



# About Us Presentation Porch Group

March 2024

# Disclaimer

## Forward-Looking Statements

This presentation contains forward-looking statements as defined by the Private Securities Litigation Reform Act of 1995. These statements are based on the beliefs and assumptions of management. Although we, Porch Group, Inc., believe that our plans, intentions and expectations reflected in or suggested by these forward-looking statements are reasonable, we cannot assure you that we will achieve or realize these plans, intentions or expectations. Forward-looking statements are inherently subject to risks, uncertainties and assumptions. Generally, statements that are not historical facts, including statements concerning our possible or assumed future actions, business strategies, events or results of operations, are forward-looking statements. These statements may be preceded by, followed by, or include the words "believes," "estimates," "expects," "projects," "forecasts," "may," "will," "should," "seeks," "plans," "scheduled," "anticipates" or "intends" or similar expressions.

Forward-looking statements are not guarantees of performance. You should not put undue reliance on these statements which speak only as of the date hereof. Unless specifically indicated otherwise, the forward-looking statements in this presentation do not reflect the potential impact of any divestitures, mergers, acquisitions, or other business combinations that have not been completed as of the date of this filing. You should understand that the following important factors, among others, could affect our future results and could cause those results or other outcomes to differ materially from those expressed or implied in our forward-looking statements: (1) expansion plans and opportunities, and managing growth, to build a consumer brand; (2) the incidence, frequency, and severity of weather events, extensive wildfires, and other catastrophes; (3) economic conditions, especially those affecting the housing, insurance, and financial markets; (4) expectations regarding revenue, cost of revenue, operating expenses, and the ability to achieve and maintain future profitability; (5) existing and developing federal and state laws and regulations, including with respect to insurance, warranty, privacy, information security, data protection, and taxation, and management's interpretation of and compliance with such laws and regulations; (6) our reinsurance program, which includes the use of a captive reinsurer, the success of which is dependent on a number of factors outside management's control, along with reliance on reinsurance to protect against loss; (7) the uncertainty and significance of the known and unknown effects our insurance carrier subsidiary, Homeowners of America Insurance Company ("HOA"), and us due to the termination of a reinsurance contract following the fraud committed by Vesttoo Ltd. ("Vesttoo"), including, but not limited to, the outcome of Vesttoo's Chapter 11 bankruptcy proceedings; our ability to successfully pursue claims arising out of the fraud, the costs associated with pursuing the claims, and the timeframe associated with any recoveries; HOA's ability to obtain and maintain adequate reinsurance coverage against excess losses; HOA's ability to stay out of regulatory supervision and maintain its financial stability rating; and HOA's ability to maintain a healthy surplus; (8) uncertainties related to regulatory approval of insurance rates, policy forms, insurance products, license applications, acquisitions of businesses, or strategic initiatives, including the reciprocal restructuring, and other matters within the purview of insurance regulators; (9) reliance on strategic, proprietary relationships to provide us with access to personal data and product information, and the ability to use such data and information to increase transaction volume and attract and retain customers; (10) the ability to develop new, or enhance existing, products, services, and features and bring them to market in a timely manner; (11) changes in capital requirements, and the ability to access capital when needed to provide statutory surplus; (12) our ability to timely repay our outstanding indebtedness; (13) the increased costs and initiatives required to address new legal and regulatory requirements arising from developments related to cybersecurity, privacy, and data governance and the increased costs and initiatives to protect against data breaches, cyber-attacks, virus or malware attacks, or other infiltrations or incidents affecting system integrity, availability, and performance; (14) retaining and attracting skilled and experienced employees; (15) costs related to being a public company; (16) other risks and uncertainties discussed in Part I, Item 1A, "Risk Factors," in our Annual Report on Form 10-K ("Annual Report") for the year ended December 31, 2022; in Part II, Item 1A, "Risk Factors," in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2023; in Part II, Item 1A, "Risk Factors," in our Quarterly Report on Form 10-Q for the quarter ended June 30, 2023; in Part II, Item 1A, "Risk Factors," in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2023, and in subsequent reports, including our Form 10-K for the year ended December 31, 2023, filed or to be filed with the Securities and Exchange Commission ("SEC"), all of which are available on the SEC's website at [www.sec.gov](http://www.sec.gov). We caution you that the foregoing list may not contain all of the risks to forward-looking statements made in the Company's reports filed with the SEC.

You should not rely upon forward-looking statements as predictions of future events. We have based the forward-looking statements contained in the Company's Annual Report primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, results of operations and prospects. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties, and other factors, including those described in Item 1A, "Risk Factors," and elsewhere in the Company's Annual Report. We disclaim any obligation to update publicly any forward-looking statements, whether in response to new information, future events, or otherwise, except as required by applicable law.

## Non-GAAP Financial Measures

The financial information included in this presentation is preliminary, unaudited and subject to revision upon completion of the Company's closing and audit processes. This release includes non-GAAP financial measures, such as Adjusted EBITDA (Loss), Adjusted EBITDA (Loss) as a percent of revenue and Free Cash Flow.

Porch Group defines Adjusted EBITDA (Loss) as net income (loss) adjusted for interest expense; income taxes; depreciation and amortization; gain or loss on extinguishment of debt; other expense (income), net; impairments of intangible assets and goodwill; provision for doubtful accounts related to reinsurance, or related recoveries; impairments of property, equipment, and software; stock-based compensation expense; mark-to-market gains or losses recognized on changes in the value of contingent consideration arrangements, earnouts, warrants, and derivatives; restructuring costs; acquisition and other transaction costs; and non-cash bonus expense. Adjusted EBITDA (Loss) as a percent of revenue is defined as Adjusted EBITDA (Loss) divided by total revenue. Porch Group defines Free Cash Flow as Operating Cash Flow adjusted for the purchase of property, plant and equipment and capitalized software.

Porch Group management uses these non-GAAP financial measures as supplemental measures of the Company's operating and financial performance, for internal budgeting and forecasting purposes, to evaluate financial and strategic planning matters, and to establish certain performance goals for incentive programs. Porch Group believes that the use of these non-GAAP financial measures provides investors with useful information to evaluate the Company's operating and financial performance and trends and in comparing Porch Group's financial results with competitors, other similar companies and companies across different industries, many of which present similar non-GAAP financial measures to investors. However, Porch Group's definitions and methodology in calculating these non-GAAP measures may not be comparable to those used by other companies. In addition, the Company may modify the presentation of these non-GAAP financial measures in the future, and any such modification may be material.

You should not consider these non-GAAP financial measures in isolation, as a substitute to or superior to financial performance measures determined in accordance with GAAP. The principal limitation of these non-GAAP financial measures is that they exclude specified income and expenses, some of which may be significant or material, that are required by GAAP to be recorded in Porch Group's consolidated financial statements. The Company may also incur future income or expenses similar to those excluded from these non-GAAP financial measures, and the Company's presentation of these measures should not be construed as an inference that future results will be unaffected by unusual or non-recurring items. In addition, these non-GAAP financial measures reflect the exercise of management judgment about which income and expense are included or excluded in determining these non-GAAP financial measures.

You should review the tables accompanying this release for reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measure. The Company is not providing reconciliations of non-GAAP financial measures for future periods to the most directly comparable measures prepared in accordance with GAAP. The Company is unable to provide these reconciliations without unreasonable effort because certain information necessary to calculate such measures on a GAAP basis is unavailable or dependent on the timing of future events outside of its control.



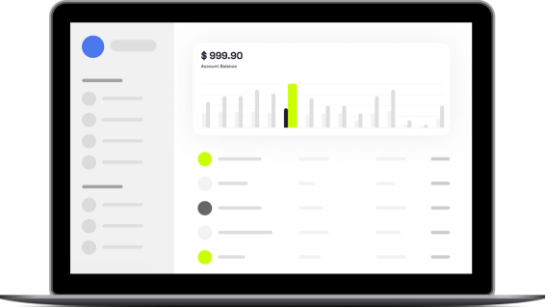
# Introduction to Porch Group



# Porch: A New Kind of Homeowners Insurance Company

## Vertical Software

Leading SaaS products for inspection, mortgage and title companies



Early homebuyer access & unique data

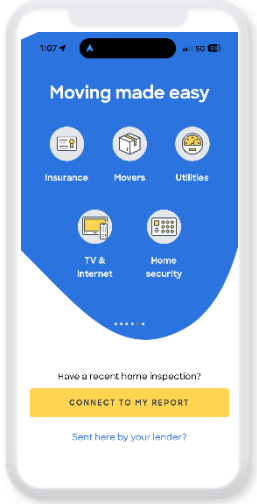
## How We'll Win

Homeowners insurance differentiators

- Advantaged underwriting
- Best for homebuyers
- Whole home protection

## Home Services

Insurance, warranty and moving services



Enhanced value proposition

# Porch Investment Highlights



## Vertical Software

SaaS leader for inspectors, title agents, and loan officers provides homebuyer access



## Unique Data Insights

Ability to price insurance risk more effectively, resulting in a higher quality book



## Strong Loss Ratios

Homeowners Insurance 2023:  
69% Gross Loss Ratio  
88% Combined Ratio  
(vs industry combined ratio<sup>2</sup>: 110%)



## Rapid Revenue Growth

60% 4 Year CAGR since public  
\$72m (2020) to \$470m (2024 G<sup>1</sup>)



## Profitable

+\$21M Adj EBITDA in H2 2023  
2024 FY Guidance: \$1m-\$10m



## Values Driven Culture

High employee engagement  
Proven ability to execute

(1) \$470m is the mid point of 2024 guidance (ranging \$450m to \$490m) provided at Q4 2023 earnings in March 2024.

(2) Source: Carrier Management article referencing AM Best data and research. 2023 Estimated Combined Ratio of 111% for U.S. Property/Casualty, Homeowners & Farm owners multi-peril.



# Insurance Segment



# Whole Home Protection

---

## Insurance Carrier

---

- Write homeowners insurance policies in 22 states
- Utilizes Porch's unique data to assess home factors, underwrite risk, and effectively price policies
- HOA creates a pricing advantage for well-maintained homes and increases prices for higher risk homes
- While HOA retains insurance underwriting risk, a portion of risk is ceded to 3rd party reinsurers



## Home Warranty

---

- Variety of products; whole-home, 90-day, service line and extended labor in 49 states and Washington, D.C.
- Acquires customers through partnerships; real estate, home inspection, distributors, utilities, and insurance
- Long-term advantage due to bundled handyman services, 90-day warranty product and partnerships



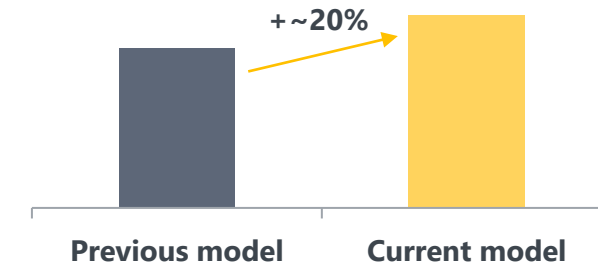
# Insights Driving Insurance Pricing Model Accuracy

## More Accurate Policy Pricing

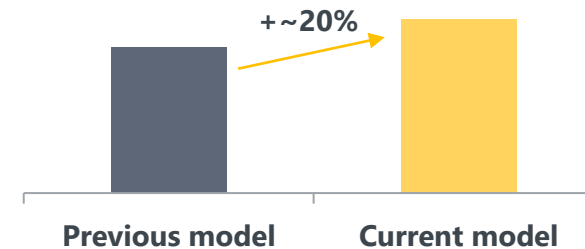
- Porch has insights a majority of US homebuyers
- Combined with claims history across many categories (fire, non-cat weather, water, etc.)
- Unique data and advanced pricing techniques drives improvements in model accuracy
- More accurate models allow for conversion of lower risk, lower priced policies and more accurate pricing of higher risk policies

## Model Accuracy Improvements

### Non-Cat Weather



### Fire





# Expanded Home Insights With Our Unique Pricing Data

## Filed And Approved

---

Water heater locations:

- Approved in 13 states
- AZ, VA, GA, SD, SC, AL, TX, NC, IL, UT, OR, IA, MI

Other insights (roof, floor, plumbing, bathrooms):

- Approved in 9 states
- AZ, VA, IL, UT, OR, NC, SD, NE, IA

## Unique Data Advantages

---



Unique information about the borrowers



Make, model, age and characteristics

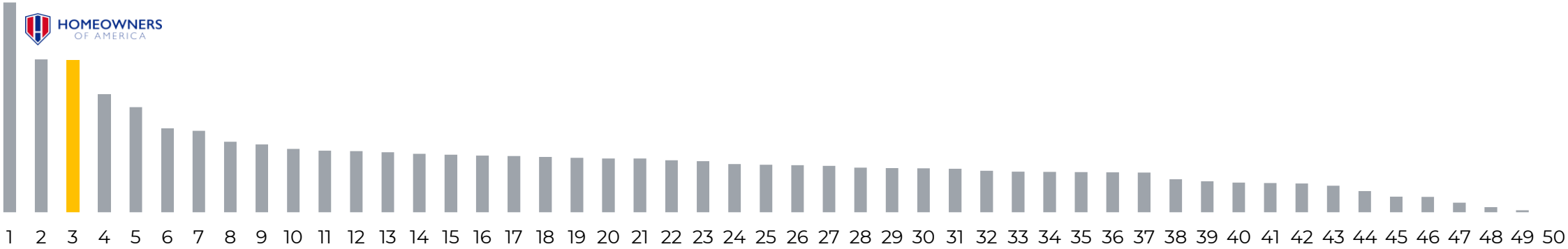


Number of potential issues

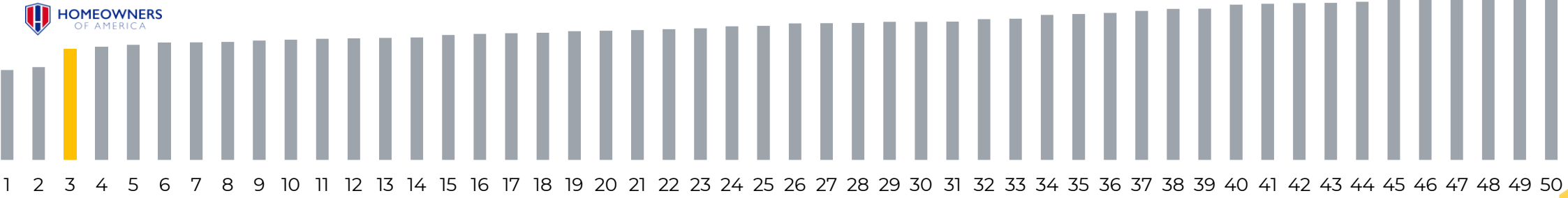
# HOA Outperforms Majority of Peers

**2022: 3<sup>rd</sup> highest growth & 3<sup>rd</sup> best combined ratio ('23 AM Best report to be released soon)**

## 2022 Gross Written Premium<sup>1</sup> Growth



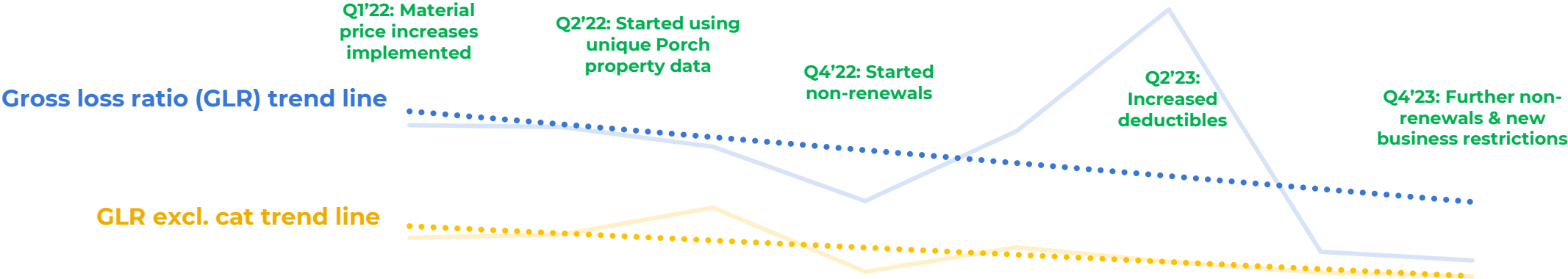
## 2022 Gross Combined Ratio<sup>2</sup>



Source: AM Best Market Share Report 2022, showing homeowners peer group.

(1) Gross (Direct) Written Premium as defined by AM Best, being the sum of the direct loss and LAE ratio, the direct policyholder dividend ratio, and the underwriting expense ratio.  
 (2) Gross (Direct) Combined Ratio as defined by AM Best, being the sum of the loss ratio excluding LAE, expense ratio and policyholder dividend ratio in GAAP.

# Insurance Profitability Actions Drive GLR Improvement



	Q1'22	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	FY 2022	FY 2023
<b>Gross Combined Ratio</b>	113%	103%	93%	77%	107%	180%	58%	49%	95%	88%
<b>Gross Loss Ratio</b>	81%	81%	74%	56%	79%	120%	39%	36%	72%	69%
<b>GLR excl. cat</b>	43%	44%	54%	32%	40%	35%	32%	30%	43%	34%

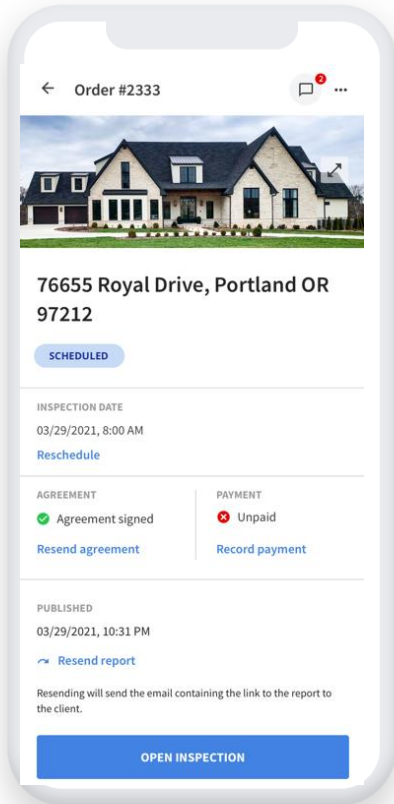




# Vertical Software Segment



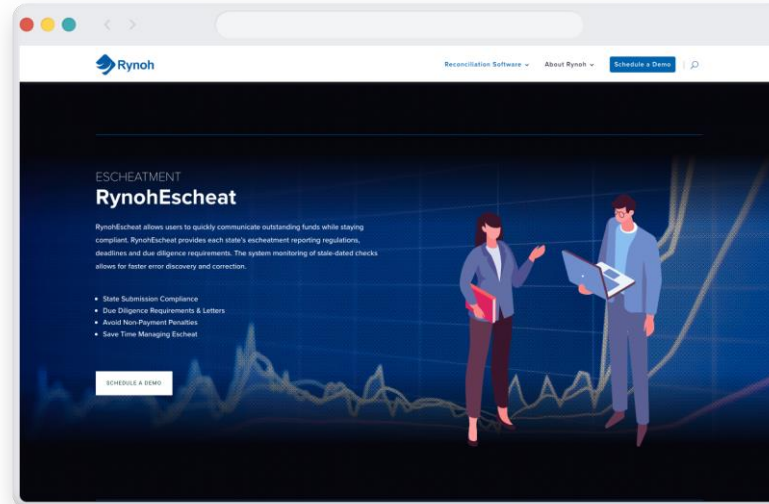
# SaaS & Transaction Based Revenue



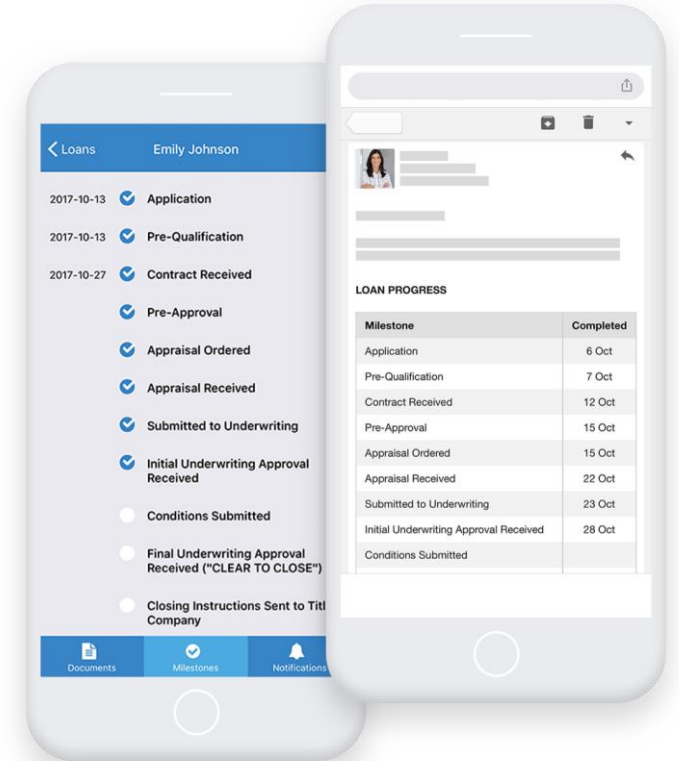
Software company providing a leading software solution for inspectors with easy-to-use tools



Technology company that protects the real estate transaction by providing settlement agents with software



For further brands and services visit [porchgroup.com/companies](https://porchgroup.com/companies)



Software company helping mortgage companies and loan officers create a better mortgage and refinancing experience for their consumers



# Moving Services

**Local movers you can trust.**

Find local movers on HireAHelper to load and unload your rental truck or storage container (or hire moving companies with a truck). Your back won't ache. Your friends will thank you. And you'll save a lot of money.

**Tell us about your move**  
When and where are you moving?

Loading & Unloading Loading Unloading

Loading ZIP Code Loading Date 5/19/2023

Unloading ZIP Code Unloading Date 5/19/2023

Included Truck Size  
No truck, I'll bring my own

[Need help choosing a truck size?](#)

**Compare Mover Prices**

Moving long distance? Get your full moving quote



**Thousands of Local Mover Reviews**

HireAHelper has worked more than 16 years curating the best movers from around the country, which means **we have the highest quality movers you can book anywhere online.** All MC#/DOT licenses, reviews, and insurance policies are clearly listed on every profile, so you'll feel extra good about your moving company.



An online marketplace to find and vet professional movers

**Your free, all-in-one home services concierge**

Save yourself time, money, and a whole lot of hassle when you let Porch find the best deals on internet, TV, home security systems, movers, and more.



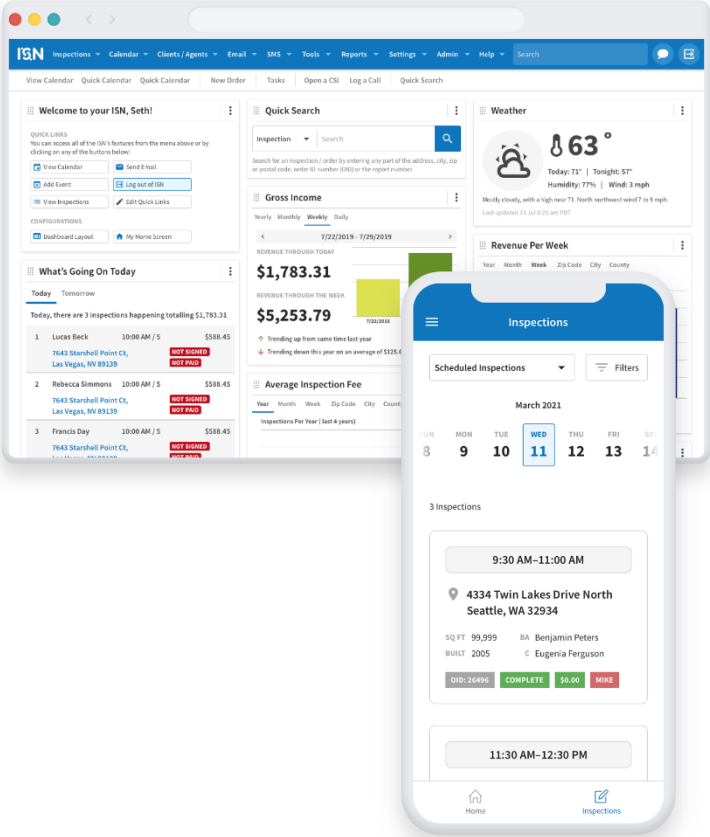
Makes the moving experience convenient and hassle-free with a concierge service

For further brands and services visit [porchgroup.com/companies](https://porchgroup.com/companies)

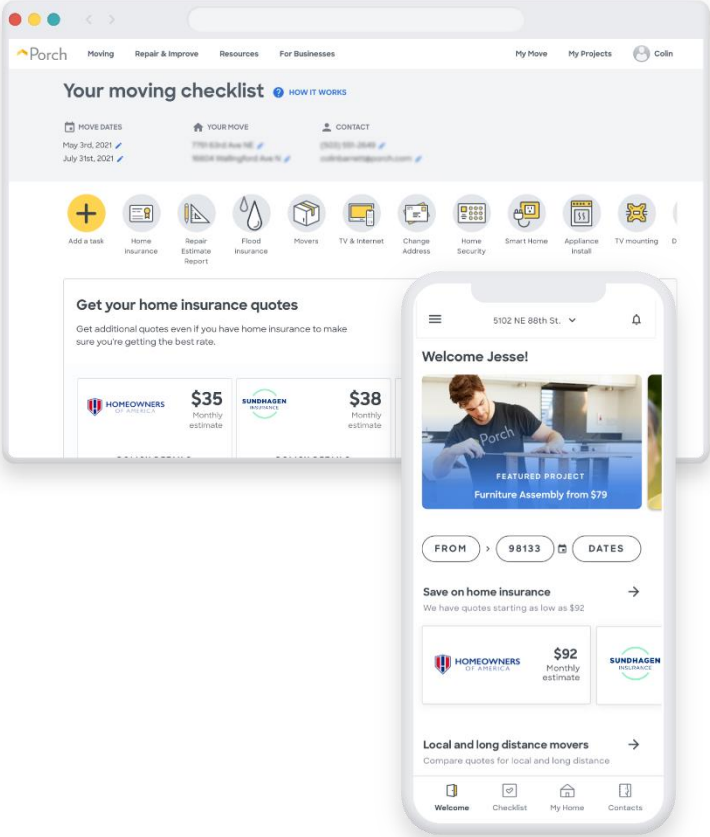


# Porch Group Proposition to Software Companies

## Best-in-Class Vertical Software



## Differentiated Value Prop



## Demand Generation





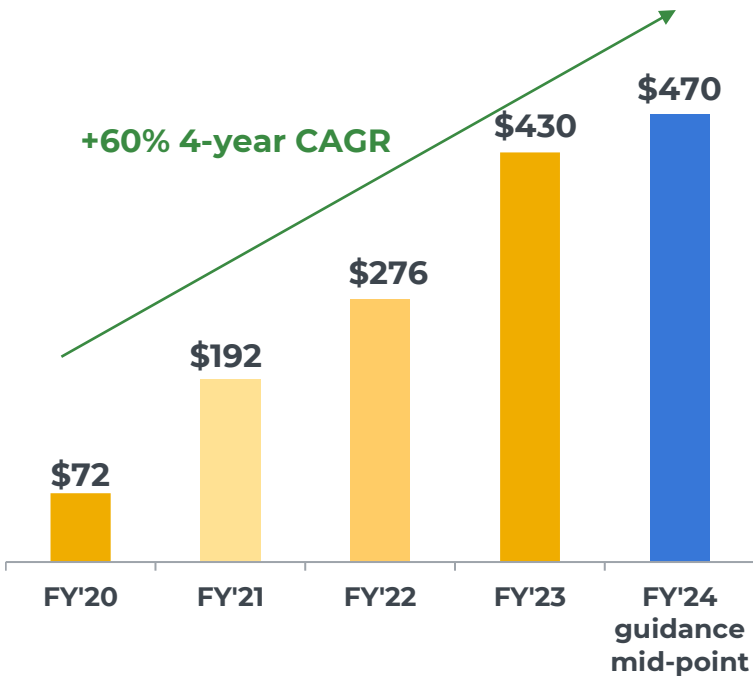
## Q4'23 Highlights



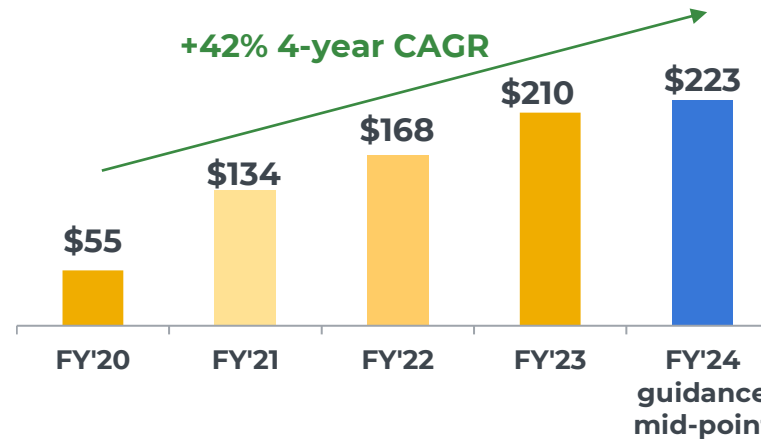


# Progress Since Listing

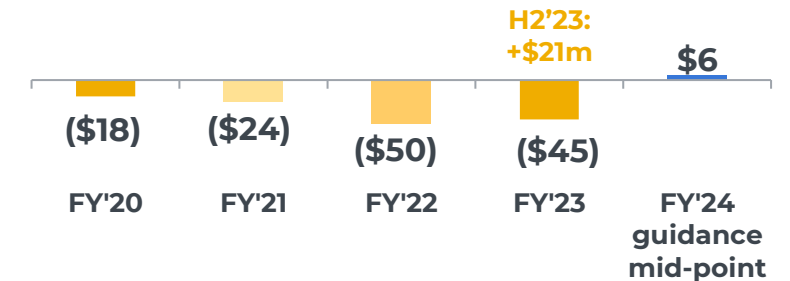
## Total Revenue (\$m)



## Revenue less Cost of Revenue (\$m)



## Adj EBITDA (loss) (\$m)



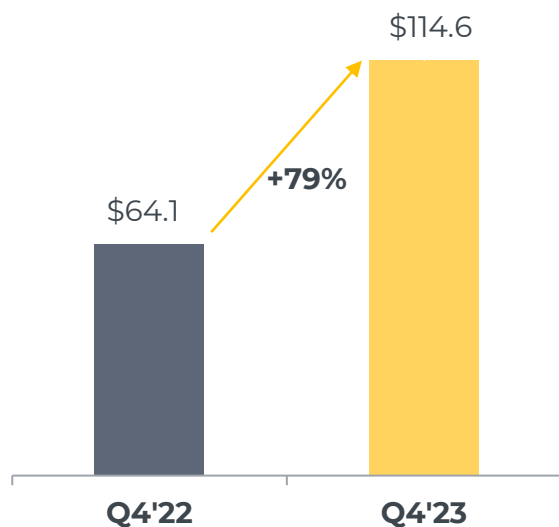
# Q4 2023: Key Updates

---

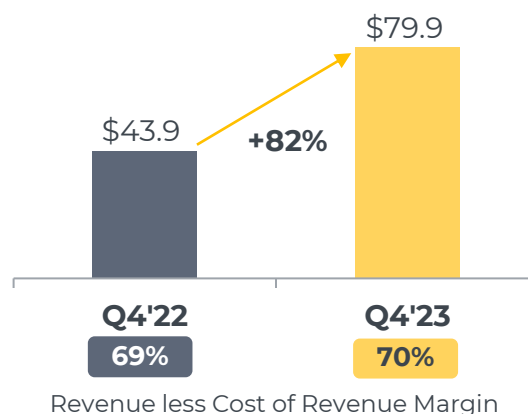
- ~2 years ago set H2'23 Adj EBITDA profitability target: **Achieved \$21 million**
- No material weaknesses
- Important product updates:
  - Launched new title product: RynohVerifi
  - Landed new utilities partnerships: now 12, covering 14m households
  - Launched new HVAC micro-warranty
  - Released inspector CRM product designed for smaller inspectors
  - Moving executing Local Full-Service, higher margin and larger TAM
- Released first ESG report
- Admitted into Deloitte's Technology Fast 500 2023

# Q4 2023 Financials: **Delivered \$12M Adjusted EBITDA**

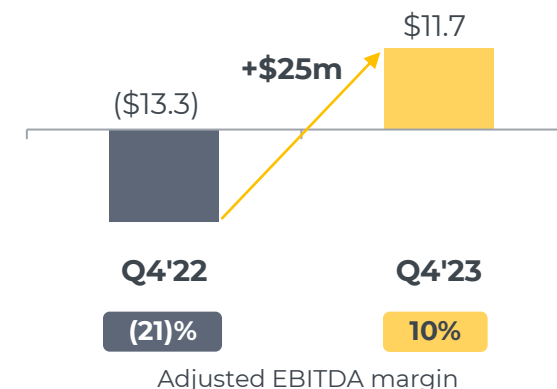
### Total Revenue (\$m)



### Revenue Less Cost of Revenue (\$m)



### Adjusted EBITDA (loss)<sup>1</sup> (\$m)



(1) See Q4 2023 earnings release for a reconciliation of Adjusted EBITDA (loss) to the most directly comparable GAAP financial measure.

# KPIs – Q4 2023

---

## 30k

Avg Number  
of Companies

- Broadly similar to Q3'23 and Q4'22 with continued housing market headwinds
- 

## \$1,277

Avg Revenue  
per Company per Month

- +84% from Q4'22 as we monetize the insurance opportunity more effectively
- 

## 220k

Monetized  
Services

- Increase of 3% vs Q4'22 with the industry-wide decline in home sales and corporate relocation in moving offset by insurance growth
- 

## \$448

Avg Revenue  
Per Monetized Service

- An increase of +105% vs Q4'22 driven by growth in higher value services such as insurance and warranty

# Insurance Segment KPIs: Q4 2023

## Insurance Segment KPIs:

**\$112m**

Gross Written  
Premium

Q4'22: \$131m

**310k**

Policies in Force

Q4'22: 389k

**\$1,120**

Annualized Revenue  
Per Policy

Q4'22: \$347

## Insurance Carrier (HOA) KPIs:

**\$1,861**

Annualized Premium  
Per Policy

Q4'22: \$1,391

**96%**

Premium Retention<sup>1</sup>

Q4'22: 107%

**36%**

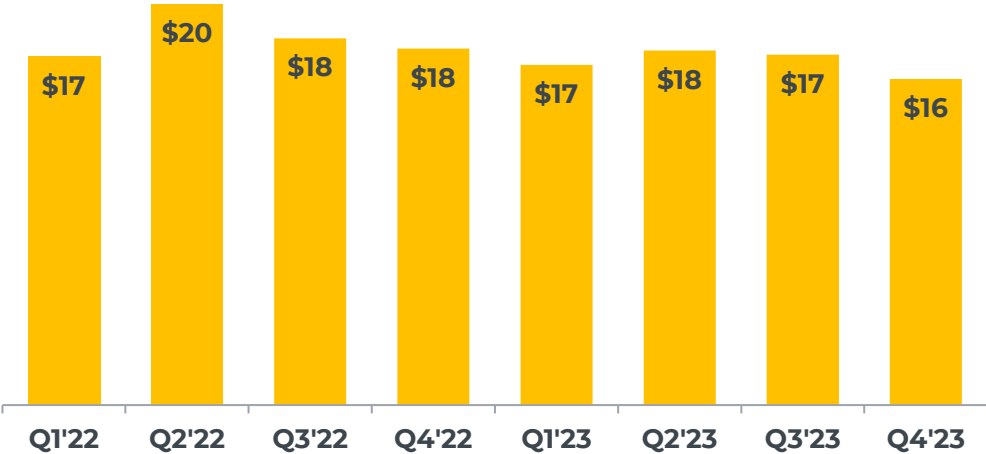
Gross Loss Ratio

Q4'22: 56%

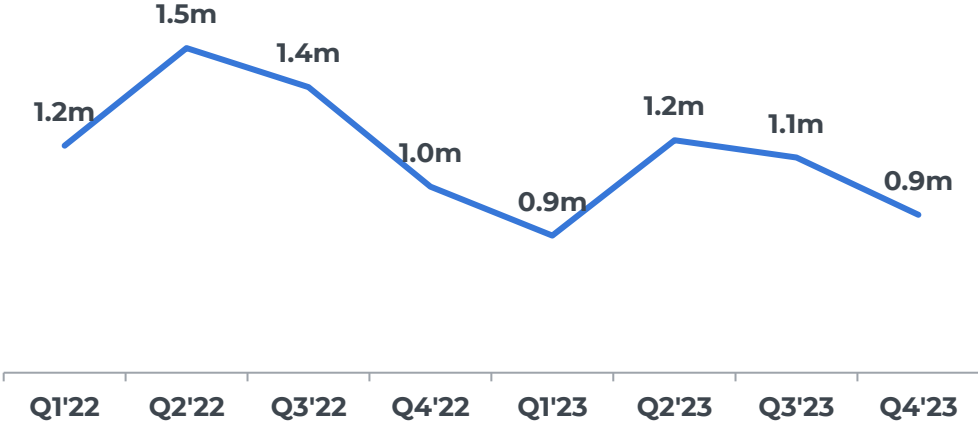
(1) Premium retention was 96%, approximately 10 percentage points lower than the prior year driven by non-renewals.

# Resilient SaaS Revenues

## Software and Service Subscription Revenue (\$m)



## Industry Home Sales Volumes<sup>1</sup>

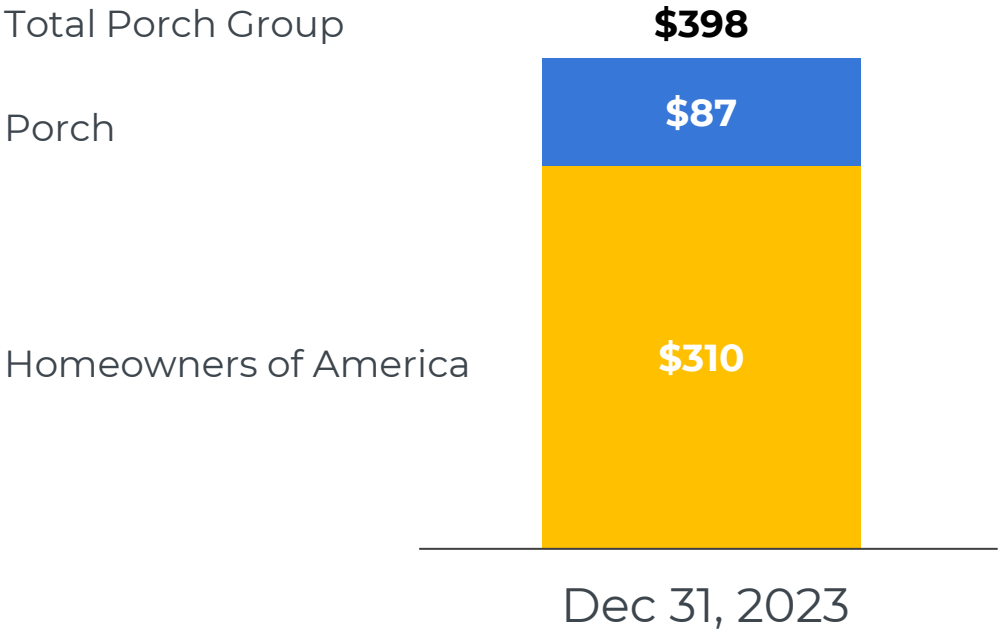


- Industry home sales declined year-over-year: 18% in 2022 and 19% in 2023
- Software and service subscription revenue remained resilient throughout

(1) Source: National Association of Realtors existing home sales data.

# Balance Sheet as of December 31, 2023

## Unrestricted cash, cash equivalents and investments (\$m)



**\$34m**

FY'23 Operating Cash Flow

**+\$43m**

H2'23 Operating Cash Flow

- ~\$35 million incremental cash received in Q1 2024
- In addition to the unrestricted cash above, the group held \$39 million restricted cash
- HOA surplus of \$52 million

# 2024 Guidance

**\$450m-\$490m**

**Revenue**

**\$215m-\$230m**

**Revenue less Cost of  
Revenue**

**\$1m-\$10m**

**Adj EBITDA**

**\$460m-\$480m**

**Gross Written Premium<sup>1</sup>**

- 2024 Revenue growth of 5% to 14%
- Assumes 63% GLR in line with 5-year weighted average
- Expect to be profitable on a full year basis
- Managing GWP approximately flat<sup>1</sup>

<sup>1</sup>) Excludes ~\$45 million related to Elite Insurance Group, which was sold on January 31, 2024.

*Note, guidance does not assume impact for launch of reciprocal exchange. Guidance will be provided once approval received.*

See Porch's earnings press release for a reconciliation of Adjusted EBITDA to its most directly comparable GAAP financial measures. Porch is not providing reconciliations of forward-looking non-GAAP guidance to the comparable GAAP measures because certain information necessary to calculate such measures on a GAAP basis is unavailable or dependent on the timing of future events outside of Porch's control. In particular, the charges excluded from these non-GAAP measures are subject to high variability and complexity due to Porch's ongoing growth.





# Appendix



# Proven Team Built A Culture-Driven Business



**Matt Ehrlichman**  
*CEO, Chairman, & Founder*



**Matthew Neagle**  
*Chief Operating Officer*



**Shawn Tabak**  
*Chief Financial Officer*



**Nicole Pelley**  
*SVP of Product and Technology*



**Efram Ware**  
*President and GM, HOA*



**Matt Cullen**  
*General Counsel and Secretary*



**Malcolm Conner**  
*VP and Group GM, Home Services*



**Nick Graham**  
*SVP, Moving Group GM*



**Joshua Steffan**  
*VP and Group GM, Inspection and Real Estate*



**Janet Zimmerman**  
*VP of People*



**No Jerks / No Egos**



**Care Deeply**



**Be Ambitious**



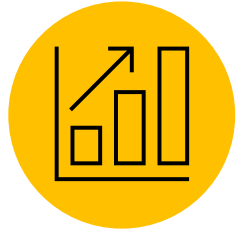
**Together We Win**



**Solve Each Problem**

# Strategic Pillars

---



**Execute Insurance Strategy (including launching Reciprocal Exchange)**



**Grow SaaS Businesses and Aggregate More Unique Data**

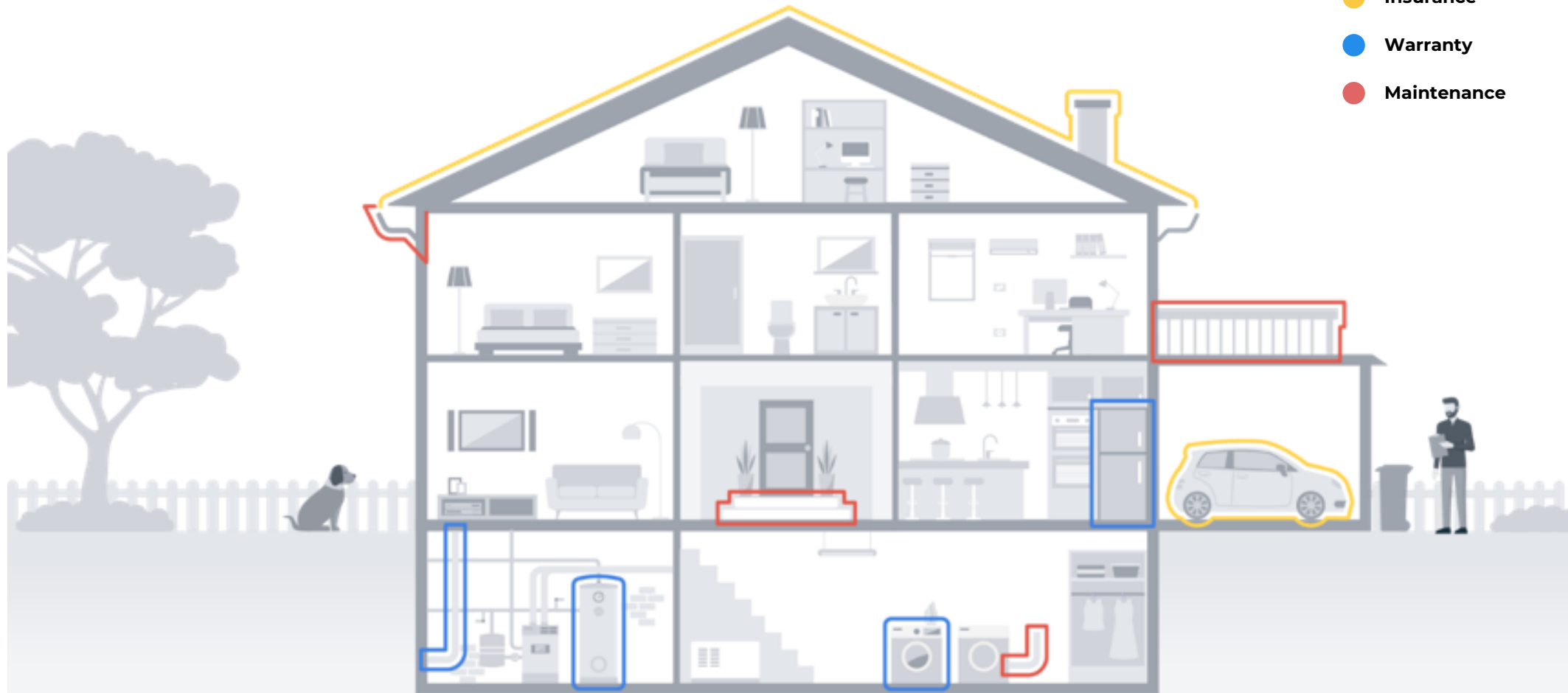


**Organizational Efficiency and Cost Control**

# Our Vision For The Consumer

## Whole Home Protection

- Insurance
- Warranty
- Maintenance



# Our Highest Priority ESG Areas

## Diversity, Equity, & Inclusion

Recruiting diverse talent, providing equitable outcomes and opportunities for our employees, and ensuring inclusive experiences for our customers.



## Risk Management & Climate

Mitigating the key risks and uncertainties that can affect the long-term sustainability of our business and erode value over time.



**Informed by our materiality assessment and current state of our business, we identified our highest priority ESG areas**

## Employee Experience

Investing in our people and enriching employee wellbeing, growth, and overall experience at Porch.



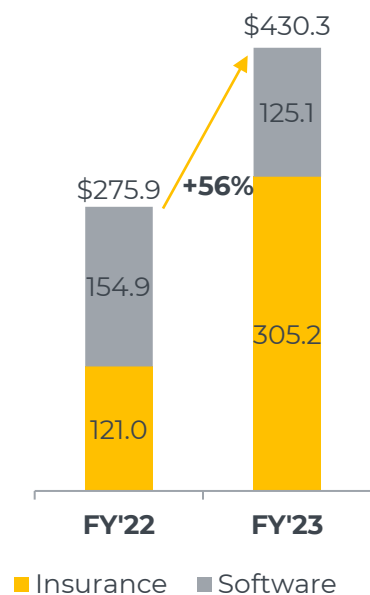
## Cybersecurity & Data Governance

Maintaining policies and practices to defend against cyberattacks to ensure business continuity, and protect the data and security of customers.

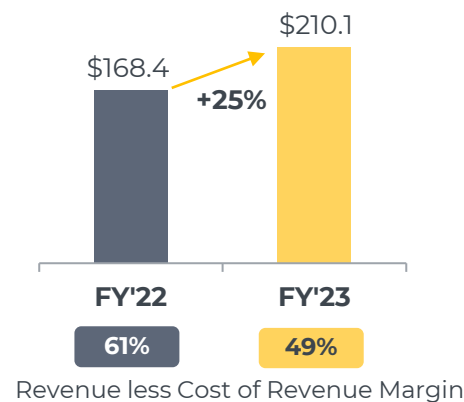


# Financial Highlights<sup>1</sup> – FY 2023

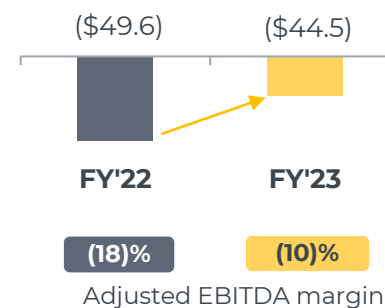
## Total Revenue (\$m)



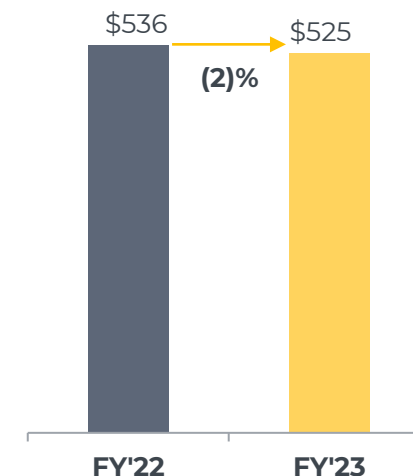
## Revenue less Cost of Revenue (\$m)



## Adj EBITDA (loss) (\$m)



## Gross Written Premium (\$m)



- +56% Revenue growth
- +152% Insurance segment growth, with increases in premium per policy and lower ceding

- Margin impacted by mix shift, and change in reinsurance programs within insurance

- \$5m improvement compared to prior year
- +8pp improvement in Adjusted EBITDA margin

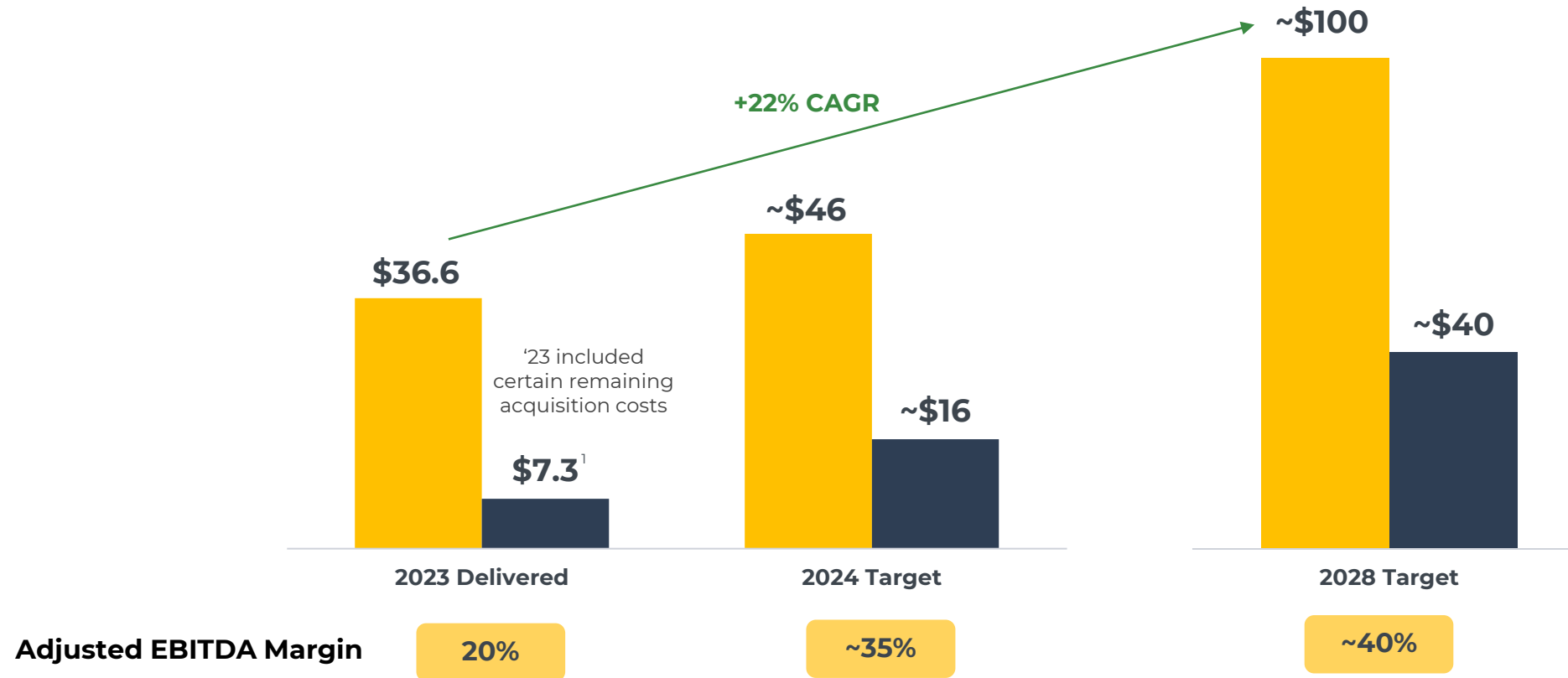
- Increase in premium per policy offsets non-renewals in line with risk appetite

(1) See Q4 2023 earnings release for a reconciliation of Adjusted EBITDA (loss) to the most directly comparable GAAP financial measures.

# Warranty Business: Financial Highlights

## Revenue Expected to Double in Mid-Term with Increased Volumes Through Multiple Channels

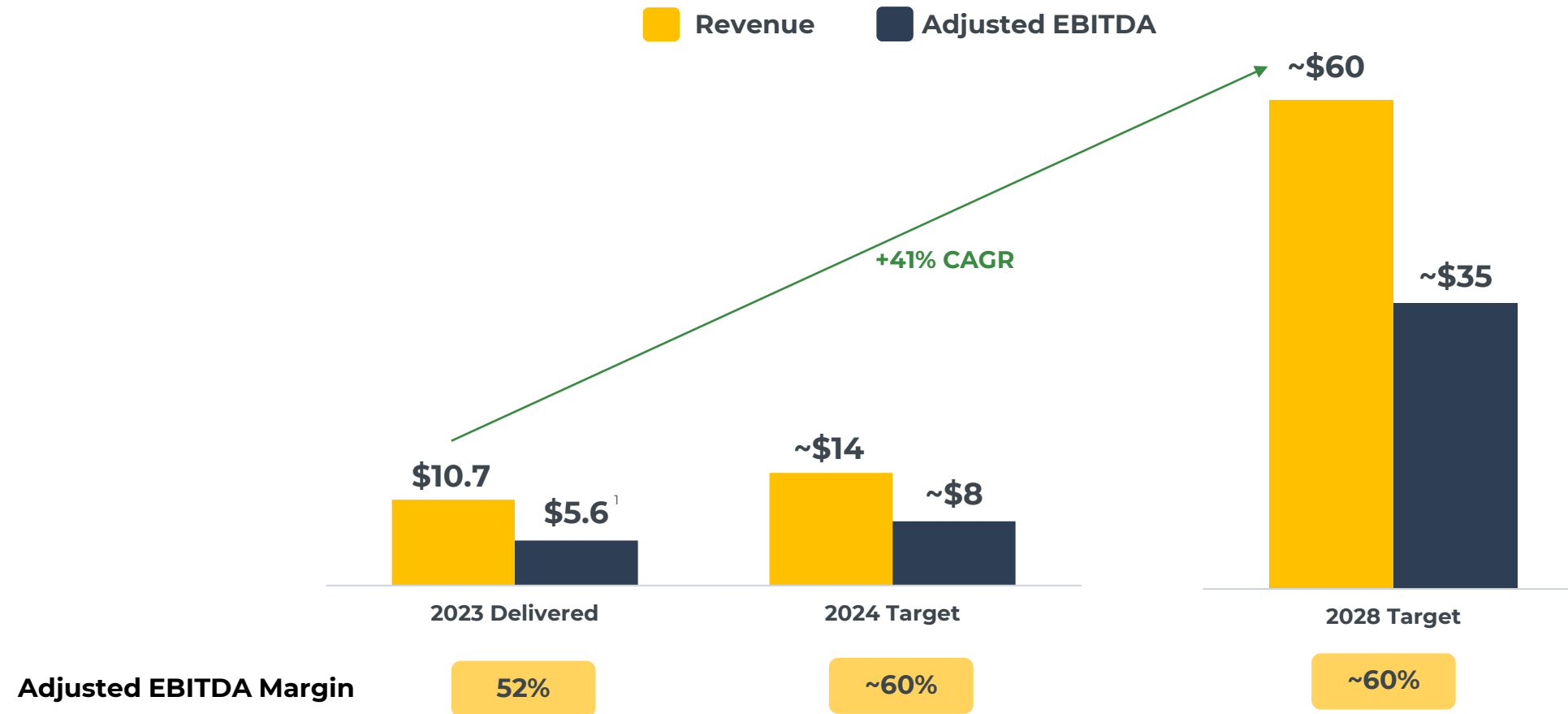
■ Revenue
 ■ Adjusted EBITDA



(1) 2023 net income of \$8.7m, adjusted for interest expense \$0.9m, income tax expense \$0.3m, depreciation and amortization \$1.7m, revaluation of contingent consideration \$(4.1)m, non-cash stock based compensation \$(0.3)m, and other adjustments of \$(0.0)m, reconciles to \$7.3m Adjusted EBITDA for Warranty, a subset of the Insurance segment. Porch is not providing reconciliations of forward-looking non-GAAP guidance to the comparable GAAP measures because certain information necessary to calculate such measures on a GAAP basis is unavailable or dependent on the timing of future events outside of Porch's control. In particular, the charges excluded from these non-GAAP measures are subject to high variability and complexity due to Porch's ongoing growth.

# Rynoh: Returning Volumes & Price Increases Drive Profit

## Profitability Expected To Expand ~6x By 2028



(1) 2023 net income of \$3.0m, adjusted for interest expense \$0.0m, income tax expense \$0.7m, depreciation and amortization \$1.7m and non-cash stock based compensation \$0.1m, reconciles to \$5.6m Adjusted EBITDA for Rynoh, a subset of the Vertical Software segment. Porch is not providing reconciliations of forward-looking non-GAAP guidance to the comparable GAAP measures because certain information necessary to calculate such measures on a GAAP basis is unavailable or dependent on the timing of future events outside of Porch's control. In particular, the charges excluded from these non-GAAP measures are subject to high variability and complexity due to Porch's ongoing growth.



# Operating Cash Flow

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023	FY 2022
<b>Reconciliation to Adj EBITDA</b>						
<b>Operating Cash Flow</b>	<b>\$(22)m</b>	<b>\$13m</b>	<b>\$84m</b>	<b>\$(41)m</b>	<b>\$34m</b>	<b>\$(18)m</b>
Working capital	\$(1)m	\$(57)m	\$(75)m	\$43m	\$(89)m	\$(38)m
Cash interest expense	\$1m	\$-m	\$-m	\$10m	\$11m	\$6m
<b>Adjusted EBITDA</b>	<b>\$(22)m</b>	<b>\$(43)m</b>	<b>\$9m</b>	<b>\$12m</b>	<b>\$(45)m</b>	<b>\$(50)m</b>
	Q1 2023	Q2 2023	Q3 2023	Q4 2023	FY 2023	FY 2022
<b>Reconciliation to Free Cash Flow</b>						
<b>Operating Cash Flow</b>	<b>\$(22)m</b>	<b>\$13m</b>	<b>\$84m</b>	<b>\$(41)m</b>	<b>\$34m</b>	<b>\$(18)m</b>
Purchase of property, plant & equipment	\$-m	\$-m	\$-m	\$-m	\$(1)m	\$(2)m
Capitalized software costs	\$(2)m	\$(2)m	\$(2)m	\$(2)m	\$(9)m	\$(8)m
<b>Free Cash Flow</b>	<b>\$(25)m</b>	<b>\$11m</b>	<b>\$81m</b>	<b>\$(43)m</b>	<b>\$24m</b>	<b>\$(28)m</b>

# Glossary

Term	Definition
Annualized Premium Per Policy	We define Annualized Premium Per Policy as the total direct earned premium for Homeowners of America ("HOA"), our insurance carrier, divided by the number of active insurance policies at the end of the period, multiplied by four.
Annualized Revenue Per Policy	We define Annualized Revenue per Policy as quarterly revenue for the Insurance segment, divided by the number of Policies in Force in the Insurance segment, multiplied by four.
Average Companies in Quarter	We define Average Companies in Quarter as the straight-line average of the number of companies as of the end of period compared with the beginning of period across all of our home services verticals that (i) generate recurring revenue and (ii) generated revenue in the quarter. For new acquisitions, the number of companies is determined in the initial quarter based on the percentage of the quarter the acquired business is a part of Porch.
Average Revenue per Account per Month in Quarter	We define Average Revenue per Account per Month in Quarter as the average revenue per month generated across all home services company customer accounts in a quarterly period. Average Revenue per Account per Month in Quarter is derived from all customers and total revenue.
Average Revenue per Monetized Service in Quarter	We define Average Revenue per Monetized Services in Quarter as the average revenue generated per monetized service performed in a quarterly period. When calculating Average Revenue per Monetized Service in Quarter, average revenue is defined as total quarterly service transaction revenues generated from monetized services.
Free Cash Flow	We define Free Cash Flow as Operating Cash Flow adjusted for the purchase of property, plant and equipment and capitalized software.
Gross Combined Ratio ("GCR")	We define Gross Combined Ratio as our insurance carrier's gross losses plus IBNR adjustments divided by the gross earned premium for the respective period on a calendar year basis, plus non-claims costs divided by the gross written premium on a calendar year basis.
Gross Loss Ratio ("GLR")	We define Gross Loss Ratio as our insurance carrier's gross losses divided by the gross earned premium for the respective period on an accident year basis.
Gross Written Premium ("GWP")	We define Gross Written Premium as the total premium written by our licensed insurance carrier(s) (before deductions for reinsurance); premiums from our home warranty offerings (for the face value of one year's premium); and premiums of policies placed with third-party insurance companies for which we earn a commission.
HOA	Homeowners of America, our wholly owned insurance carrier
Monetized Services in Quarter	We define Monetized Services in Quarter as the total number of services from which we generated revenue, including, but not limited to, new and renewing insurance and warranty customers, completed moving jobs, security installations, TV/Internet installations or other home projects, measured over a quarterly period.
Policies In Force	We define Policies in Force as the number of in-force policies at the end of the period for the Insurance segment, including policies and warranties written by us and policies and warranties written by third parties for which we earn a commission.
Premium Retention Rate	We define Premium Retention Rate as the ratio of our insurance carrier's renewed premiums over the last four quarters to base premiums, which is the sum of the preceding year's premiums that either renewed or expired.

**Non-GAAP Financial Measures:** This presentation includes one or more non-GAAP financial measures, such as Adjusted EBITDA (loss), Adjusted EBITDA (loss) as a percent of revenue. Definitions of these measures and reconciliations of these measures to the most directly comparable GAAP financial measure are available in the earnings release available on the investor relations website, at [ir.porchgroup.com](http://ir.porchgroup.com).

Email: [IR@porch.com](mailto:IR@porch.com)

Website: [IR.porchgroup.com](http://IR.porchgroup.com)

