of Australia's leading property marketplaces. CoStar Group's industry-leading brands also include Matterport, a leading spatial data company whose platform turns buildings into data to make every space more valuable and accessible, STR, a global leader in hospitality data and benchmarking; Ten-X, an online platform for commercial real estate auctions and negotiated bids; and OnTheMarket, a leading residential property portal in the United Kingdom.

CoStar Group's websites attracted over 143 million average monthly unique visitors in the third quarter of 2025, serving clients around the world. Headquartered in Arlington, Virginia, CoStar Group is committed to transforming the real estate industry through innovative technology and comprehensive market intelligence. From time to time, we plan to utilize our corporate website as a channel of distribution for material company information. For more information, visit CoStarGroup.com.

This news release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements about CoStar Group's plans, objectives, expectations, beliefs and intentions and other statements including words such as "hope," "anticipate," "may," "likely," "might," "believe," "expect," "observe," "consider," "think," "intend," "envision," "will," "should," "could", "would," "plan," "target," "outlook," "goal," "estimate," "predict," "continue," "commit," and "potential" or the negative of these terms or other comparable terminology. Such statements are based upon the current beliefs and expectations of management of CoStar Group and are subject to many risks and uncertainties. Actual results may differ materially from the results anticipated in the forward-looking statements and the assumptions and estimates used as a basis for the forward-looking statements. The following factors, among others, could cause or contribute to such differences: the risks related to the specific timing, price, and size of repurchases under the Stock Repurchase Program, including that the Stock Repurchase Program may be suspended or discontinued at any time at the Company's discretion; our ability to achieve expected financial results while simultaneously achieving expected reductions in our net investment in Homes.com; our inability to attract and retain new clients; our inability to successfully develop and introduce new or updated online marketplace services, information, and analytics; our inability to compete successfully against existing or future competitors in attracting advertisers and in general; the effects of fluctuations and market cyclicality; the effects of global economic uncertainties and downturns or a downturn or consolidation in the real estate industry; our inability to hire qualified persons for, or retain and continue to develop our sales force, or unproductivity of our sales force; our inability to retain and attract highly capable management and operating personnel; the downward pressure that our internal and external investments may place on our operating margins; our inability to increase brand awareness; our inability to maintain or increase internet traffic to our marketplaces, and the risk that the methods, including Google Analytics, that we use to measure average monthly unique visitors to our portals may misstate the actual number of unique persons who visit our network of mobile applications and websites for a given month or may differ from the methods used by competitors; our inability to attract new advertisers; our inability to successfully identify, finance, integrate, and/or manage costs related to acquisitions; our inability to complete certain strategic transactions if a proposed transaction is subject to review or approval by regulatory authorities pursuant to applicable laws or regulations; our inability to realize the benefits of the acquisition of Matterport; the effects of cyberattacks and security vulnerabilities, and technical problems or disruptions; the significant costs associated with undertaking a large infrastructure project to build out our campus in Richmond, Virginia; our inability to generate increased revenues from our current or future geographic expansion plans; the risks related to acceptance of credit cards and debit cards and facilitation of other customer payments; the effects of climate related events and other events beyond our control; the effects related to attention to climate-related risks and opportunities; our inability to obtain and maintain accurate, comprehensive, or reliable data; our inability to obtain and maintain stable data feeds, or disruption of our data feeds; our inability to enforce or defend our ownership and use of intellectual property; the effects of use of new and evolving technologies, including artificial intelligence, on our ability to protect our data and intellectual property from misappropriation by third parties; our inability to defend against potential legal liability for collecting, displaying, or distributing information; our inability to obtain or retain listings from real estate brokers, agents, property owners, and apartment property managers; our inability to maintain or establish relationships with third-party listing providers; our inability to comply with the rules and compliance requirements of Multiple Listing Services; the risks related to international operations; the effects of foreign currency exchange rate fluctuations; our indebtedness; the effects of a lowering or withdrawal of the ratings assigned to our debt securities by rating agencies; the effects of any actual or perceived failure to comply with privacy laws and standards; the effects of changes in tax laws, regulations, or fiscal and tax policies; the effects of third-party

claims, litigation, regulatory proceedings, or government investigations; and risks related to return on investment; the inability of third-party suppliers upon which Matterport relies to fulfill its needs; the risks associated with the ability to integrate Domain Holdings Australia Limited (the "Domain Transaction") and realize the benefits of the Domain Transaction; and the risks related to open source software. More information about potential factors that could cause results to differ materially from those anticipated in the forward-looking statements include, but are not limited to, those stated in CoStar Group's filings from time to time with the Securities and Exchange Commission (the "SEC"), including in CoStar Group's Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q, each of which is filed with the SEC, including in the "Risk Factors" section of those filings, as well as CoStar Group's other filings with the SEC (including Current Reports on Form 8-K) available at the SEC's website (www.sec.gov). All forward-looking statements are based on information available to CoStar Group on the date hereof, and CoStar Group assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.
