Porch Group



Q3 2021 Earnings Presentation November 15, 2021

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Presenters



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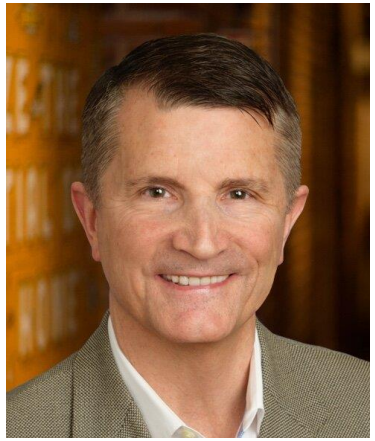
CEO & Founder, Porch Group



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Non-GAAP Financial Measures

This presentation includes one or more non-GAAP financial measures, such as Adjusted EBITDA (loss), Adjusted EBITDA (loss) as a percentage of revenue, contribution margin, and average revenue per monetized service.

Porch defines Adjusted EBITDA (loss) as net income (loss) adjusted for interest expense, net, income taxes, other expenses, net, 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 (loss) as a percentage of revenue is defined as Adjusted EBITDA (loss) divided by GAAP total revenue. Contribution margin is defined as revenue less all variable expenses, including cost of revenue, variable marketing and sales. Average revenue per monetized services in quarter is 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 monetized service revenues generated from monetized services.

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

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Q3 2021 Earnings Call Kick-off

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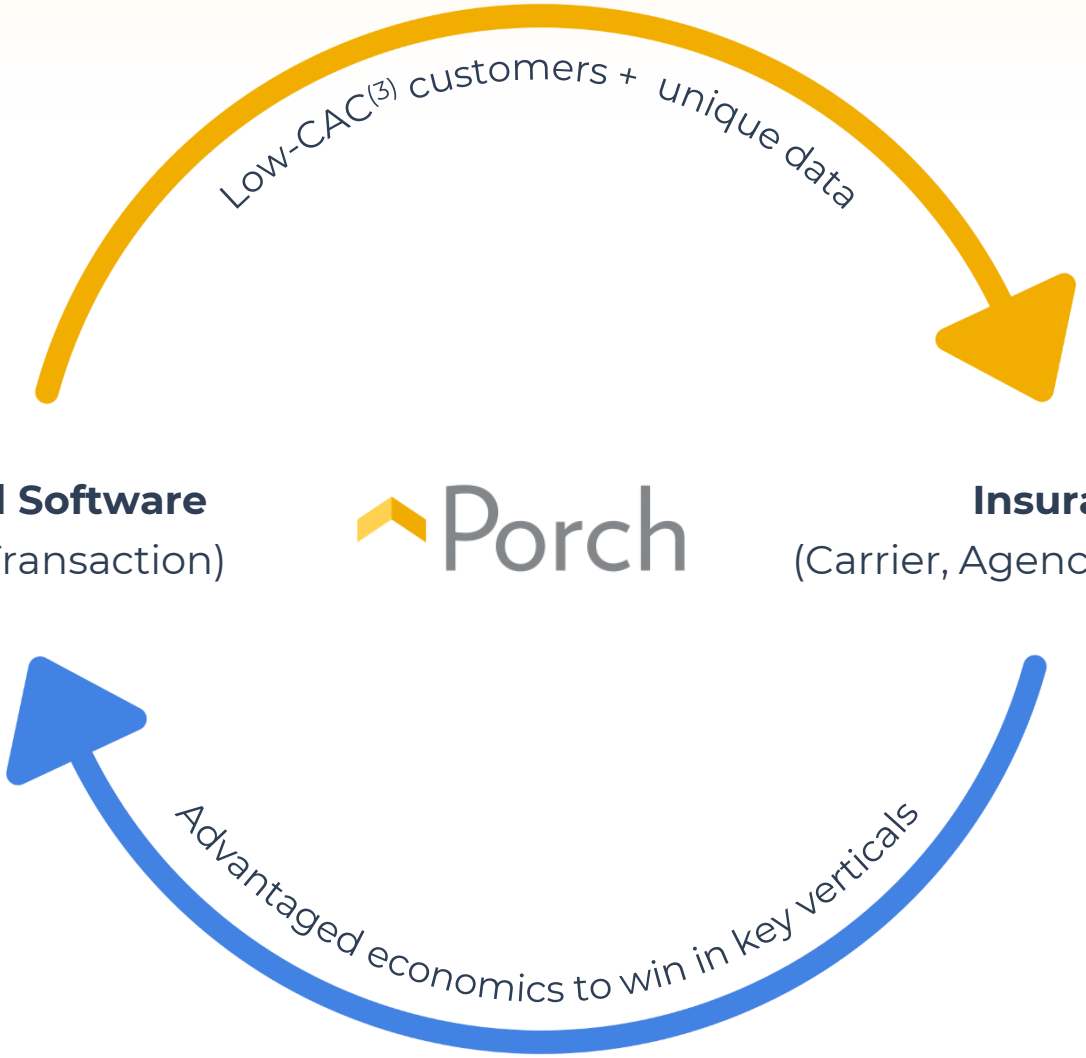
Porch, the Vertical Software Platform for the Home



ISN Inspection Support Network

Floify(1)

Rynoh

HIRE A HELPER

iROOFING

HOMEOWNERS OF AMERICA

Elite Insurance Group

AMERICAN HOME PROTECT

CSE(2) INSURANCE GROUP

(1) Floify acquired October 27, 2021
(2) CSE Insurance Group subject to regulatory approval; anticipated for mid-2022
(3) Customer acquisition cost

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6 Key Focus Areas for 2021

1. Grow SaaS revenue as we increase the 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 Insurance (carrier, agency & warranty) business
5. Help more brands and advertisers improve their mover marketing
6. Pursue strategic and accretive M&A opportunities

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Q3 2021 Results & 2021E Guidance

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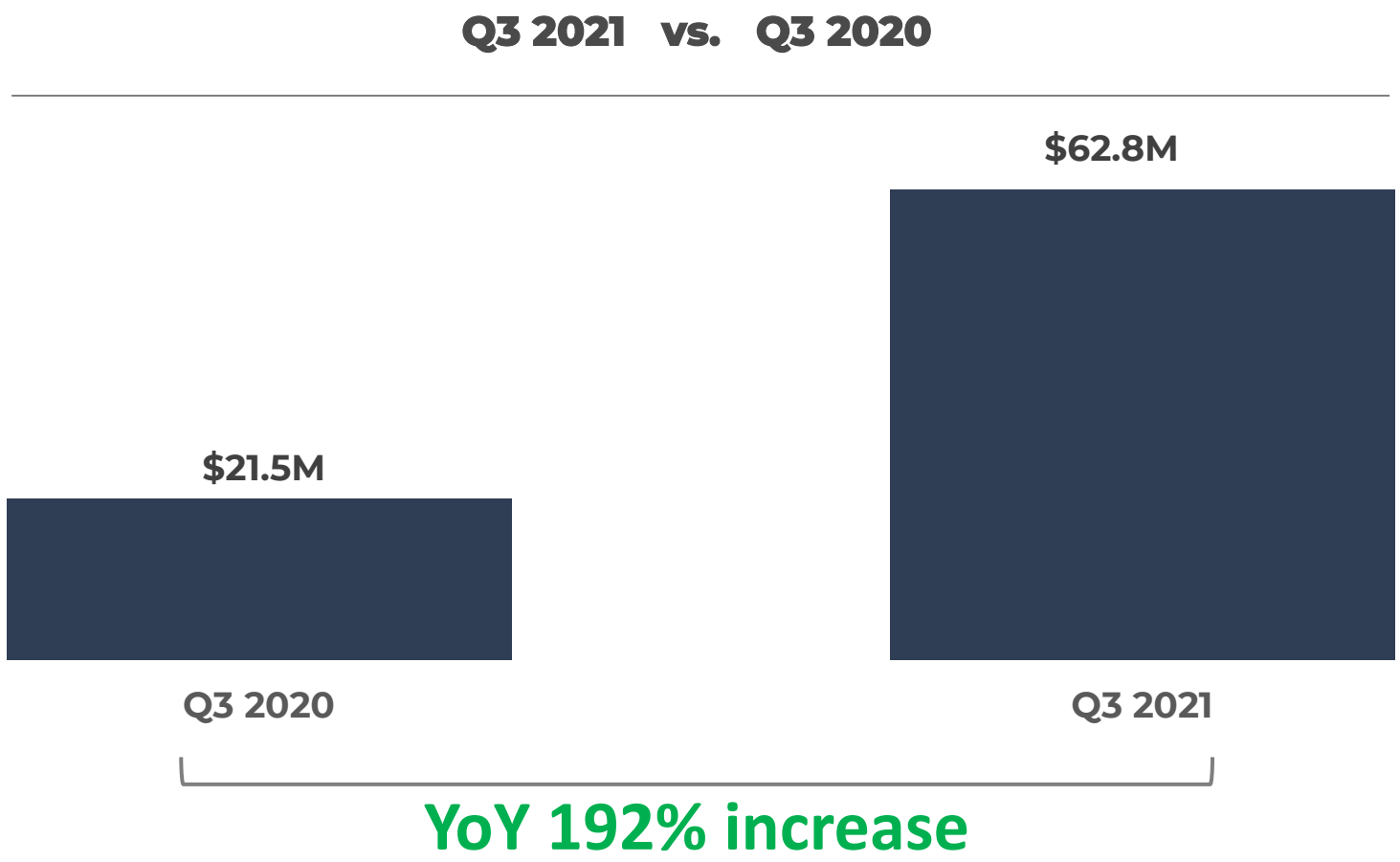
Strong Q3 Revenue Growth of 192% Year-over-Year



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Strong Growth and Margin Improvement from Q2 to Q3

Q2 2021	Quarter Over Quarter ▲	Q3 2021
$51.3M Revenue		**$62.8M** Revenue
62% Revenue-Cost of Revenue Margin		**69%** Revenue-Cost of Revenue Margin
33% Contribution Margin		**45%** Contribution Margin
-20% Adj. EBITDA Margin		**+1%** Adj. EBITDA Margin

Disclaimer: See Porch's third quarter 2021 earnings press release for a reconciliation of Adjusted EBITDA (loss) as a percentage of revenue, Contribution Margin to their most directly comparable GAAP financial measures

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FY 2021E Guidance Update: Raising '21 Revenue Guidance to $195M

Previous 2021E Guidance	Guidance ▲	Current 2021E Guidance
$187.5M Revenue		**$195M** Revenue (170% YoY Growth)
~72% Revenue Less Cost of Revenue Margin	**Adj. for mix shift**	**~70%** Revenue Less Cost of Revenue Margin
~40% Contribution Margin	**No Change**	**~40%** Contribution Margin
-14 to -16% Adj. EBITDA Margin	**No Change**	**-14 to -16%** Adj. EBITDA Margin

Disclaimer: See Porch's third quarter 2021 earnings press release 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. In particular, the charges excluded from these non-GAAP measures are subject to high variability and complexity due to Porch's ongoing growth

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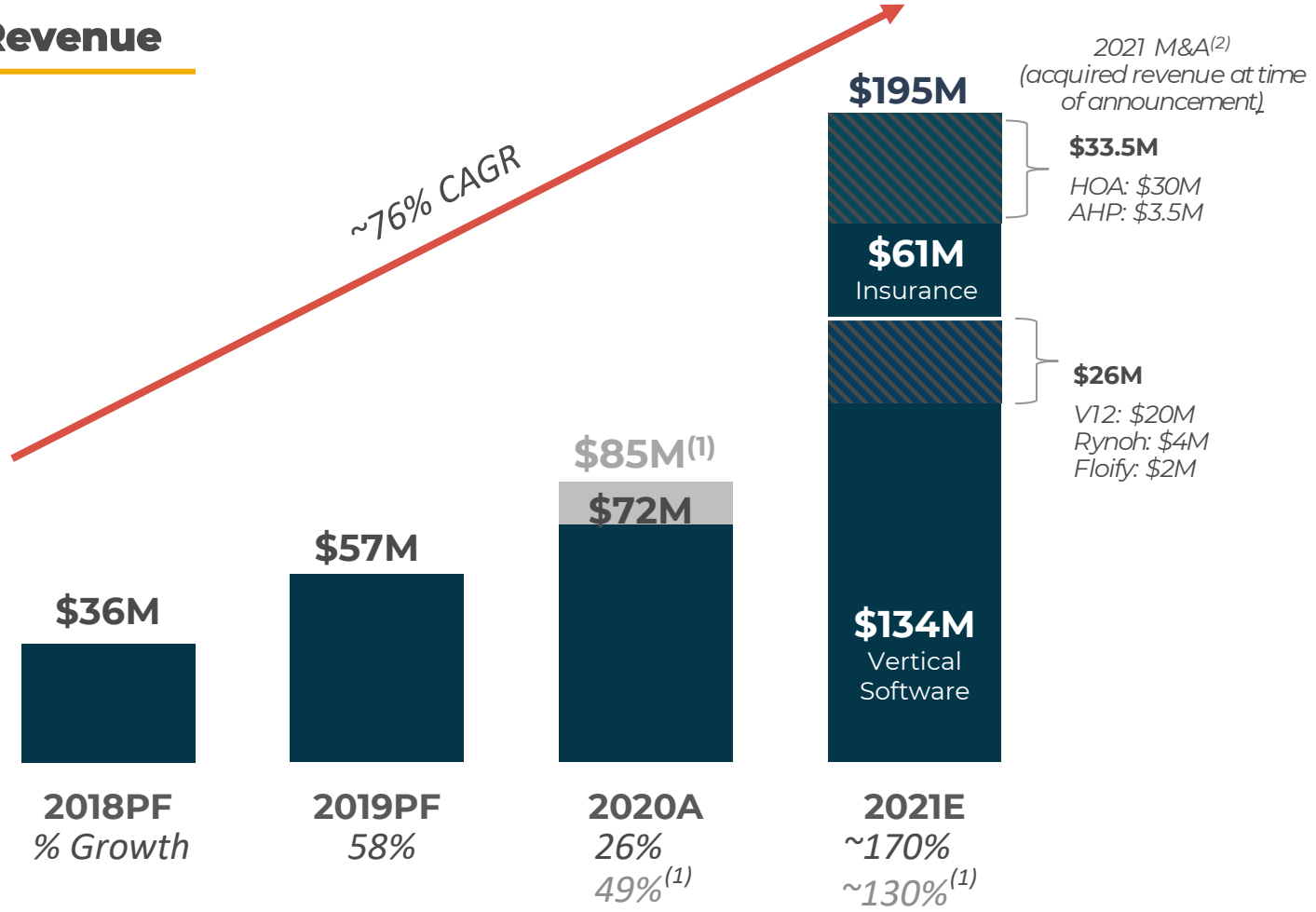
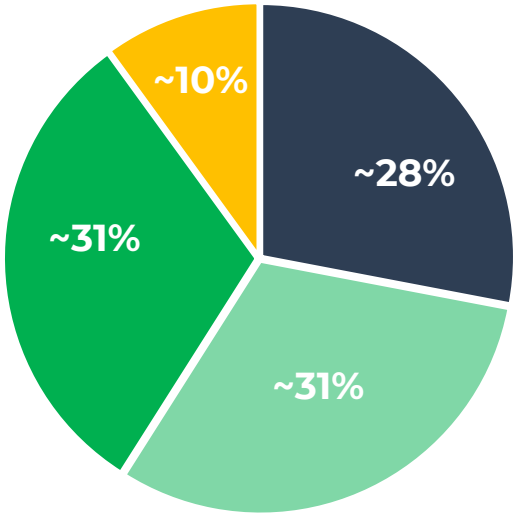
2021E Revenue: 170% Year-over-Year Growth

Revenue



FY 2021E Guidance Revenue Distribution



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

Move-Related Transactions – Excl. Insurance Segment(4)
B2B2C Transaction Revenue via Companies (Reoccurring)

Move-Related Transactions – Insurance Segment(4)
Insurance + Warranty (Recurring Revenue)

Post-Move Transactions(5)
Transaction Revenue

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 and 2020 and 2021E revenue growth would have been 49% and ~130%, respectively
(2) Reflects amounts of revenue added to full year 2021 revenue guidance at respective acquisition announcements
(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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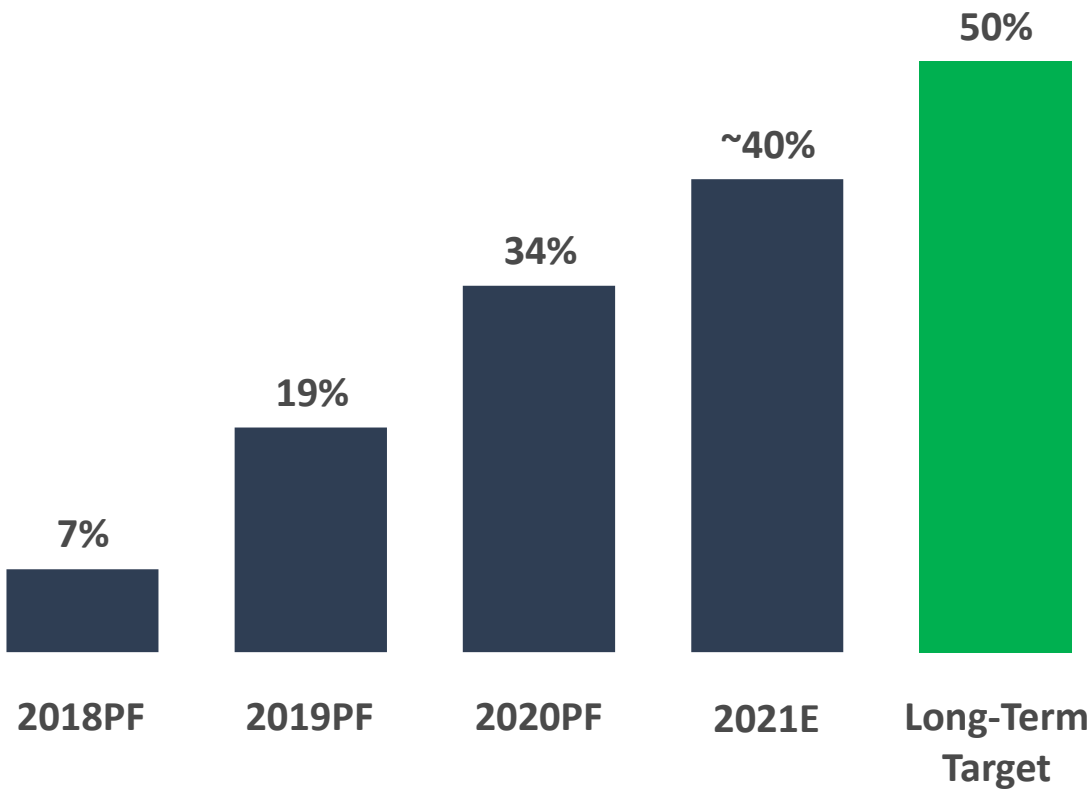
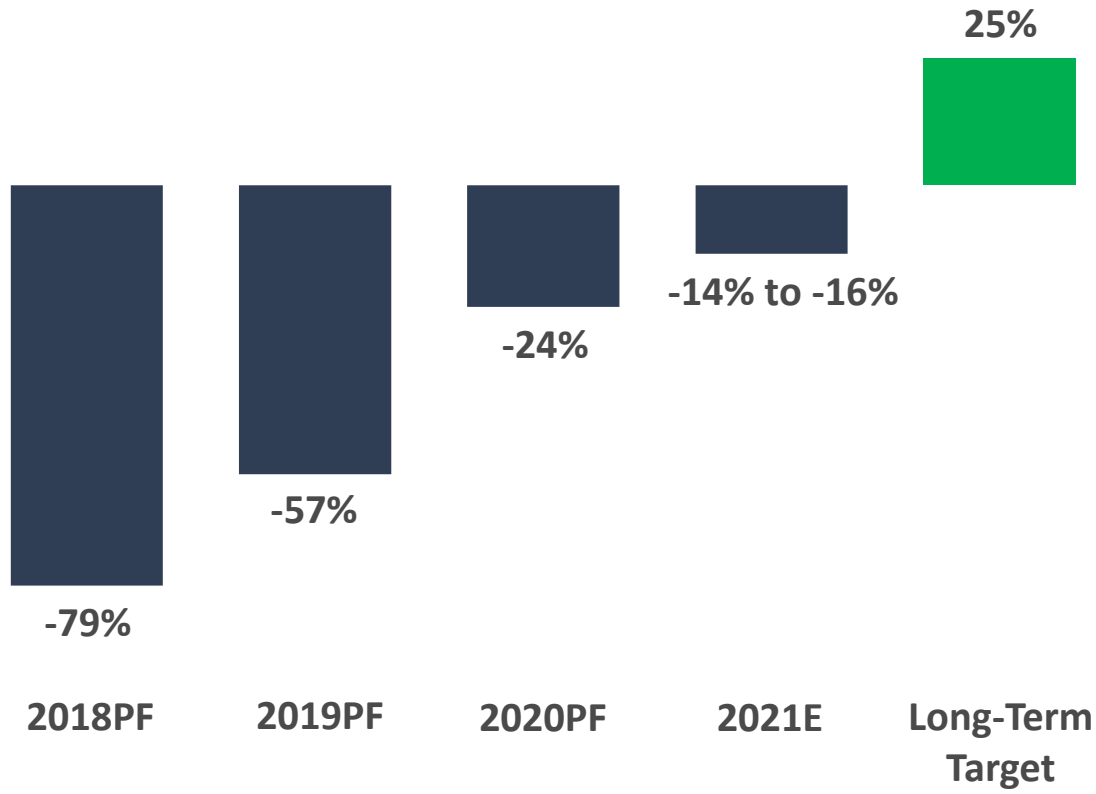
2021E Contribution Margin % and Adjusted EBITDA % Continued Growth

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 Porch's third quarter 2021 earnings press release 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. In particular, the charges excluded from these non-GAAP measures are subject to high variability and complexity due to Porch's ongoing growth

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Segment Deep Dive



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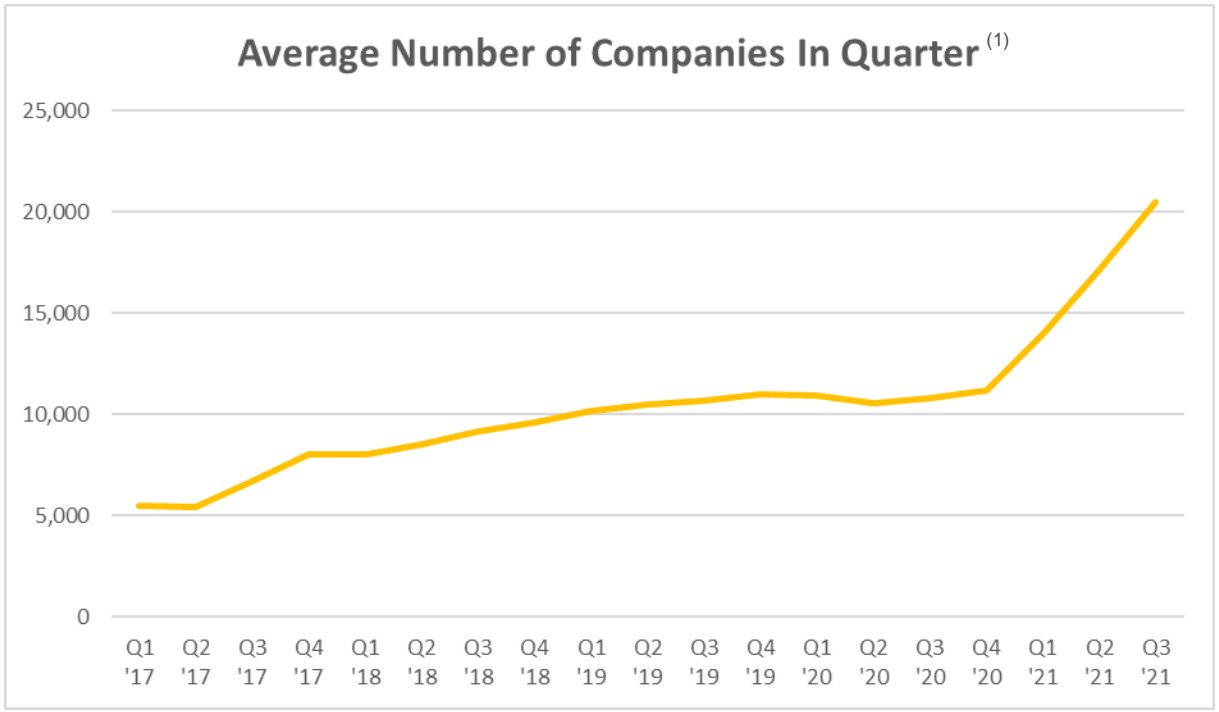
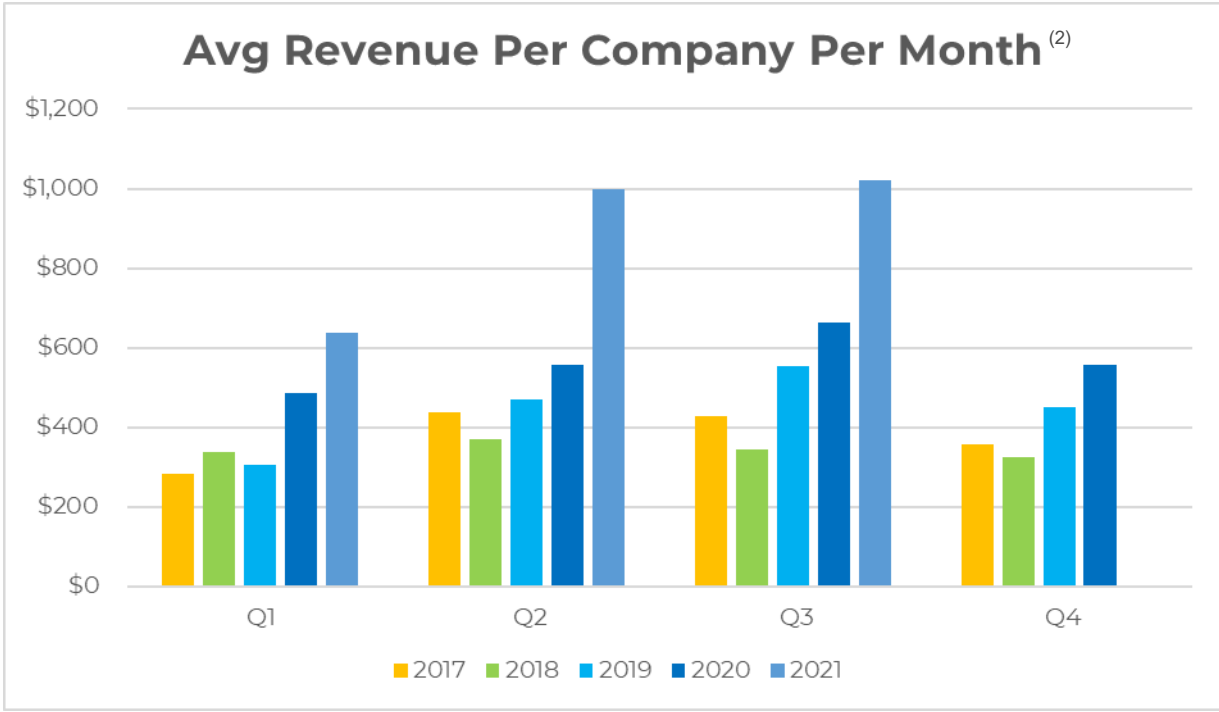
Number of Companies & Average Revenue Per Company





20,472 companies in Q3 2021

$1,022 revenue per company per month in Q3 2021

(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 new acquisitions, 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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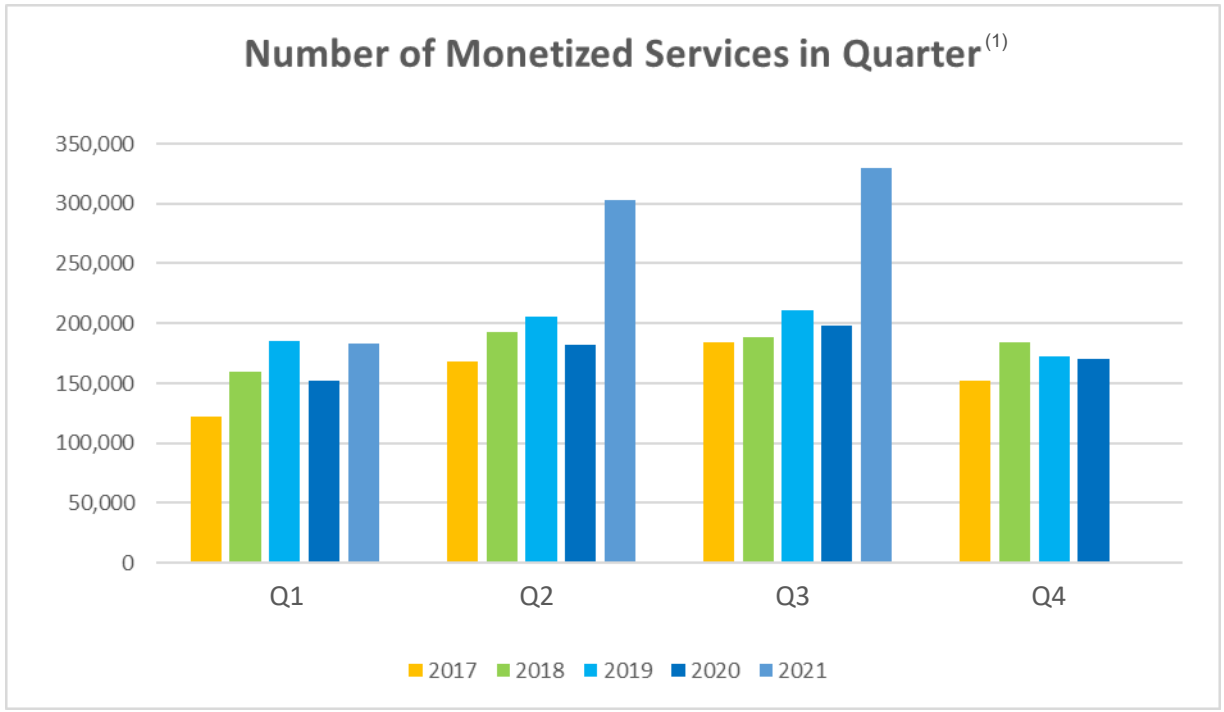
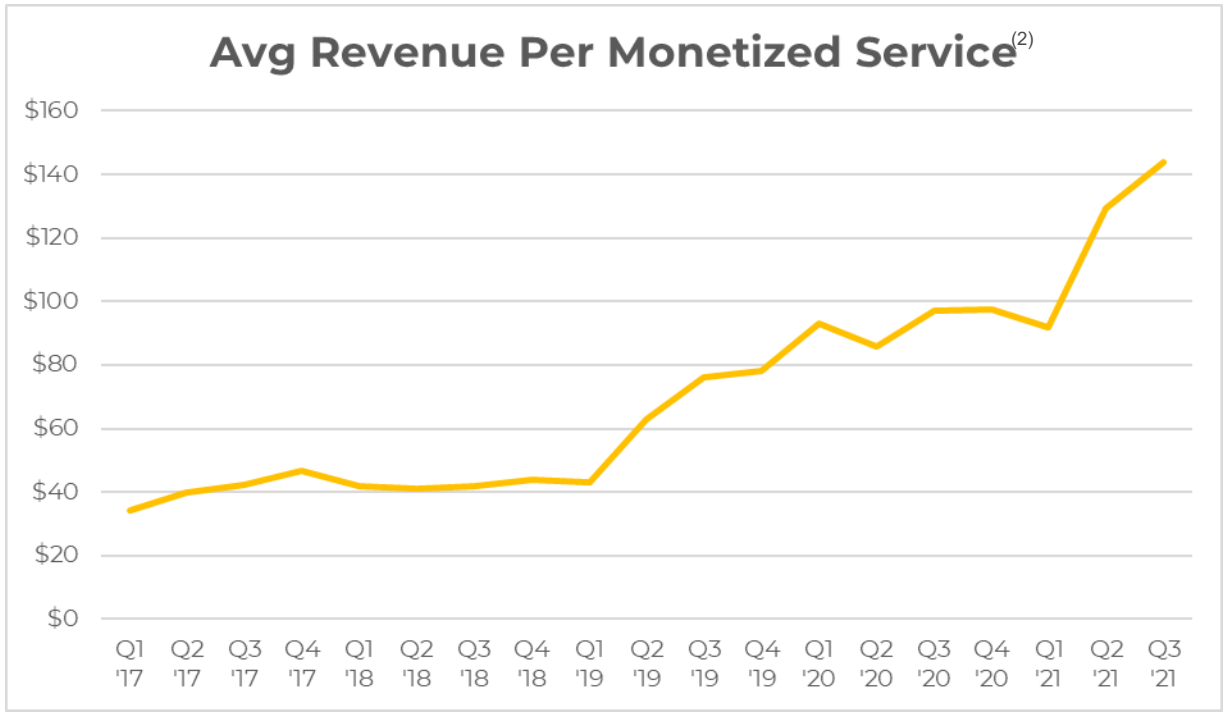
Monetized Services & Average Revenue Per Monetized Service



329,359 monetized services in Q3 2021



$144 revenue per monetized service in Q3 2021

(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. See Porch's third quarter 2021 earnings press release for a reconciliation of total service revenue

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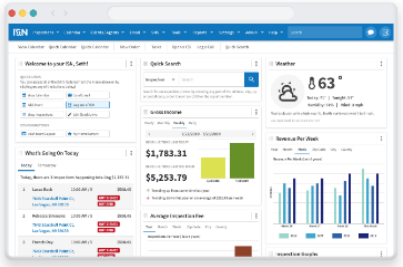
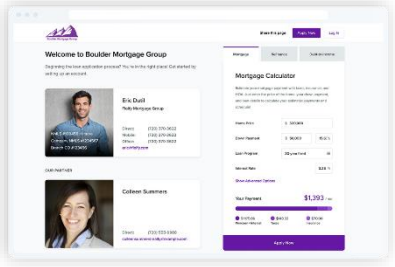
Porch is a Leading Software Provider in Key Home Verticals

ISN Inspection Support Network



#1 Inspector ERP / CRM(1)

Floify



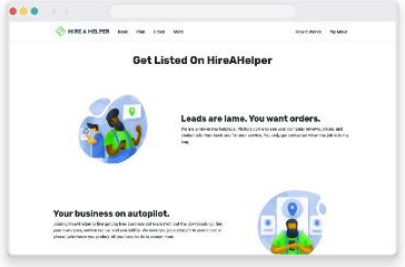
Leading SMB mortgage automation and point-of-sale solution(2)

Rynoh



#1 transaction management software for title companies(1)

HIRE A HELPER



#1 moving labor + full service(1)

iROOFING



(1) Based on Porch management estimates of relative market share
(2) Floify acquisition announced and closed on Oct. 27, 2021

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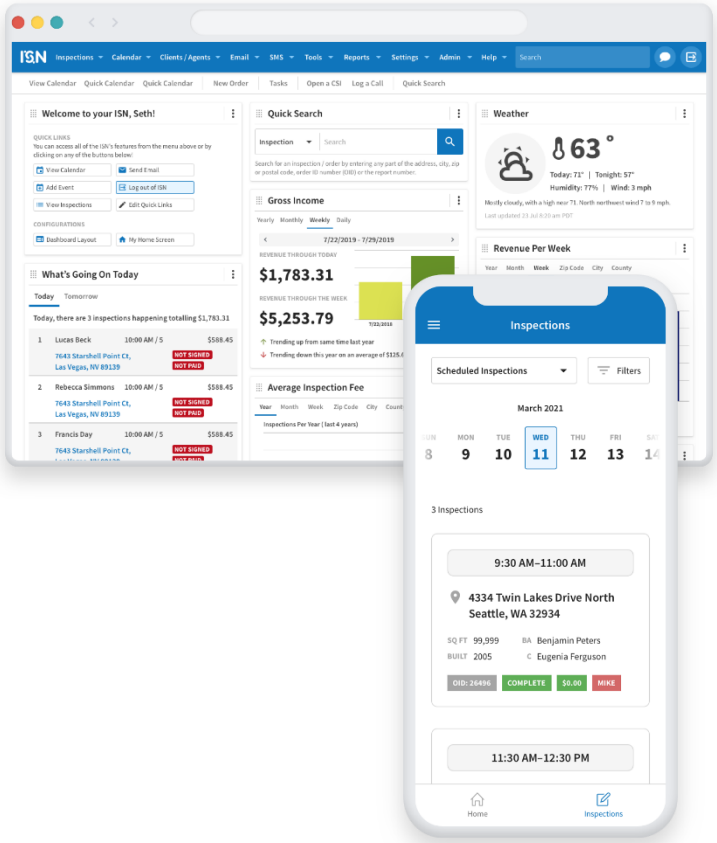
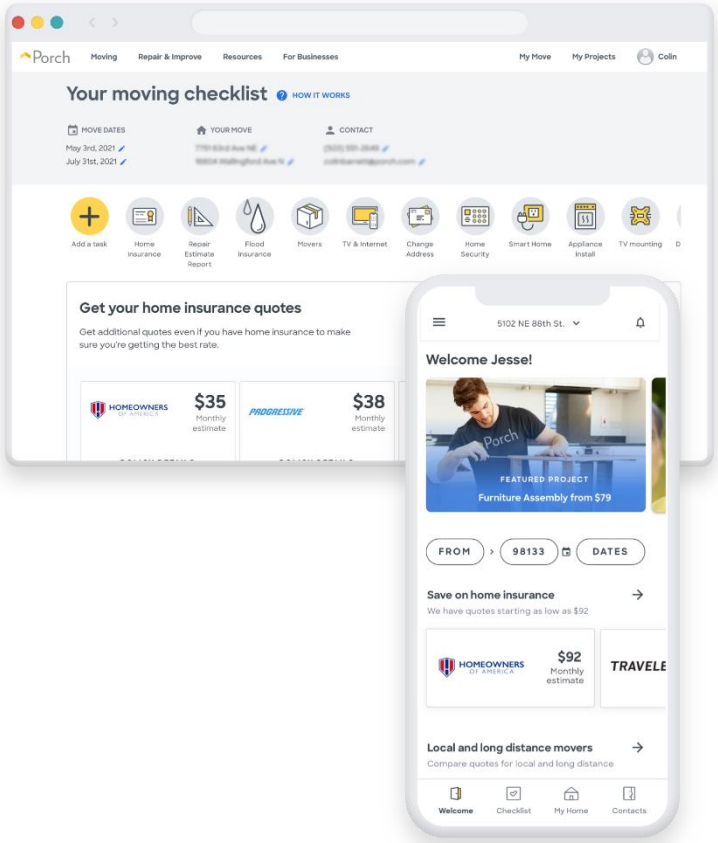
Porch Value Proposition to Software Companies

Best-in-Class Vertical Software



Differentiated Value Prop



Demand Generation



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Vertical Software Segment: Q3 2021 Financials

$42.3M
Q3 Revenue

66%
Revenue Less
Cost of Revenue Margin

42%
Contribution Margin

18%
Adj. EBITDA Margin(1)

Disclaimer: See Porch's third quarter 2021 earnings press release for a reconciliation of Adjusted EBITDA (loss) as a percentage of revenue and Contribution Margin to their most directly comparable GAAP financial measures
(1) Impact of preliminary estimate of shared allocation of corporate expense would indicate a low double digit Adjusted EBITDA (loss) as a percentage of revenue in the quarter

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Insurance Segment: High-Value Protection Products

Elite Insurance Group

HOMEOWNERS OF AMERICA

CSE INSURANCE GROUP (1)

AMERICAN HOME PROTECT

Agency

- Licensed in all 50 states
- Write Porch's insurance products as well as 3rd party carriers

Capital-Light InsurTech

- Operate a capital-light model, ceding vast majority of premiums to reinsurers
- Writing in 10 states

Home Warranty

- Selling policies in 45 states
- Utilize innovative 3-year policy structure

(1) CSE Insurance Group subject to regulatory approval; anticipated for mid-2022

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Insurance Segment: 3Q 2021 Financial Performance & KPI's

$20.5M
Q3 Revenue

$108M
Q3 GWP(1)

77%
Revenue Less Cost of Revenue Margin

292K
Policyholders

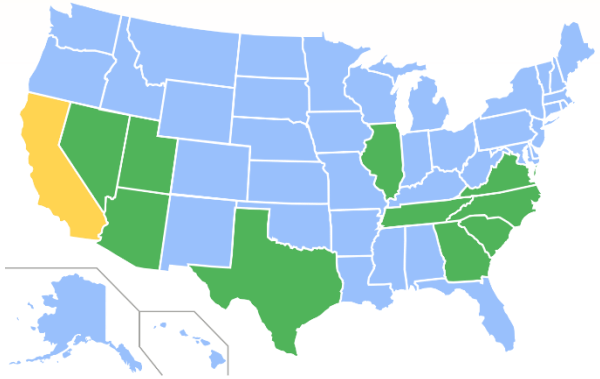
54%
Contribution Margin

$281
Annualized Revenue Per Policyholder(2)

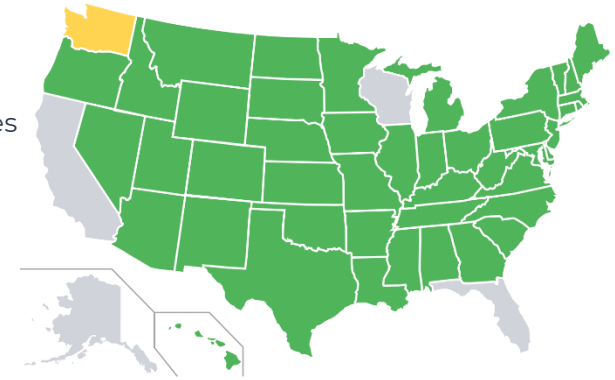
27%
Adj. EBITDA Margin(5)

88%
Customer Retention(3)

Insurance
(Live in 10 states as carrier)



Warranty
(Live in 45 states and D.C.)



- Active states
- Approved / Signed (coming soon) (4)
- Agency only (carrier opportunity)

Disclaimer: See Porch's third quarter 2021 earnings press release for a reconciliation of Adjusted EBITDA (loss) as a percentage of revenue and Contribution Margin to their most directly comparable GAAP financial measures

(1) GWP includes gross written premium written for 3rd party carriers through EIG, gross written premium HOA writes as well as AHP's face value of policy premiums written during the period
(2) Includes quarterly revenue for the segment divided by number of policyholders in the segment multiplied by four
(3) Represents rolling 12 months ending September 2021
(4) Includes CSE Insurance Group subject to regulatory approval; anticipated for mid-2022
(5) Impact of normalization including preliminary estimate of shared allocation of corporate expense indicate a 22% Adjusted EBITDA (loss) as a percentage of revenue for the quarter

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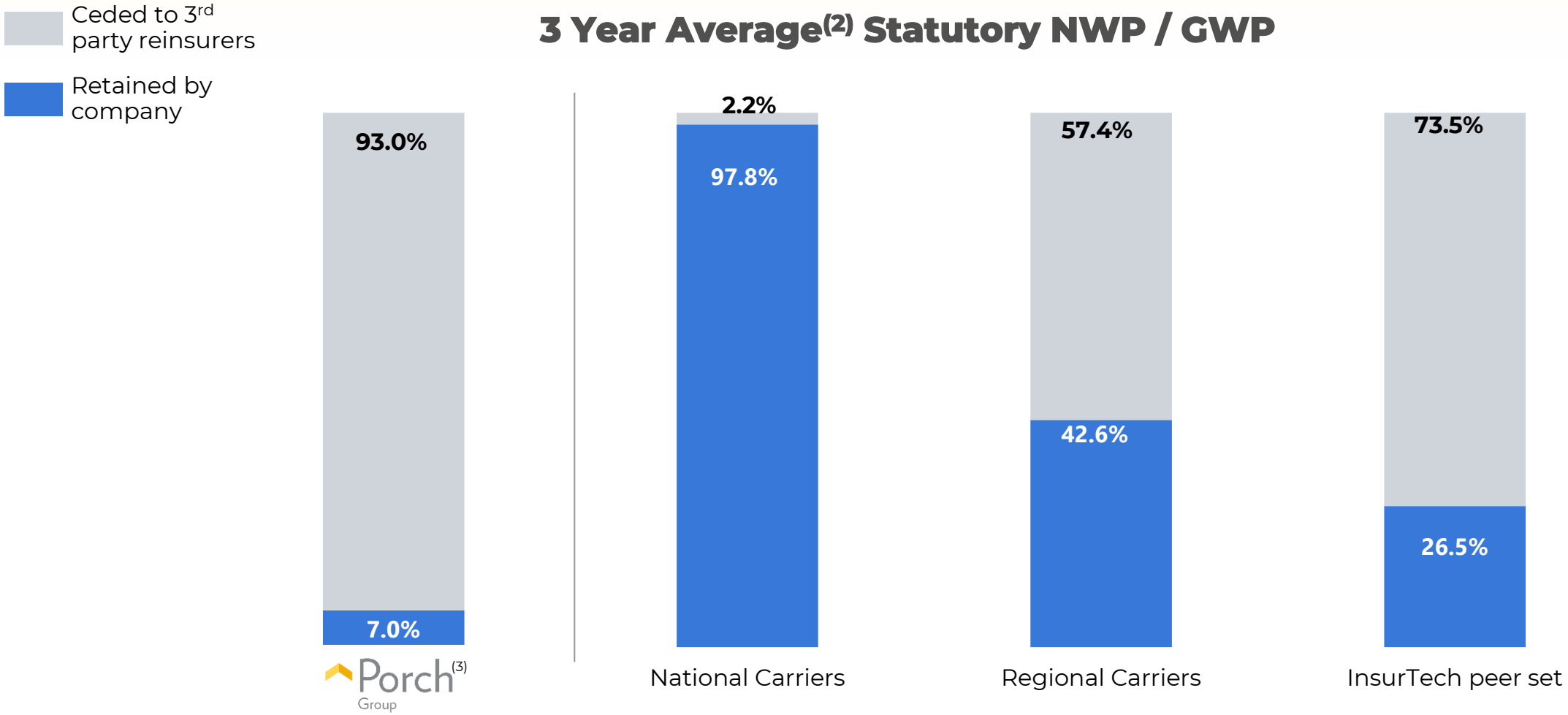
Porch Runs a Scaled (~$430M GWP[1]) Capital-Light InsurTech

Porch's high-performing gross loss ratio allows Porch and reinsurers both attractive financial results



Source: SNL Financial; Porch includes HOAIC; Indices represent median of personal lines for the SNL Group of following companies: National: Allstate, Auto Owners, Cincinnati, Farmers, Liberty Mutual, Main Street America, Mercury, National General, Progressive, State Farm, State Auto, Travelers; Regional: Allied Trust, Erie, Heritage, Lighthouse, QBE, Sagesure/Occidental, Universal P&C; UPC; InsurTech: Hippo, Kin, Lemonade, Metromile, Root

1) GWP Annual Run Rate as of Q3 2021 GWP includes gross written premium written for 3rd party carriers through EIG, gross written premium HOA writes as well as AHP's face value of policy premiums written during the period
2) Represents median of peer company average for 2018, 2019 and 2020 Statutory Net Written Premium (NWP) / GWP
3) Represents HOAIC

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Value of Proprietary Data for Claims Mitigation

Insurance Warranty



Wind & Hail
~34%[1] of industry loss

Example: Older roofs are more easily damaged; replacing can exceed **$10K[2]**

✓ *Data Advantage:* Up to date roof type, age and quality



Water Damage
~29%[1] of industry loss

Example: Water heater failure typically costs **$7.5K[2]**

✓ *Data Advantage:* Make, model, serial number, age of water heater



Fire & Lightning
~29%[1] of industry loss

Example: Appliance failure and faulty wiring are among key loss drivers

✓ *Data Advantage:* Quality of electrical; make, model, serial number, and age of appliances



Systems & Appliances
~95%+ of warranty losses[2]

Example: Avg. appliance loss – HVAC: ~**$725+[2]**, washer: ~**$350+[2]**

✓ *Data Advantage:* Make, model, serial number, and age of systems and appliances

Source: Insurance Information Institute
1) Insurance reflects percentage of losses incurred for 2019 per Insurance Information Institute
2) Represents management estimates based company experience

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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
4. Large insurance operation with CAC, pricing, data, and value prop advantages
5. Proven team with strong track record
6. Massive and expanded $320B+ addressable TAM
7. Strong financial results with fast revenue growth and high contribution margins
8. Positioned for long-term leadership for the home: SaaS, insurance, warranty, moving and maintenance

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Thank you

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Appendix

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Balance Sheet well positioned for growth

Balance Sheet

Cash and Restricted Cash as of Sept 30, 2021: $416M

- Primary use of cash expected for M&A
- Well positioned to support investments; vertical software systems, Insurtech, data platform & consumer experience

Total Long-Term Debt as of Sept 30, 2021: $429.6M

- $425M of convertible note issued in September 2021 and due September 2026 that the Company may settle with cash, shares of the Company's common stock, or any combination of cash and shares of the Company's common stock
- $4M HOA line of credit
- $600K Other notes

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Capital Structure Update

Capital Structure

- **Total common shares outstanding as of Sept 30, 2021: 97.3M and 1.8M private warrants outstanding**

- 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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