

ZILLOW[®]GROUP

April 21, 2021

Dear Fellow Shareholders,

I write to you approximately one year since the pandemic began impacting our lives. Over several uncertain months last spring we remained on the forefront of taking actions to support our people, partners and customers. We controlled costs -- stopping short of layoffs or furloughs -- and extended a hand to our valued partners in the form of #BetterTogether billing discounts. We also accelerated digital innovations to better serve our customers and partners so they could remotely conduct real estate transactions. Those actions allowed us to benefit from the rapid re-acceleration of the U.S. housing market.

People are flocking to Zillow in record numbers during a historic time in housing as many are rethinking how and where they live and work, something we call The Great Reshuffling. A technology acceleration across all aspects of our lives -- including real estate -- has also become the baseline for consumer expectations going forward. Our vision that began 15 years ago remains at our core -- building seamless transaction experiences to meet the desire for technology-enabled renting, buying, selling, and financing, to the benefit of our customers, our partners and Zillow.

2020 was a year we won't soon forget, one that has been both all-consuming and inspirational because of the nimbleness, flexibility, and dedication the Zillow team has put forth. I'm incredibly proud of the way the Zillow team navigated this past year and would like to share some of our key accomplishments:

- We saw a record 9.6 billion visits to Zillow Group's mobile apps and websites, 1.5 billion more visits than in 2019. We also launched numerous virtual technologies, as well as automated and virtual real estate transaction services to help shoppers and partners move forward and stay safe.
- We grew the Premier Agent business as we continue to focus on providing outstanding customer service while optimizing to connect more high-intent customers with more high-performing partner agents. We saw some of the best customer satisfaction and retention rates in the company's history as a result.

Our other marketplaces in our Internet, Media and Technology (IMT) segment also delivered strong performance and growth.

- When COVID-19 brought many in-person interactions to a halt, we weren't sure initially if we would be able to transact in our Zillow Offers business. We paused home buying to manage risk during the early days of the pandemic, but exited 2020 with our quarterly acquisitions pace returning to Q4 2019 levels while continuing our focus on operational rigor and improving our cost structure.
- We continued to build Zillow Home Loans, taking advantage of a positive refinancing environment to build our mortgage business. We nearly tripled full-year 2020 originations revenue compared to 2019 as a result.
- We expanded Zillow Closing Services to 25 markets during 2020, and a vast majority of our customers are choosing to close with us when they buy a home through Zillow Offers.
- While many companies across the country continue to evaluate their remote work policies, Zillow acted decisively, having internalized that we are already successfully operating with a distributed workforce. Our location-flexible work model, where 90% of our employees are at least partly working remotely, indefinitely, has myriad benefits. This is not a cost-saving initiative and we are proud to enable employees to move to locations of their choosing across the U.S., while also opening up opportunities to work at Zillow without having to relocate in order to do so. We are building a future workplace that will maximize flexibility for all team members regardless of whether they are working remotely or from one of our awesome offices.
- We raised nearly \$1 billion of capital last May and ended the year with \$3.9 billion in cash and investments, giving us ample capital to pursue an abundance of growth opportunities.

We are increasingly offering a more integrated experience as we bring our business units closer together to execute on behalf of our customers and partners. Customers arrive at Zillow simply trying to move. It is our job to deliver for them, be it through our own services or with our best-in-class partners. Our customers are hungry for the seamless experience that we can now provide, and in programs we've begun to run across the country we see evidence that our suite of services is appealing.

Looking forward, our 2021 priorities are focused on the execution of our vision on behalf of customers and partners now that we have the core pieces in place:

- Grow our customer base and engagement through a compelling dream-and-shop experience
- Invest in sustainable top-line growth opportunities across the company
- Reduce cost structure and improve productivity in transaction services
- Drive profit growth through operational discipline

We are in a unique position to build an iconic company and brand that transforms one of the country's largest, most complex, and most important industries. Our large audience, the breadth of our services across real estate transactions, our profit streams and profit potential, our strong balance sheet, our experienced leadership team, and our long-term orientation all combine to put us in pole position.

We are coming out of 2020 a much stronger company and are excited about the opportunity in front of us. We are well on our way to achieving our vision for seamless, integrated real estate transactions and are grateful to have you along for the journey.



Rich Barton

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A note about Forward-Looking Statements: This letter contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Exchange Act that involve risks and uncertainties, including, without limitation, statements regarding our financial condition and the future of Zillow Group, Zillow Offers, Premier Agent and other parts of our business. Statements containing words such as “may,” “believe,” “anticipate,” “expect,” “intend,” “plan,” “project,” “will,” “projections,” “continue,” “estimate,” “outlook,” “guidance,” or similar expressions constitute forward-looking statements. Forward-looking statements are made based on information currently available to management, and although we believe the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee these results. Differences in Zillow Group’s actual results from those described in these forward-looking statements may result from actions taken by Zillow Group as well as from risks and uncertainties beyond Zillow Group’s control. Factors that may contribute to such differences include, but are not limited to, the impact of the COVID-19

pandemic or other public health crises and any associated economic downturn on Zillow Group's future financial position, operations and financial performance; the magnitude, duration and severity of the COVID-19 pandemic and the availability and widespread distribution and use of effective vaccines; the current and future health and stability of the economy, financial conditions and residential housing market, including any extended slowdown in the real estate markets as a result of the COVID-19 pandemic or changes that reduce demand for Zillow Group's products and services, lower Zillow Group's profitability or reduce Zillow Group's access to credit; Zillow Group's ability to execute on strategy; Zillow Group's ability to maintain and effectively manage an adequate rate of growth; Zillow Group's ability to innovate and provide products and services that are attractive to its users and advertisers; Zillow Group's investment of resources to pursue strategies that may not prove effective; Zillow Group's ability to compete successfully against existing or future competitors; the impact of pending or future legal proceedings, including those described in Zillow Group's filings with the Securities and Exchange Commission, or SEC; Zillow Group's ability to successfully integrate and realize the benefits of its past or future strategic acquisitions or investments; Zillow Group's ability to comply with MLS rules and requirements to access and use listing data, and to maintain or establish relationships with listings and data providers; the ability of Zillow Group to operate its mortgage originations business, including the ability to obtain sufficient financing; the reliable performance of Zillow Group's network infrastructure and content delivery processes; Zillow Group's ability to obtain or maintain licenses and permits to support our current and future businesses; actual or anticipated changes to our products and services; the impact of natural disasters and other catastrophic events; and Zillow Group's ability to protect its intellectual property. The foregoing list of risks and uncertainties is illustrative but not exhaustive. For more information about potential factors that could affect Zillow Group's business and financial results, please review the "Risk Factors" described in Zillow Group's Annual Report on Form 10-K for the year ended December 31, 2020 filed with the SEC and in Zillow Group's other filings with the SEC. Except as may be required by law, Zillow Group does not intend, and undertakes no duty to update this information to reflect future events or circumstances.