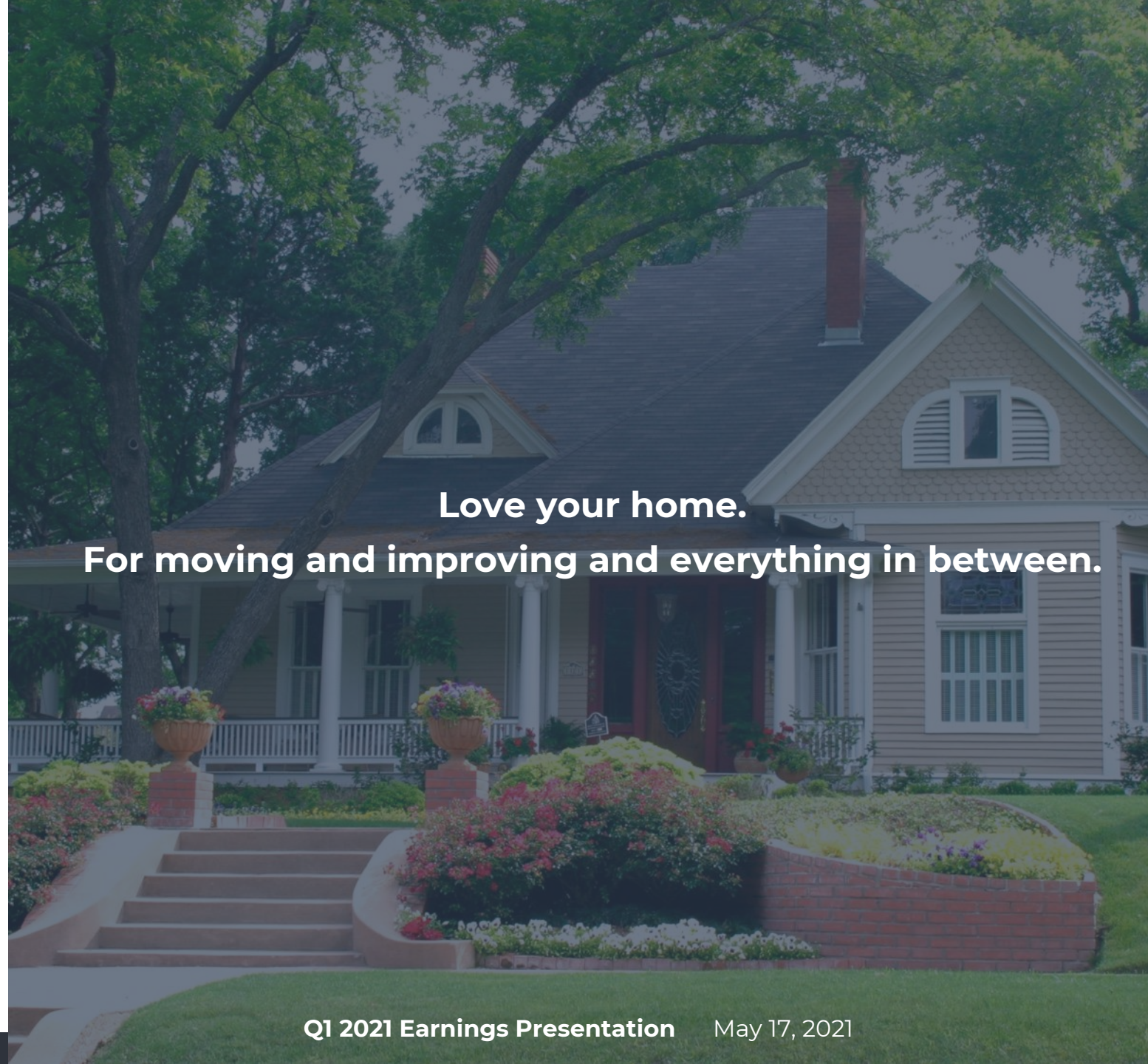
Porch Group



Q1 2021 Earnings Presentation May 17, 2021

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DISCLAIMERS

Forward-Looking Statements

Certain statements in this presentation may be considered "forward-looking statements" within the meaning of the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements generally relate to future events or Porch Group, Inc.'s ("Porch") future financial or operating performance. For example, projections of future revenue, contribution margin, Adjusted EBITDA and other metrics, business strategy and plans, and anticipated impacts from pending or completed acquisitions, are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may," "should," "expect," "intend," "will," "estimate," "anticipate," "believe," "predict," "potential" or "continue," or the negatives of these terms or variations of them or similar terminology. Such forward-looking statements are subject to risks, uncertainties, and other factors which could cause actual results to differ materially from those expressed or implied by such forward looking statements.

These forward-looking statements are based upon estimates and assumptions that, while considered reasonable by Porch and its management, are inherently uncertain. Factors that may cause actual results to differ materially from current expectations include, but are not limited to: (1) the ability to recognize the anticipated benefits of Porch's December 2020 business combination (the "Merger") with PropTech Acquisition Corporation ("PropTech"), which may be affected by, among other things, competition and the ability of the combined company to grow and manage growth profitably, maintain key commercial relationships and retain its management and key employees; (2) expansion plans and opportunities, including future and pending acquisitions or additional business combinations; (3) costs related to the Merger and being a public company; (4) litigation, complaints, and/or adverse publicity; (5) the impact of changes in consumer spending patterns, consumer preferences, local, regional and national economic conditions, crime, weather, demographic trends and employee availability; (6) privacy and data protection laws, privacy or data breaches, or the loss of data; (7) the impact of the COVID-19 pandemic and its effect on the business and financial conditions of Porch; and (8) other risks and uncertainties described in Porch's most recent Form 10-K and quarterly report on Form 10-Q, filed with the Securities and Exchange Commission ("SEC"), which are available on the SEC's website at www.sec.gov.

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2020 Financial Information; Non-GAAP Financial Measures

Some of the financial information and data contained in this presentation, such as Adjusted EBITDA, Adjusted EBITDA Margin, Contribution Margin, and Gross Written Premium have not been prepared in accordance with United States generally accepted accounting principles ("GAAP"). Porch defines Adjusted EBITDA as net income (loss) plus interest expense, net, income tax expense (benefit), other expense, net, and depreciation and amortization, certain non-cash long-lived asset impairment charges, stock-based compensation expense and acquisition-related impacts, including compensation to the sellers that requires future service, amortization of intangible assets, gains (losses) recognized on changes in the value of contingent consideration arrangements, if any, gain or loss on divestures and certain transaction costs. Adjusted EBITDA Margin is defined as Adjusted EBITDA as a percentage of total revenue. Contribution Margin is defined as revenue less all variable expenses, including cost of revenue, marketing and sales. Gross Written Premium represents the total dollars of insurance premium sales based on date of contract execution. The effects of these excluded items may be significant.

Porch is not providing reconciliations of expected Adjusted EBITDA, Adjusted EBITDA Margin, Contribution Margin, or Gross Written Premium for future periods to the most directly comparable measures prepared in accordance with GAAP because Porch 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 our control.

Porch uses these non-GAAP measures to compare Porch's performance to that of prior periods for budgeting and planning purposes. Porch believes these non-GAAP measures of financial results provide useful information to management and investors regarding certain financial and business trends relating to Porch's results of operations. Porch believes that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating projected operating results and trends in and in comparing Porch's financial measures with other similar companies, many of which present similar non-GAAP financial measures to investors. Porch's method of determining these non-GAAP measures may be different from other companies' methods and, therefore, may not be comparable to those used by other companies and Porch does not recommend the sole use of these non-GAAP measures to assess its financial performance. Porch management does not consider these non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with GAAP. The principal limitation of these non-GAAP financial measures is that they exclude significant expenses and income that are required by GAAP to be recorded in Porch's financial statements. In addition, they are subject to inherent limitations as they reflect the exercise of judgments by management about which expense and income are excluded or included in determining these non-GAAP financial measures. In order to compensate for these limitations, management presents non-GAAP financial measures in connection with GAAP results.

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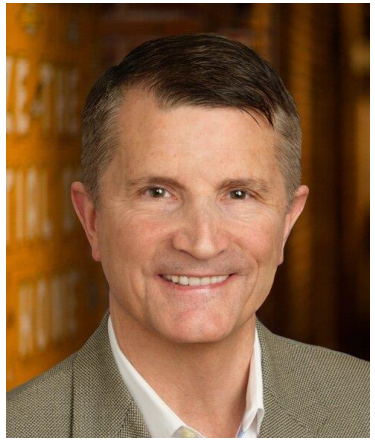
Presenters



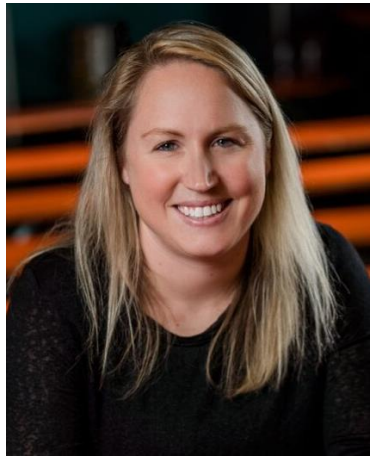
Matt Ehrlichman
CEO & Founder, Porch Group



Marty Heimbigner
CFO, Porch Group



Matthew Neagle
COO, Porch Group



Nicole Pelley
VP Product, Porch Group

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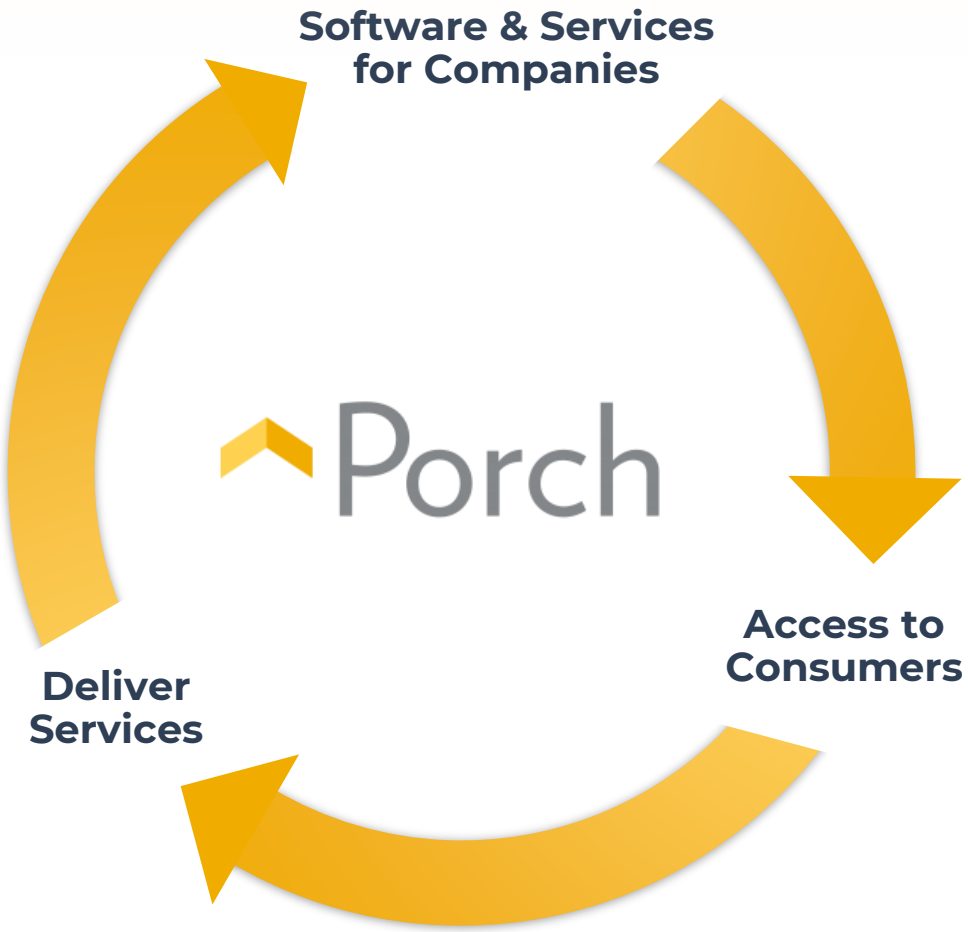
Porch, the Vertical Software Platform for the Home



Porch has a unique strategy in the home services industry.

1. Porch provides software and services to home services companies such as home inspection and moving and helps these companies grow.
2. Through these companies, Porch gains early access to homebuyers and helps save time, stress, and money during the move.
3. Porch generates B2B2C transactional revenues by facilitating the purchase of key services such as insurance.

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6 Key Focus Areas for 2021

1. Increase number of companies using our vertical software
2. Increase access to consumers from software companies
3. Increase B2B2C transaction revenue per consumer
4. Continue to scale our InsurTech business
5. Help brands and advertisers improve their mover marketing
6. Pursue strategic and accretive M&A opportunities

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Q1 2021 Results & 2021E Guidance



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Strong Year-over-Year Growth

Q1 2021 Actuals	YoY ▲	Q1 2020 PF Actuals [1]
Revenue		**Revenue**
$26.7M	↑ $14.1M or +112%	$12.6M
Revenue Less Cost of Revenue %		**Revenue Less Cost of Revenue %**
78%	↓ 2% pts	80%
Contribution Margin %		**Contribution Margin %**
41%	↑ 36% pts	5%
Adj. EBITDA %		**Adj. EBITDA %**
-36%	↑ 43% pts	-79%

(1) PF stands for Pro Forma to account for the removal of financial results related to past divested businesses.
Disclaimer: See Appendix for a reconciliation of Revenue Less Cost of Revenue %, Adjusted EBITDA % and Contribution Margin % to their most directly comparable GAAP financial measures.

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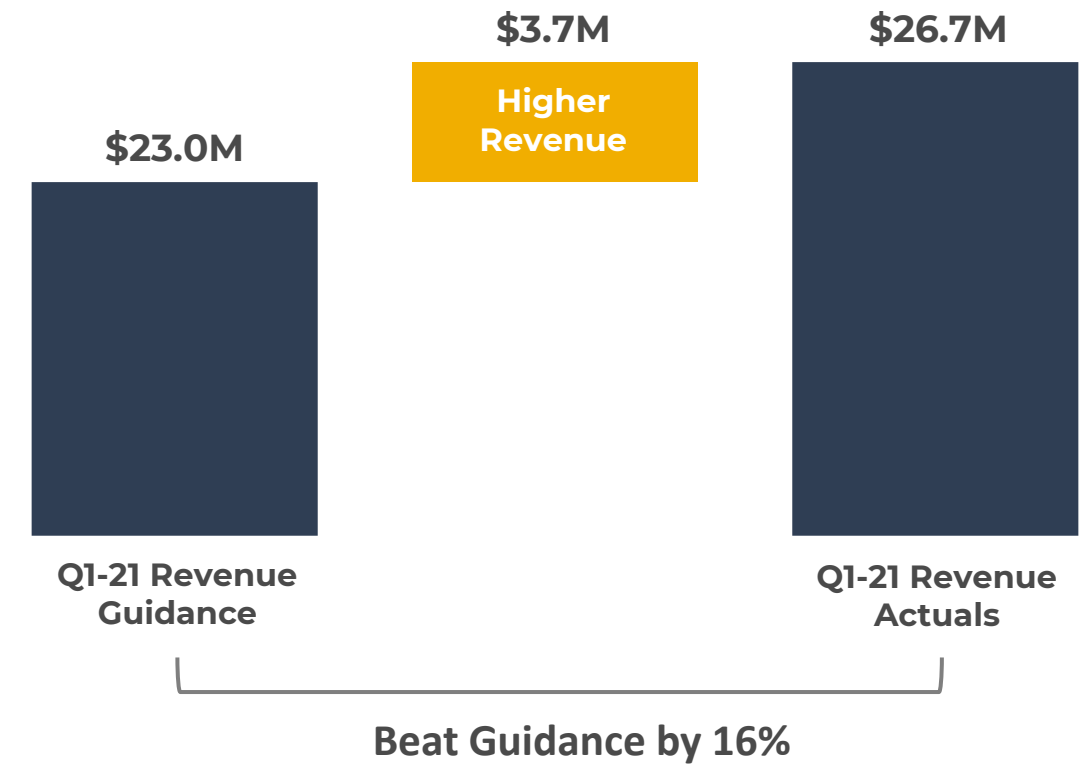
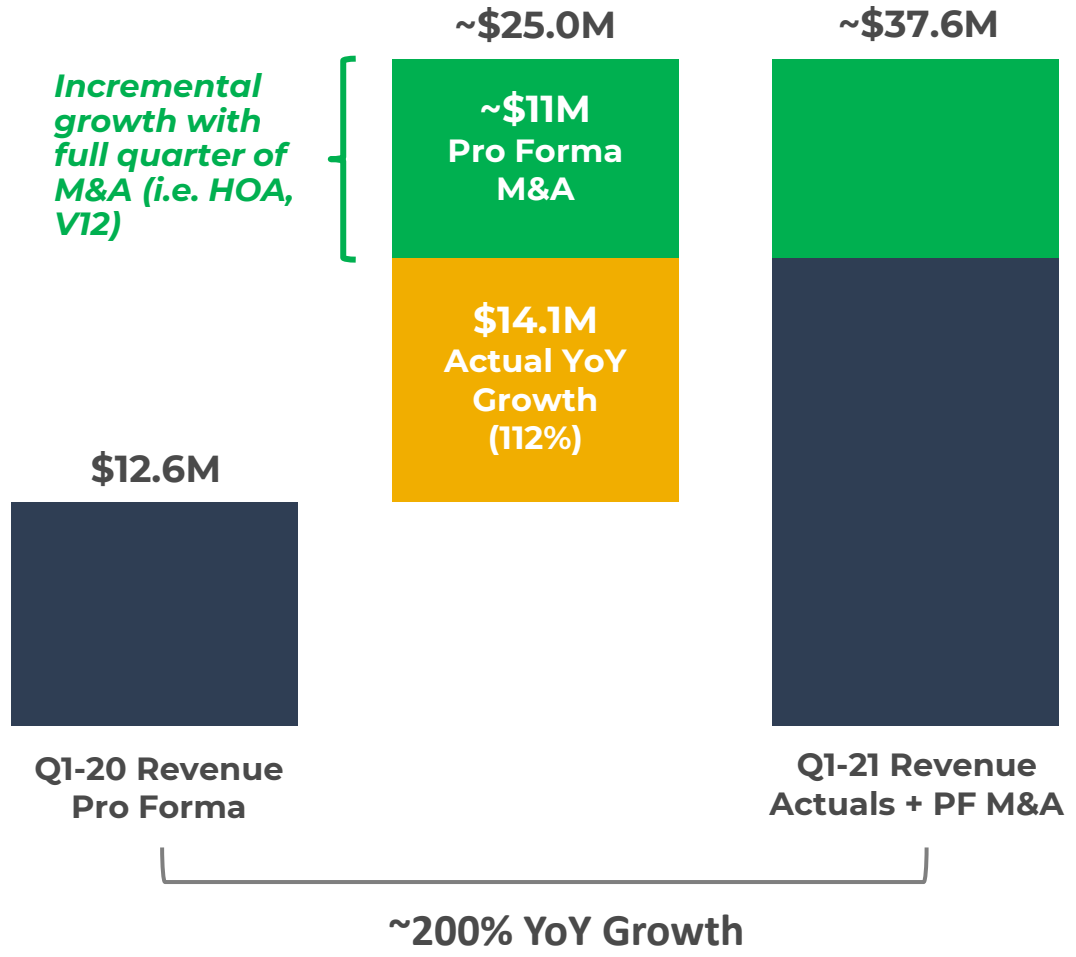
Q1 Revenue Grew 112% Year-over-Year and Beat Q1 Guidance

Q1 2021 Revenue vs Q1 Revenue Guidance



Revenue Growth if M&A occurred Jan 1, 2021



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Raising FY 2021E Revenue Guidance and Reiterating Margin Guidance

Previous 2021E Guidance	Guidance ▲	Current 2021E Guidance
Revenue **$175M** (143% YoY Growth)	↑	**Revenue** **$178M** (147% YoY Growth)
Revenue Less Cost of Revenue %	New	**Revenue Less Cost of Revenue %** **~72%**
Contribution Margin % **~40%**	No Change	**Contribution Margin %** **~40%**
Adj. EBITDA % **-10% to -16%**	No Change	**Adj. EBITDA %** **-10% to -16%**

Disclaimer: 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.

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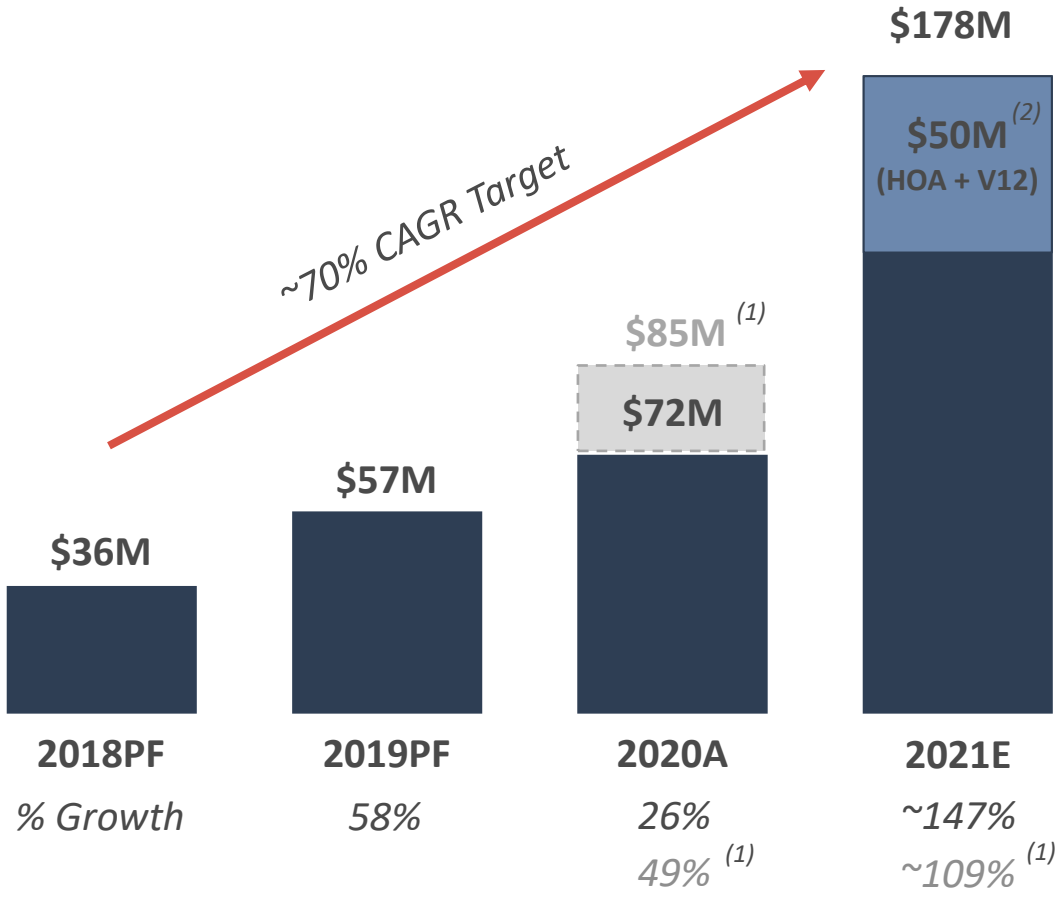
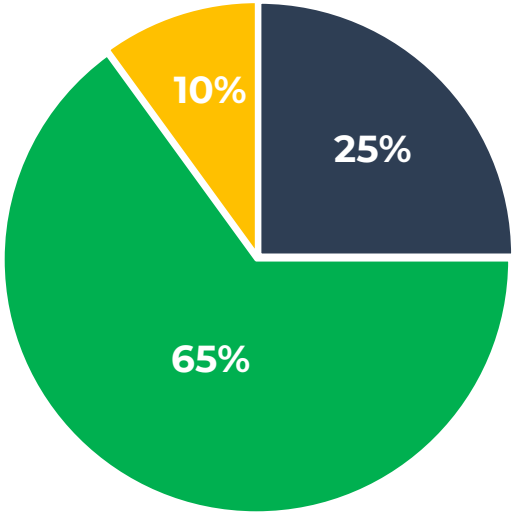
2021E Revenue: 147% Growth with ~90% Recurring or Reoccurring

Revenue



FY 2021E Guidance Revenue Distribution



Software & Services Subscriptions (3)
B2B Recurring Fees From Companies

Move-Related Transactions (4)
B2B2C Recurring & Reoccurring Transaction Fees via Companies

Post-Move Transactions (5)
B2B2C and B2C Transaction Fees

Note: PF figures are Pro Forma results which exclude the financial results of certain Porch businesses divested during 2019 and the first half of 2020, after giving effect to all such divestitures as if they had occurred on January 1, 2018.
(1) Based on internal estimates, Porch believes without the COVID-19 pandemic it would have achieved $85M in revenue for the 2020 year resulting in 2020 and 2021E revenue growth would have been 49% and ~109%, respectively.
(2) In January 2021, Porch announced the acquisitions of Homeowners of America (HOA) and V12 and layered $50M of 2021 revenue into our guidance. This was based on the expectation of HOA closing at the start of Q2. It closed on April 6, 2021.
(3) B2B includes recurring fees paid by Companies to Porch for SaaS and other services.
(4) B2B2C (Move-Related Services) includes revenue predominantly related to selling consumers insurance, moving, security and TV/internet with majority of these consumers being provided to Porch on a reoccurring basis by companies.
(5) B2B2C and B2C (Post-Move Services) includes revenue predominantly related to connecting consumers with contractors across home maintenance and improvement projects with these consumers originating from both 1) companies on a reoccurring basis, and 2) direct-to-consumer channels.

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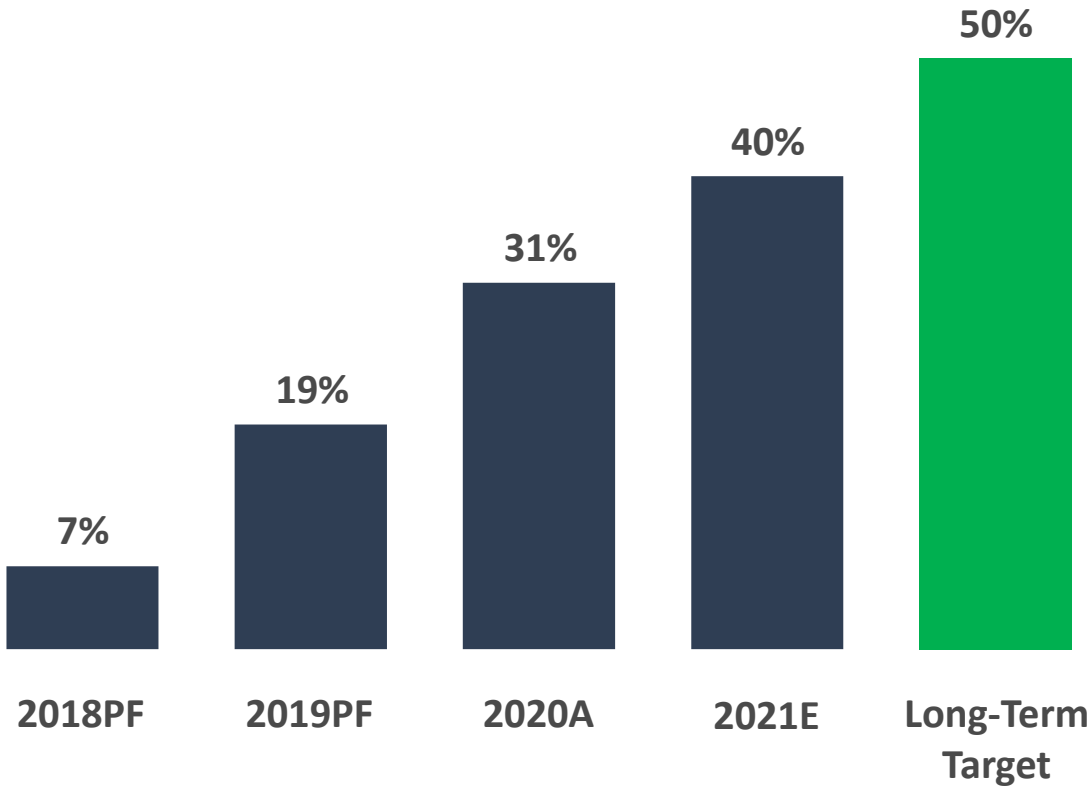
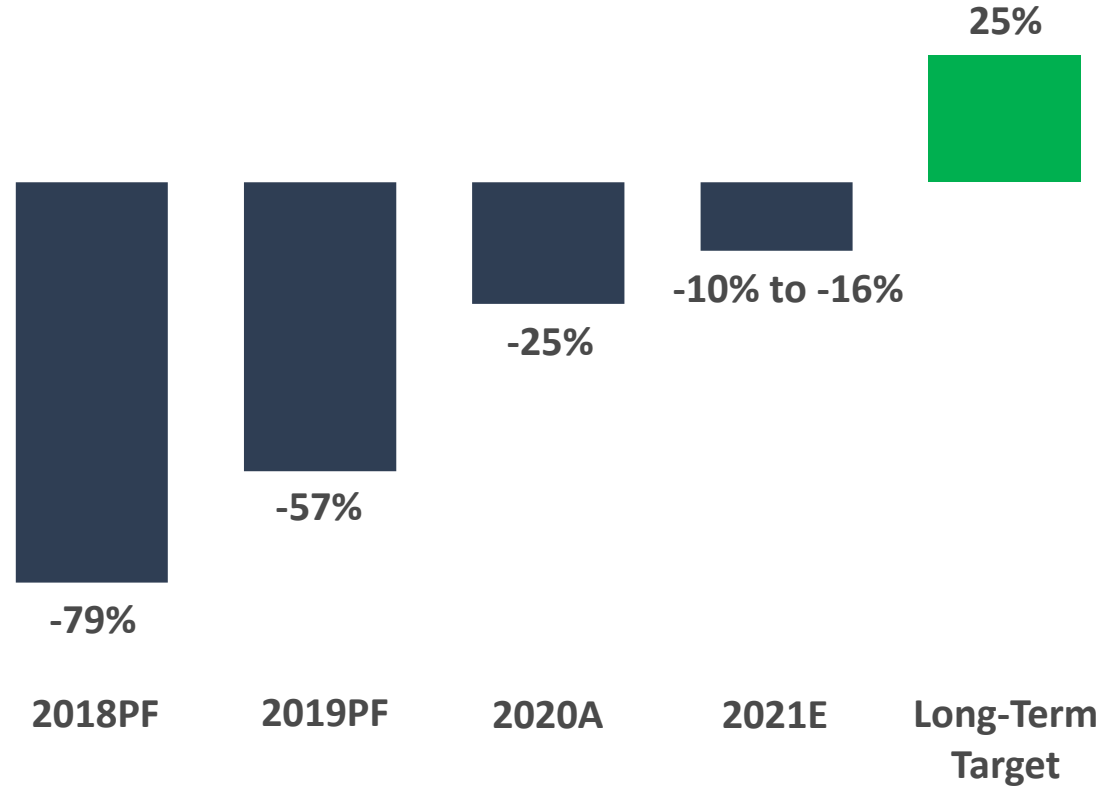
2021E Contribution Margin % and Adjusted EBITDA % Continued Growth

Contribution Margin %



Adjusted EBITDA %



Note: PF figures are Pro Forma results which exclude the financial results of certain Porch businesses divested during 2019 and the first half of 2020, after giving effect to all such divestitures as if they had occurred on January 1, 2018.

Disclaimer: See Appendix for a reconciliation of Adjusted EBITDA and Contribution Margin to their 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.

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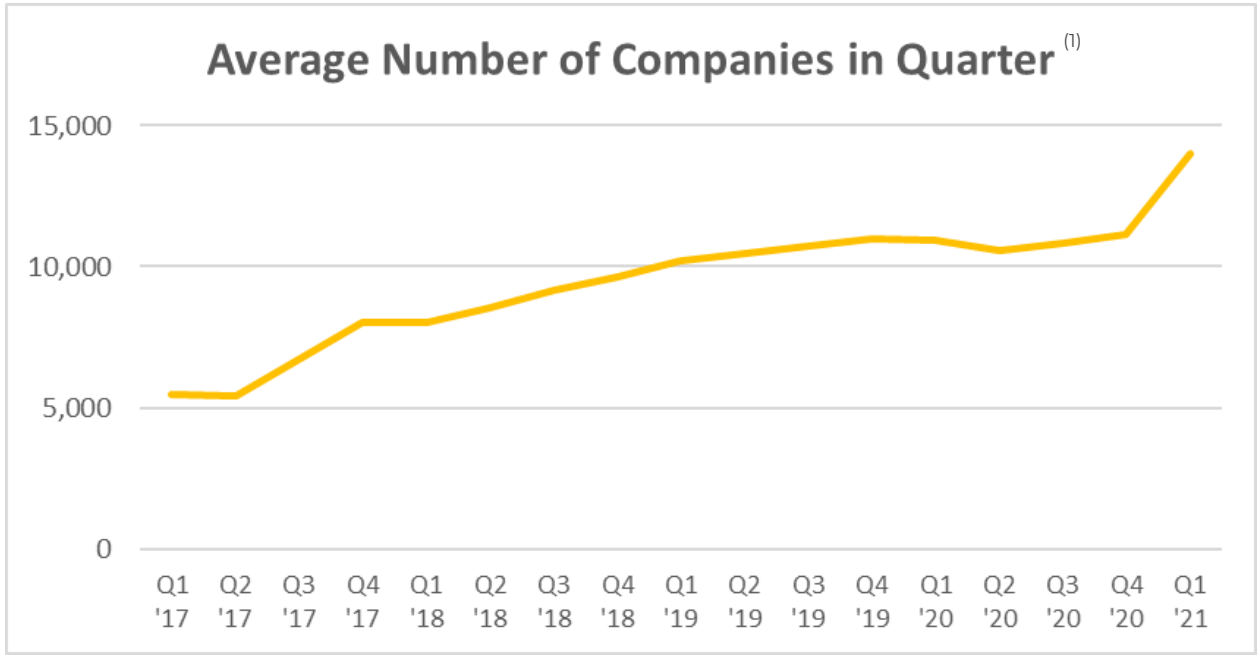
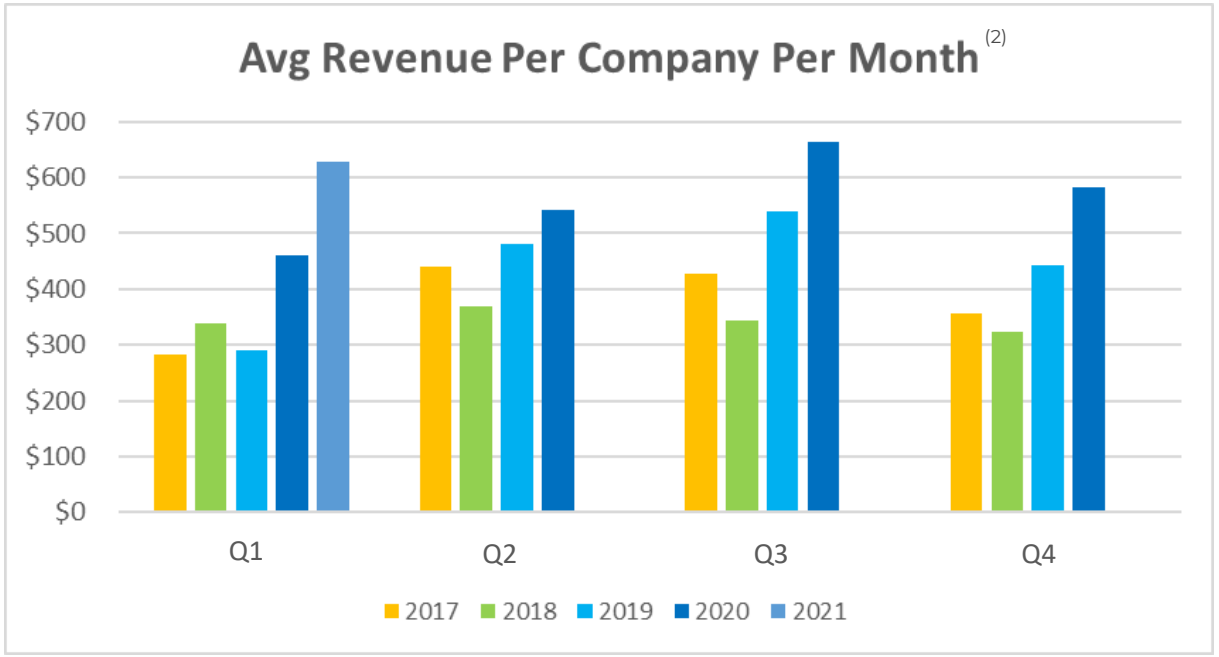
KPIs – Number of Companies & Average Revenue Per Company





(1) Porch management defines average companies in a quarter as an average of the end of period number of companies with the beginning of period number, inclusive of all companies across Porch's home services verticals that (i) generate recurring revenue and (ii) generated revenue in the quarter. For newly acquired companies, we determine the number of customers in their initial quarter based on the percentage of the quarter they were part of Porch.

(2) Average revenue per account per month in quarter is defined as the total revenue from the quarter divided by the average number of companies in the period divided by 3 (to provide monthly revenue). Note: while the wording of both footnote (1) and (2) on this slide has been updated to be made more clear, they are the same calculations the company has been using to date.

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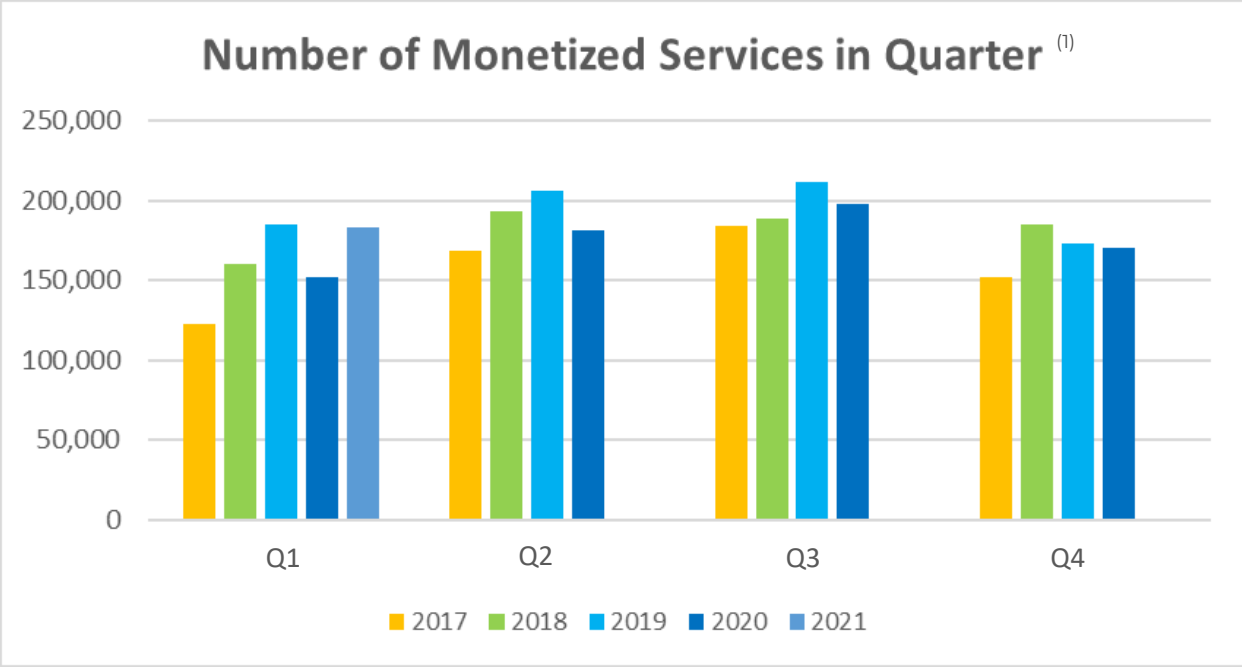
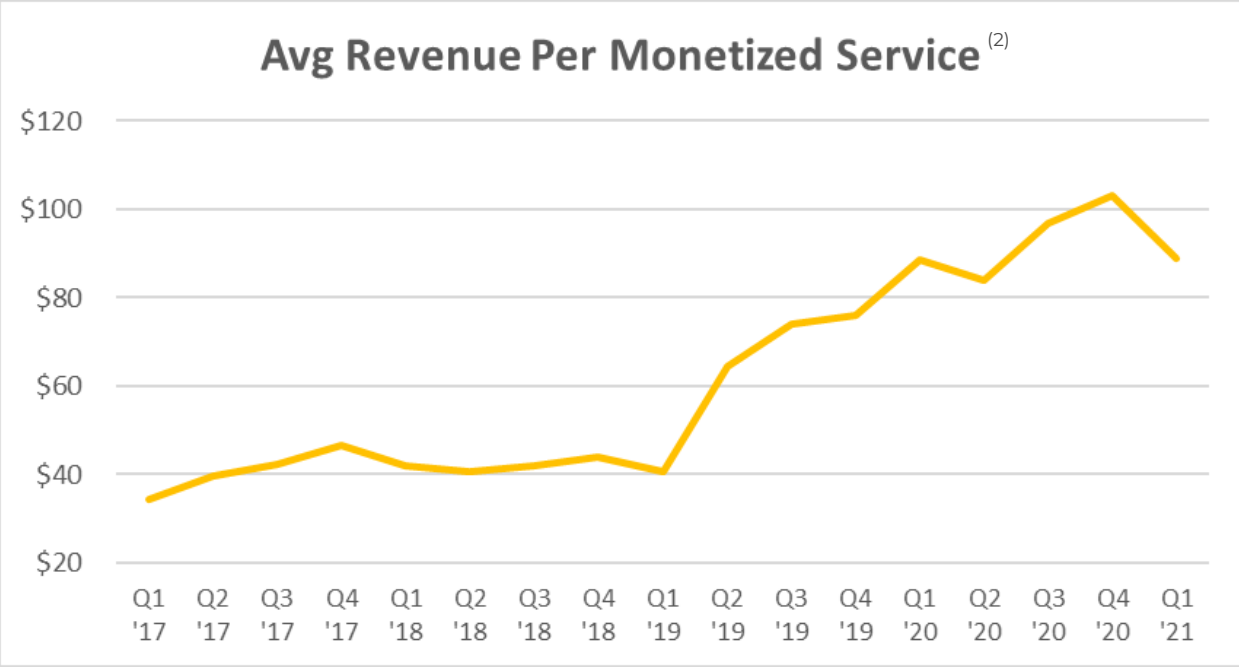
KPIs – Monetized Services for Consumers





(1) Monetized Services per Quarter is defined as the total number of unique consumer services from which Porch generated revenue, including, but not limited to, new and renewing insurance customers, completed moving jobs, security installations, TV/internet installations or other home projects, measured over a quarterly period.

(2) Average revenue per monetized services in quarter is defined as the total service revenue (Move-Related Transaction revenue plus Post-Move Transaction revenue) divided by the number of Monetized Services per Quarter. Note: while the wording of both footnote (1) and (2) on this slide has been updated to be made more clear, they are the same calculations the company has been using to date.

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Deep Dives



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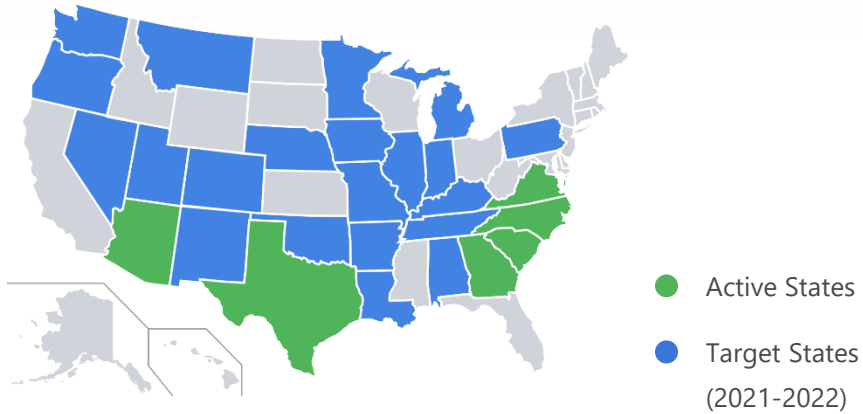
InsurTech Update

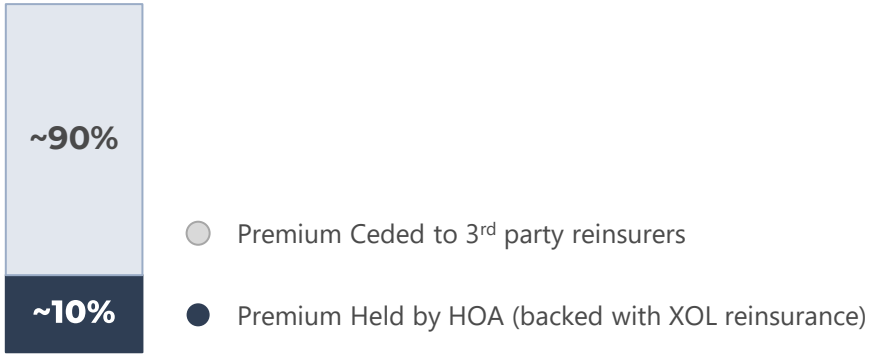
Gross Written Premium – 2021E Guidance

2021E FY Guidance (HOA + Porch)
$275M (from $270M)

HOA State Expansion Plan



Ceding vs Retaining Premium



Gross Loss Ratios – 2020 Results

2020 FY (HOA)
59%

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NPS Scores – what our different customers think of us

Our Companies

Q1 2021

ISN Inspection Support Network	75
HIRE A HELPER	30

Our Consumers

Q1 2021

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Insurance Agency Customers	75
TV/Internet Customers	85
Moving Customers	52

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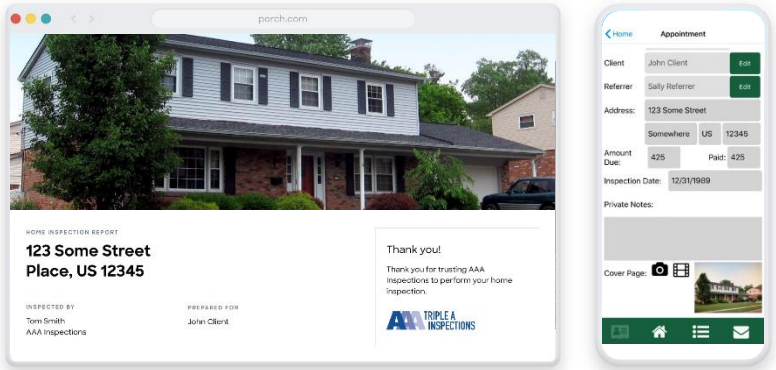
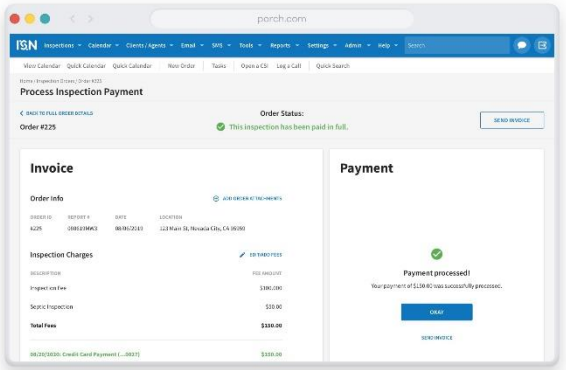
Porch offers modules incremental to base SaaS product

Inspection Report Writer



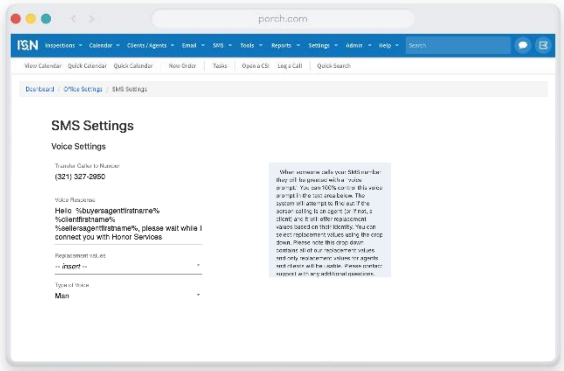
- Creates clean, simple and easy to understand reports
- Configurable inspection points, language and presentation

Payment Processing



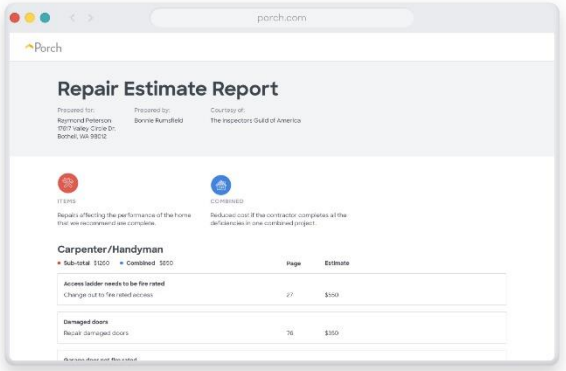
- Adds integrated credit card payment processing into our software
- Opportunity to offer additional payment products in the future

Communication Management



- Provides inspectors with a a local number for SMS / text messaging
- Supports sending photos, video and rich content
- Includes message templates for faster implementation and improved productivity

Repair Estimate Report



- Turns the inspection report into actionable repair costs for the real estate agent and home buyer
- Used to negotiate seller repairs and concessions
- Delivered within 24 – 48 hours

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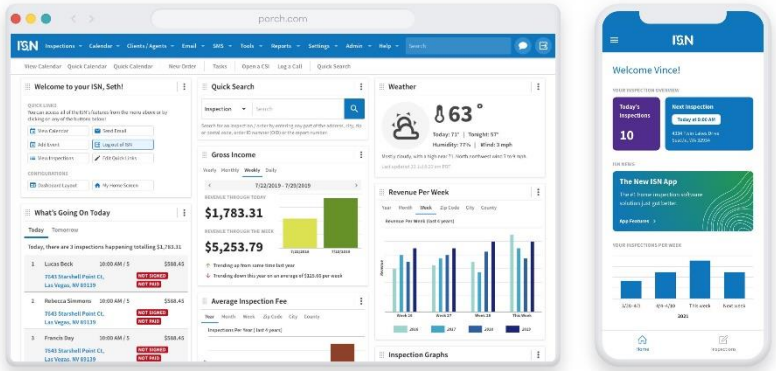
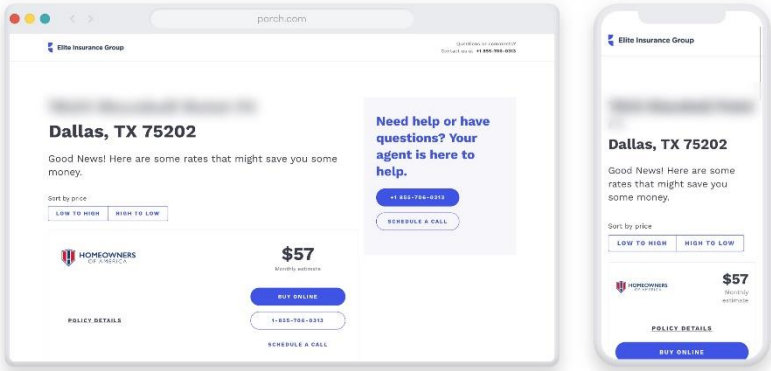
Product & Technology Investment Areas

Vertical Software systems



InsurTech



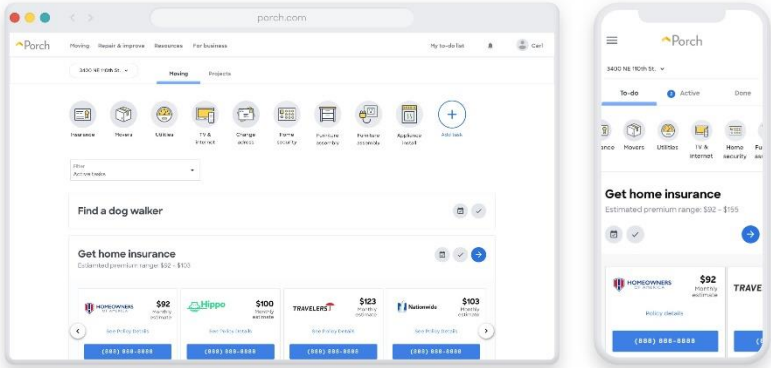
- Simplifying the quoting and binding process for consumers
- Optimizing pricing based on best data available

Data Platform



- A best-in-class data platform that brings together data on homeowners and movers, their homes, and the all the projects that have been done.

Consumer Experience



- Improving the move experience for consumers while increasing conversion rates of services.
- Building long-term relationships by helping with moving to improving and everything in between

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Porch Group Investment Highlights

1. Vertical software leader to key home service companies with low churn and high NPS
2. Large and ideal consumer audience provided via software companies, with low acquisition costs
3. Unique, substantial, and valuable property data which no one else has
4. Large insurance operation with CAC, pricing, data, and value prop advantages
5. Proven team with strong track record
6. Massive $320B addressable TAM
7. Strong financial results with fast revenue growth and high contribution margins
8. Positioned to be long-term leader for the home: vertical SaaS, insurance, moving and maintenance

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Thank you



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Q&A



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Appendix



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Cash position is strong

Balance Sheet

Cash as of March 31, 2021: $223M

- Primary use of cash expected for M&A
- Well positioned to support investments; vertical software systems, Insurtech, data platform & consumer experience
- As of March 31, 2021: $90M warrants were exercised

Total Long-Term Debt as of March 31, 2021: $42.6M

Capital Structure

- **Total shares outstanding as of May 14, 2021: 96.2M**

In addition to the above, when team RSUs vest or team options both vest and are exercised, it will be added to total shares outstanding above. This relates to pre-SPAC Porch options and RSUs which rolled over and the ~11M share MIP pool from the SPAC merger agreement, some of which will be granted soon with long-term vesting and some of which may be granted in future years.

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Net Income to Adj EBITDA non-GAAP Reconciliation

($ in 000's)	Q1 2021	Q1 2020
Net income (loss)	**$ (65,101)**	**$ (18,367)**
Interest expense[1]	1,223	3,086
Income tax (benefit) expense	(350)	21
Depreciation and amortization	2,463	1,789
Other expense, net[2]	(83)	1,874
Non-cash bonus expense	290	—
Non-cash long-lived asset impairment charge	68	167
Non-cash stock-based compensation [3]	16,723	369
Revaluation of contingent consideration	(355)	(80)
Revaluation of earnout liability	18,770	—
Revaluation of private warranty liability	15,910	—
Acquisition and related (income) expense[4]	840	371
Adjusted EBITDA (loss)	**$ (9,603)**	**$ (10,770)**
Adjusted EBITDA (loss) from divested business	—	(832)
Pro Forma Adjusted EBITDA (loss)	**$ (9,603)**	**$ (9,938)**
EBITDA Margin %	**-36%**	**-79%**

Note: PF (Pro Forma) figures exclude the financial results of certain Porch businesses divested during 2019 and the first half of 2020, after giving effect to all such divestitures as if they had occurred on January 1, 2018.

(1) Includes interest expense and amortization of debt discount and issuance costs.
(2) Includes net (gain) loss on settlement of accounts payable, net (gain) loss on remeasurement of debt, extinguishment of debt, remeasurement of private warranty and other.
(3) Includes compensation charges related to secondary market transaction, employee earnout restricted stock and employee awards.
(4) Includes acquisition cash/stock compensation, bank fees, bonus expense, (gain) loss on divestitures, accounting/legal fees, and other transaction expenses.

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Revenue to Contribution Margin non-GAAP Reconciliation

($ in 000's)	Q1 2021	Q1 2020
Revenue	**$ 26,742**	**$ 15,074**
Cost of Revenue	5,930	4,099
Revenue - Cost of Revenue	**20,812**	**10,974**
Variable Selling & Marketing and Advertising	9,728	10,492
Contribution Margin [(1)]	**$ 11,084**	**$ 482**
Contribution Margin % of Revenue	41%	3%
Pro Forma Contribution Margin % [(2)]	—	5%

(1) Contribution Margin is defined as revenue less all variable expenses, including cost of revenue, marketing and sales.
(2) Pro forma results exclude the financial results of certain Porch businesses divested during 2019 and the first half of 2020, after giving effect to all such divestitures as if they had occurred on January 1, 2018.

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Net Income to Adj EBITDA non-GAAP Reconciliation

($ in 000's)	FY 2020 (as filed)	FY 2020 (as restated)	FY 2019
Net income (loss)	**$ (51,609)**	**$ (54,032)**	**$ (103,319)**
Interest expense (1)	14,734	14,734	7,134
Income tax (benefit) expense	(1,691)	(1,689)	96
Depreciation and amortization	6,644	6,644	7,377
Other expense, net (2)	(2,791)	(1,244)	7,967
Non-cash long-lived asset impairment charge	611	611	1,534
Non-cash stock-based compensation (3)	11,103	10,994	34,854
Revaluation of contingent consideration	1,700	1,700	(300)
Acquisition and related (income) expense (4)	1,862	613	7,821
Gain on divestiture of a business	(1,442)	—	—
SPAC transaction bonus	3,350	3,350	—
Adjusted EBITDA (loss)	**$ (17,529)**	**$ (18,319)**	**$ (36,836)**
Adjusted EBITDA (loss) from Divested Business			(4,807)
Pro Forma EBITDA (loss)			**$ (32,029)**

Note: PF (Pro Forma) figures exclude the financial results of certain Porch businesses divested during 2019 and the first half of 2020, after giving effect to all such divestitures as if they had occurred on January 1, 2018.

(1) Includes interest expense and amortization of debt discount and issuance costs.

(2) Includes net (gain) loss on settlement of accounts payable, net (gain) loss on remeasurement of debt, extinguishment of debt, remeasurement of private warranty and Legacy Porch warrants, transaction costs recapitalization and other

(3) Includes compensation charges related to secondary market transaction and employee awards.

(4) Includes acquisition cash/stock compensation, bank fees, bonus expense, (gain) loss on divestitures, accounting/legal fees, and other transaction expenses.

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Revenue to Contribution Margin non-GAAP Reconciliation

($ in 000's)	FY 2020 (as filed)	FY 2020 (as restated)	FY 2019
Revenue	**$ 73,216**	**$ 72,300**	**$ 77,595**
Cost of Revenue	17,562	17,562	21,500
Revenue - Cost of Revenue	**55,654**	**54,738**	**56,095**
Variable Selling & Marketing and Advertising	32,661	32,328	43,942
Contribution Margin [1]	**$ 22,993**	**$ 22,410**	**$ 12,153**
Contribution Margin % of Revenue	31%	31%	16%
Pro Forma Contribution Margin % [2]		—	19%

(1) Contribution Margin is defined as revenue less all variable expenses, including cost of revenue, marketing and sales.
(2) Pro forma results exclude the financial results of certain Porch businesses divested during 2019, after giving effect to all such divestitures as if they had occurred on January 1, 2018.

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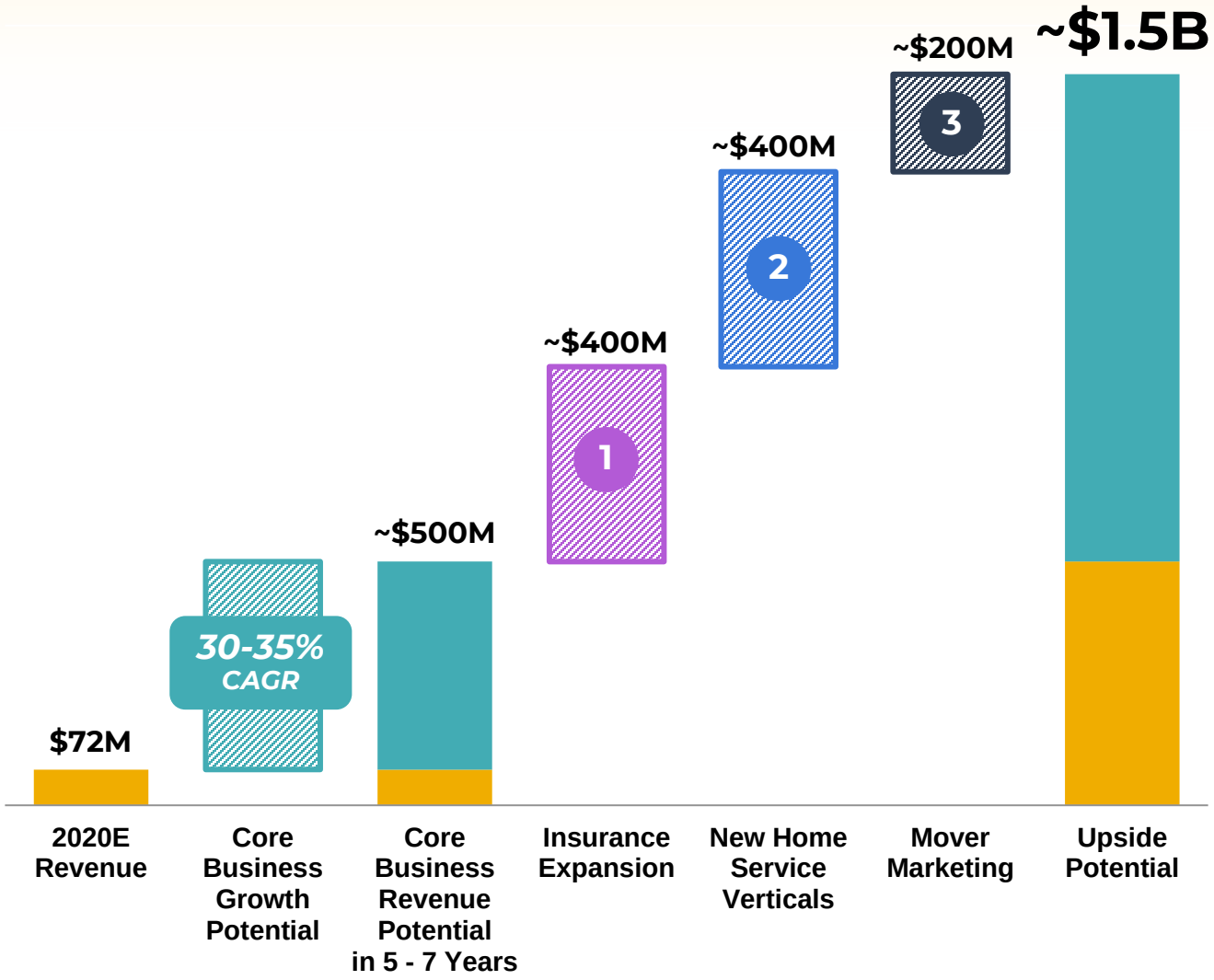
Porch Has The Potential to Grow Revenues ~20x[(1)]



1

Insurance Expansion: ~$400M potential revenue opportunity

- Expand from an insurance agency to a Managing General Agent (MGA) / carrier.

2

New Vertical Expansion: ~$400M potential revenue opportunity

- Enter new home service industries via M&A and organically.

3

Mover Marketing: ~$200M potential revenue opportunity

- Data monetization by shifting mover marketing spend by brands from change of address to 6 weeks prior with Porch.

(1) Represents Porch management approximate estimates of potential future revenue growth opportunities and does not constitute Porch management financial projections or guidance and should not be regarded or relied on as such.

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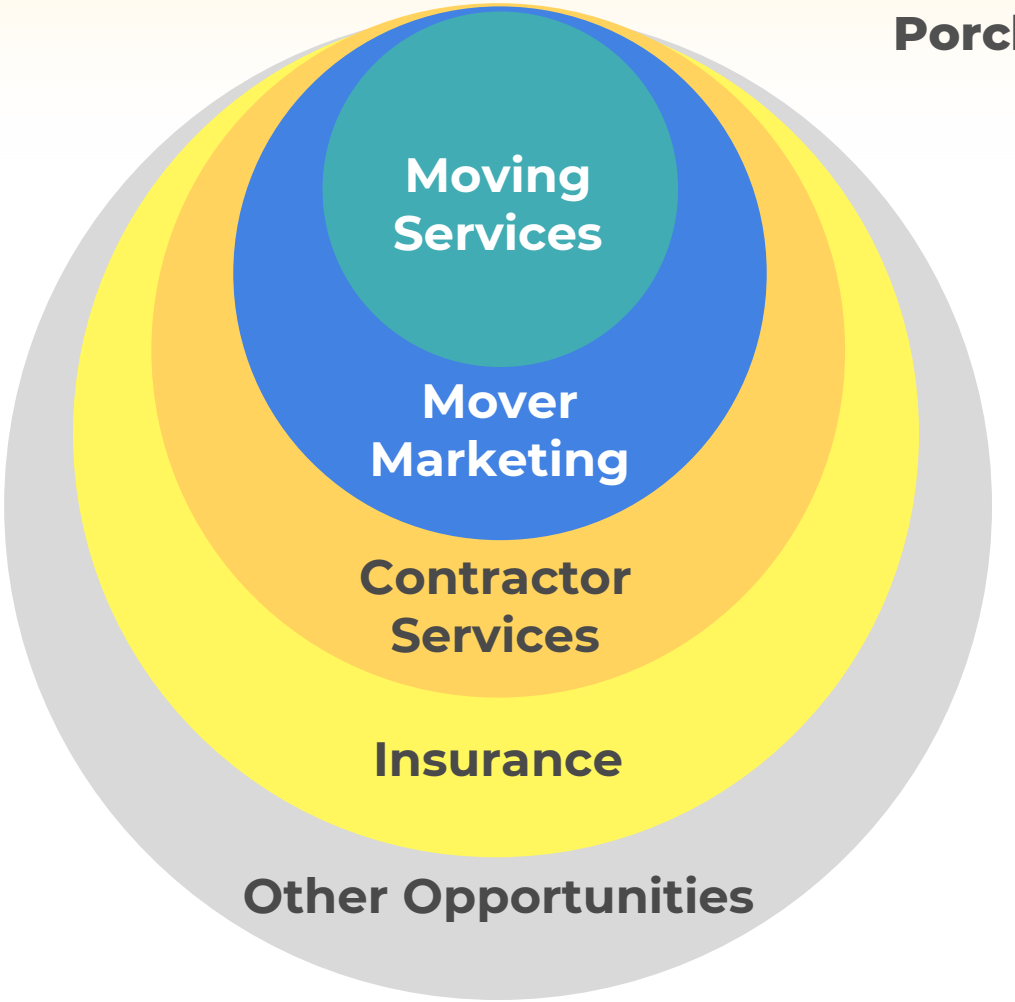
The Home is one of the largest market opportunities



Porch has a U.S. Total Addressable Market of ~$320B

Moving Services: ~$4B[1]
(moving, security, TV/internet)

Mover Marketing: ~$8B[4]

Contractor Services: ~$141B[3]
(referral, managed services gross profit)

P&C Insurance: ~$167B[2]
(home, auto, umbrella, flood)

Other Opportunities in "Home"
(more SaaS verticals, home care subscription)

(1) Moving Services: TAM of $4B is comprised of Security, Moving, and TV / Internet installs. Security TAM of $1.3B estimated based on $220 net commission per security install multiplied by 6M home sales per year. Moving TAM of $1.9B based on $314 net commission per move multiplied by 6M moves per year. TV / Internet Installs TAM of $684M based on $114 net commission per install multiplied by 6M installs per year.
(2) Insurance: $167B TAM based on U.S. home insurance annual revenues of $104B plus U.S. auto insurance annual revenues of $313B multiplied by a 20% broker commission (source: IBIS 2019 full year data). Umbrella and flood are incremental.
(3) Contractor Services: TAM of $141B is composed of Managed Services and Referral Services. Managed services TAM of $104B based on home services spend of $460B (source: GM Insights 2018 full year data) with 50% of projects managed at a 45% gross margin. Referral services TAM of $35B based on home services spend of $470B with 50% referral projects at a 15% referral fee.
(4) Mover Marketing: 6M homebuyers annually with $9K average spend during first 3-6 months (Epsilon 2012 New Mover Report). Of this $54B in spend, management estimates that 15% will be spent on marketing to these consumers based on what it has observed in the industries it serves.

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