




Investor Presentation

August 2023

A photograph of a modern, two-story house with a white gabled roof and large windows. The house has a mix of white and dark wood siding. A paved walkway leads to the front door. The image is overlaid with a semi-transparent dark blue filter.

**Love your home.
For moving and improving and everything in between.**

Disclaimers

Forward-Looking Statements

Certain statements in this release 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. Although the Company believes that its plans, intentions, and expectations reflected in or suggested by these forward-looking statements are reasonable, the Company cannot assure you that it will achieve or realize these plans, intentions, or expectations. Forward-looking statements are inherently subject to risks, uncertainties, assumptions, and other factors which could cause actual results to differ materially from those expressed or implied by such forward-looking statements. Generally, statements that are not historical facts, including statements concerning the Company’s 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,” “intends, or similar expressions.

These forward-looking statements are based upon estimates and assumptions that, while considered reasonable by the Company and its management at the time they are made, are inherently uncertain. Factors that may cause actual results to differ materially from current expectations include, but are not limited to: (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) the Company’s 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 Company’s ability to obtain supplemental reinsurance coverage (whether from Porch Group, third parties, or a combination thereof) in order to maintain adequate coverage against excess losses and to satisfy regulatory or rating agency requirements, following the termination of its reinsurance contract with one of its external reinsurers due to allegations of fraudulent activity committed by such reinsurer, and uncertainty of the extent and significance of any effects on HOA and the Company due to such termination; (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 the Company 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) 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; (13) retaining and attracting skilled and experienced employees; (14) costs related to being a public company; and (15) other risks and uncertainties discussed in Part I, Item 1A, “Risk Factors,” in the Company’s Annual Report on Form 10-K (“Annual Report”) for the year ended December 31, 2022, and in Part II, Item 1A, “Risk Factors,” in our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2023 and June 30, 2023, as well as those discussed in subsequent reports filed with the Securities and Exchange Commission (“SEC”), all of which are available on the SEC’s website at www.sec.gov.

Nothing in this release should be regarded as a representation by any person that the forward-looking statements set forth herein will be achieved or that any of the contemplated results of such forward-looking statements will be achieved. You should not place undue reliance on forward-looking statements, which speak only as of the date of this release. Unless specifically indicated otherwise, the forward-looking statements in this release 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 release. Porch does not undertake any duty to update these forward-looking statements, whether as a result of changed circumstances, new information, future events or otherwise, except as may be required by law.

Non-GAAP Financial Measures

This release includes non-GAAP financial measures, such as Adjusted EBITDA (loss) and Adjusted EBITDA (loss) as a percent of revenue.

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 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.

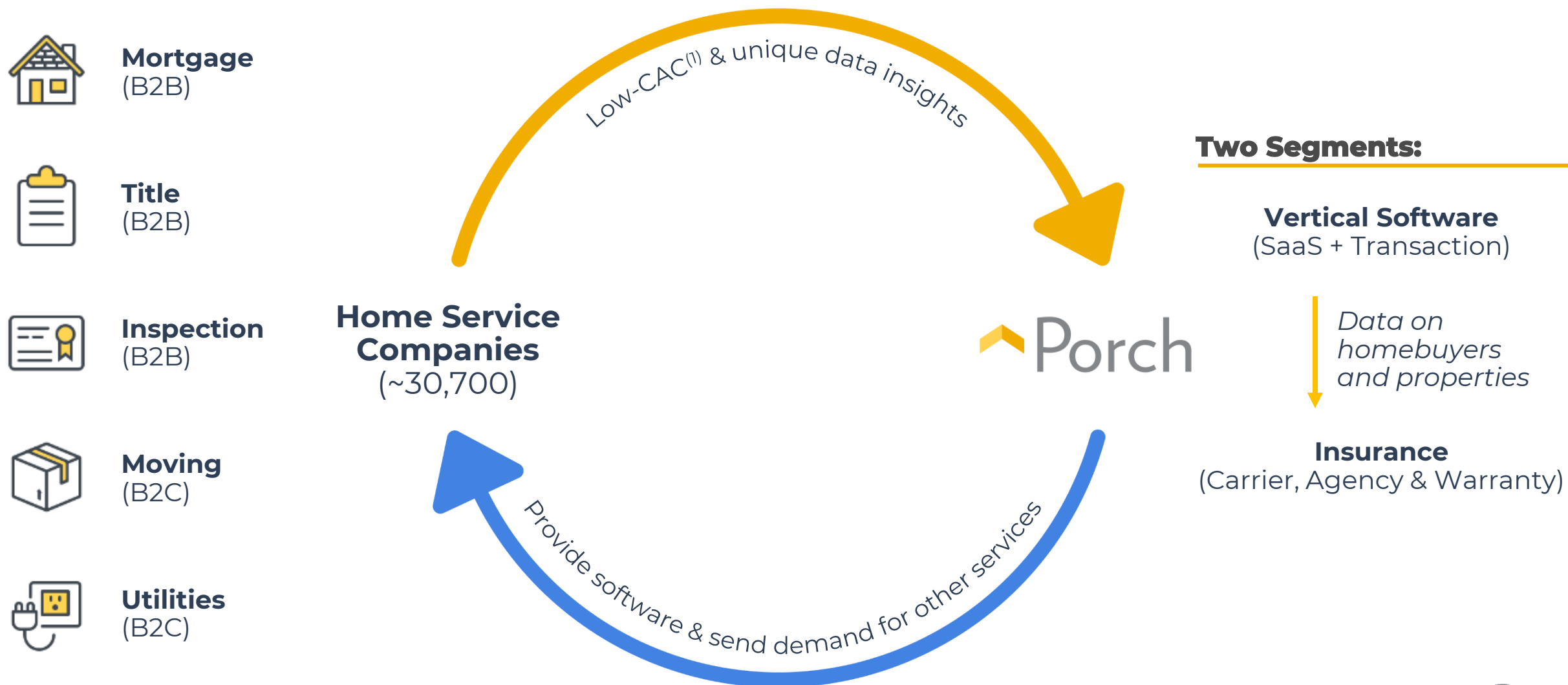
You should review the tables accompanying this release for reconciliations of these non-GAAP financial measures to the most directly comparable GAAP financial measure. The Company is not providing reconciliations of non-GAAP financial measures for future periods to the most directly comparable measures 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.

Investor Presentation

About Porch Group



Porch Group, the Vertical Software Platform for the Home



(1) Customer acquisition cost

Porch Delivers Services Across the Lifetime of the Home

Insurance
Recurring Revenue



▶ Porch is a nationwide insurance agency selling home, auto, renters, flood and umbrella insurance. Additionally, Porch operates as an MGA and carrier for home insurance.

Warranty
Recurring Revenue



▶ Porch provides home warranty products in 49 states + DC offering our own Porch Warranty brand which enhances coverage and value by including our handyman services.

Moving
Per job revenue



▶ Porch is the leader in providing moving labor services (loading or unloading a moving truck) and spans to coordinate full-service long-distance moves.

Security
Per install revenue



▶ Porch helps ensure homes are protected with getting the right home security and home automation company scheduled to complete the installation.

TV/Internet
Per install revenue



▶ Porch helps consumers understand all of their options for Internet, TV and phone service for their new home, and helps the customer purchase and activate service.

Contractors
Per lead/appt revenue



▶ Porch helps customers get inspection repairs done on their new home and complete ongoing maintenance and improvement tasks.



Porch Has Early Access to ~90% of US Homebuyers

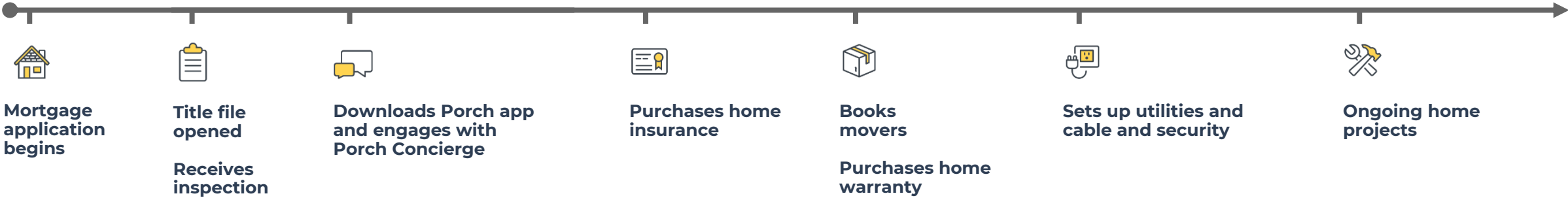
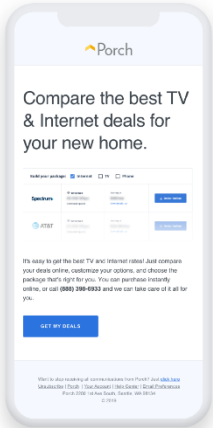
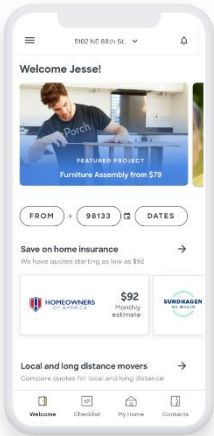
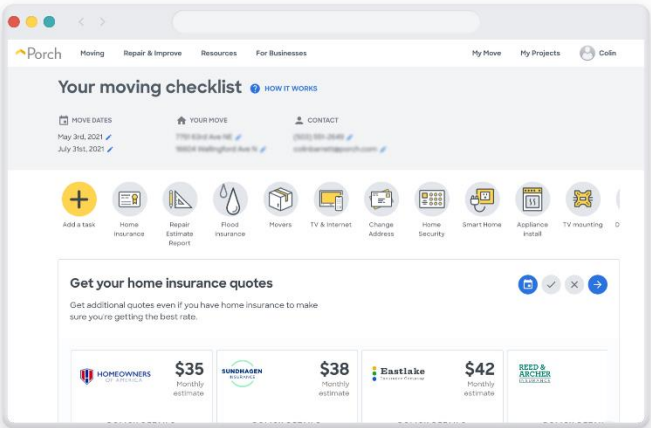


Everyone else

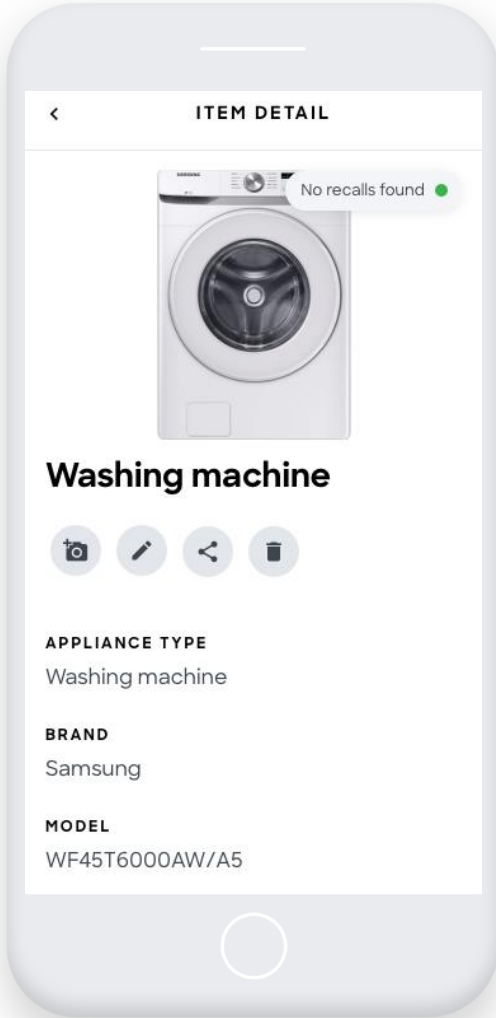
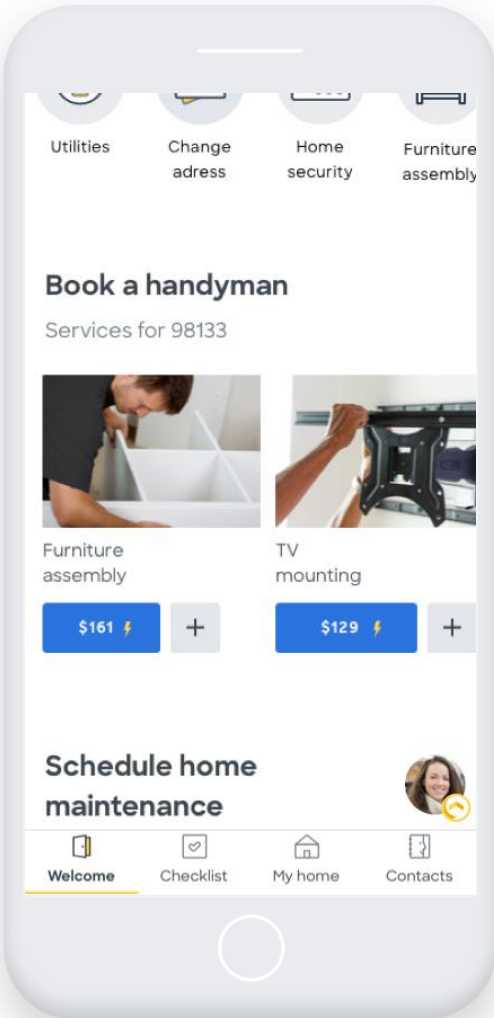
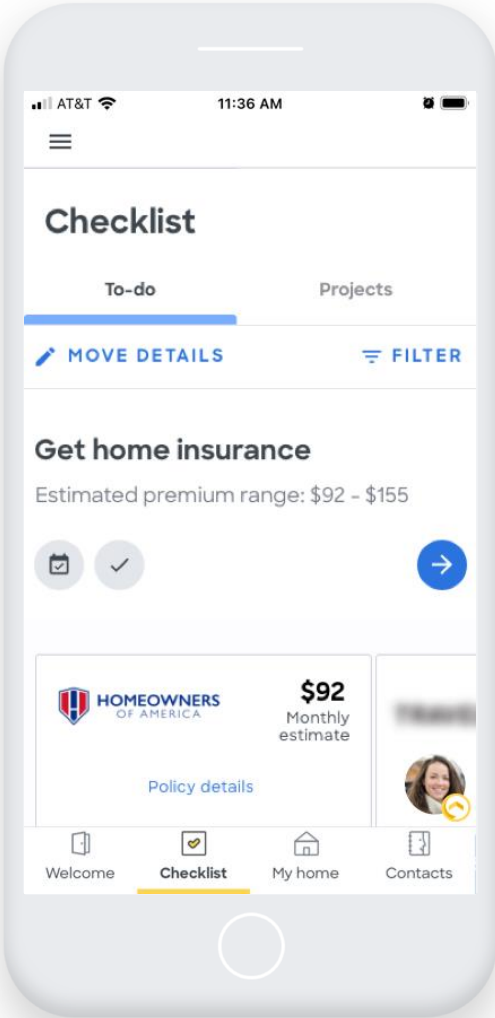
Porch knows homebuyers are moving ~6 weeks before the move due to unique early access

Major move-related purchase decisions begin to be made

Customer info becomes public (available to everyone else) via USPS



Porch App Helps Consumers Make the Move Simpler

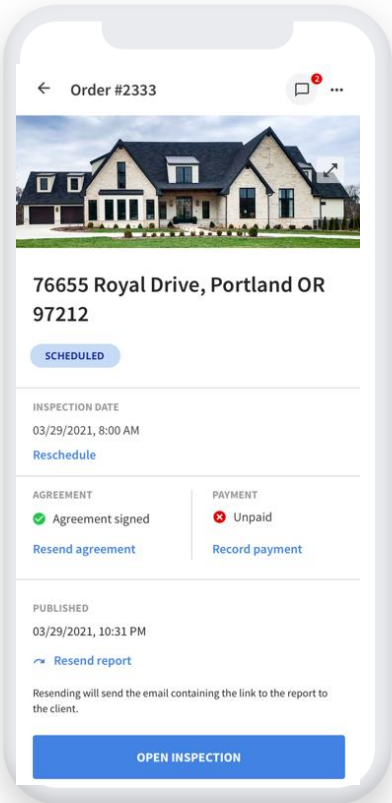


Investor Presentation

Vertical Software Segment



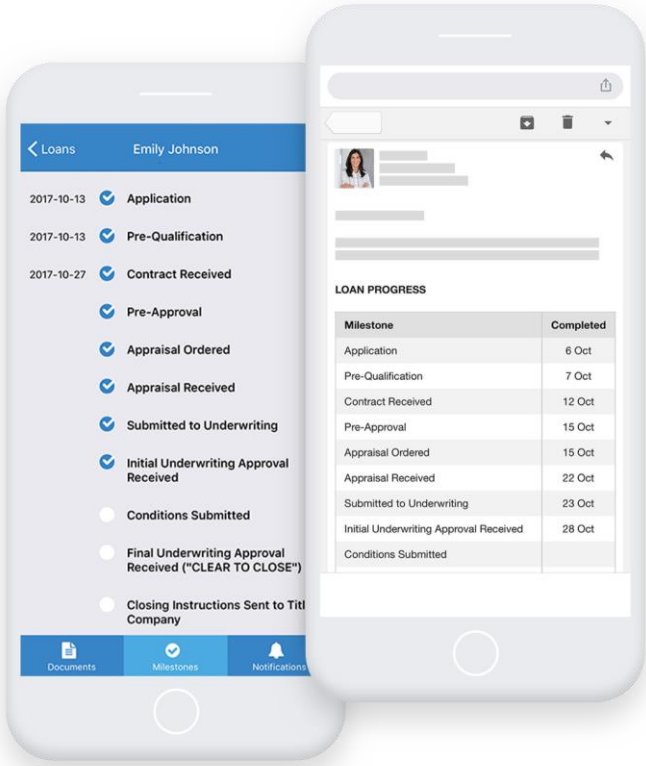
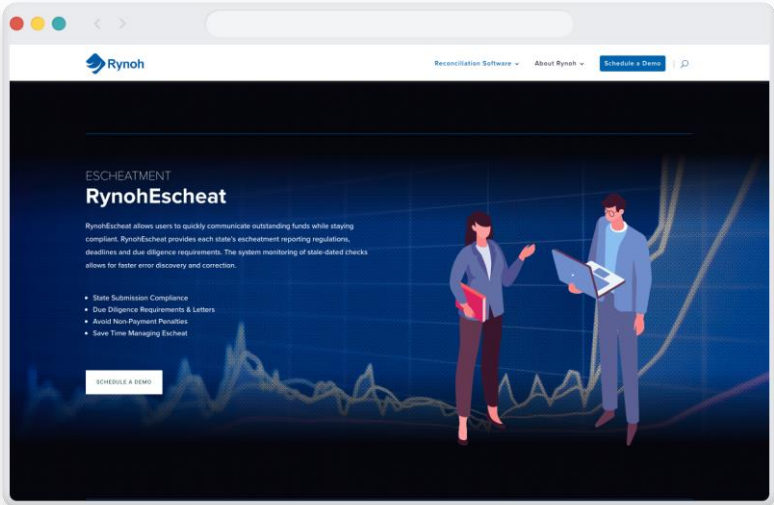
B2B Services: SaaS & Transaction Based Revenue



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



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



For further brands and services visit porchgroup.com/companies

B2C Services: Transaction Based Revenue

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 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

Compare Mover Prices

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

Loading & Unloading

Loading

Unloading

[Moving long distance? Get your full moving quote](#)

4.8 out of 5

★★★★★

248,039 reviews

5 ★

88.6%

4 ★

5.4%

3 ★

1.9%

2 ★

2.4%

1 ★

1.8%

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

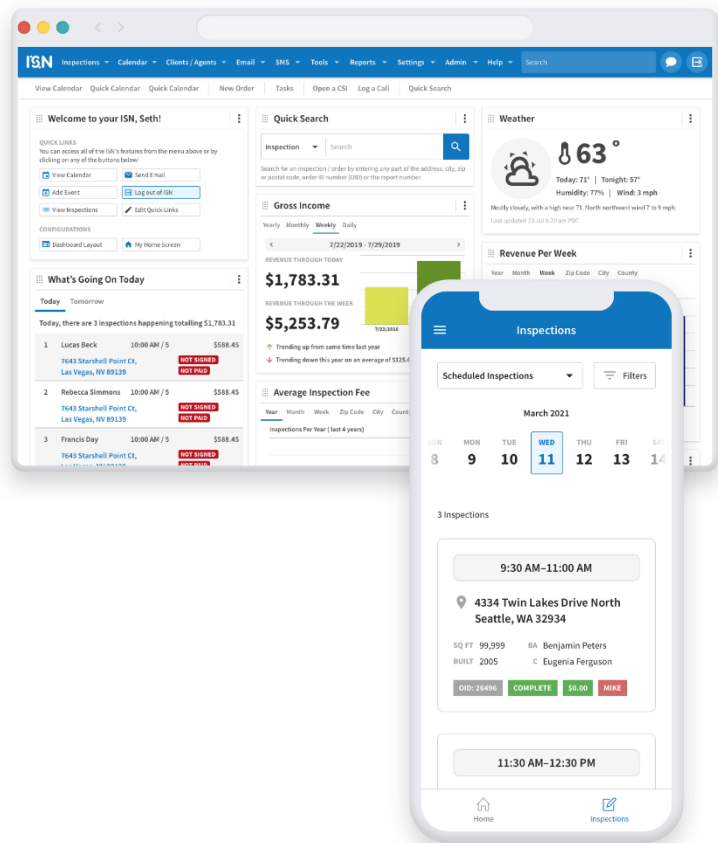
For further brands and services visit porchgroup.com/companies

Copyright 2023 Porch Group, Inc. All rights reserved

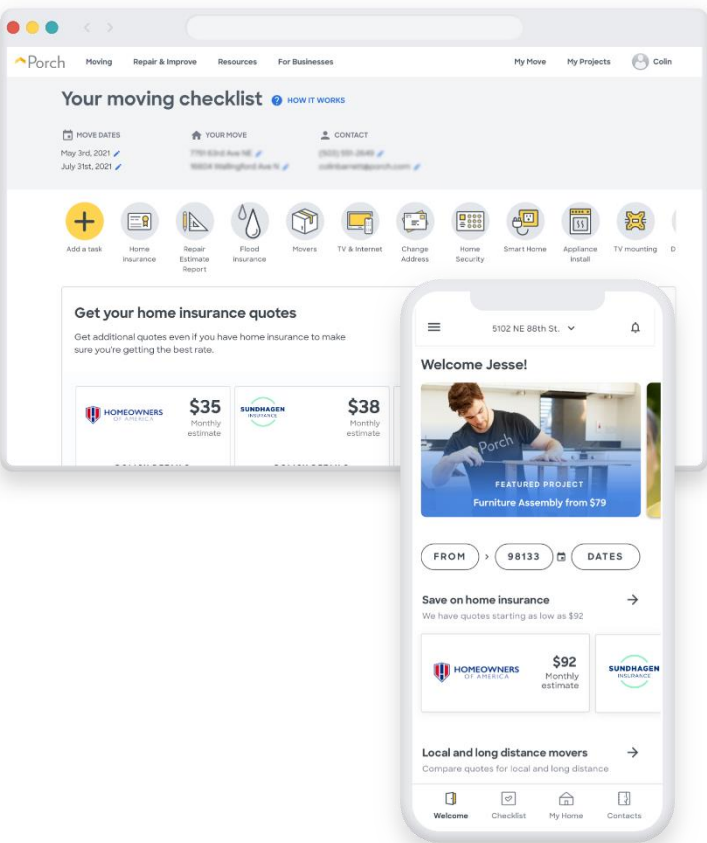
10

Porch Value Proposition to Software Companies

Best-in-Class Vertical Software



Differentiated Value Prop



Demand Generation



Investor Presentation

Insurance Segment



Protecting Homeowners with Insurance & Warranty

● Insurance

Home Structure

● Warranty

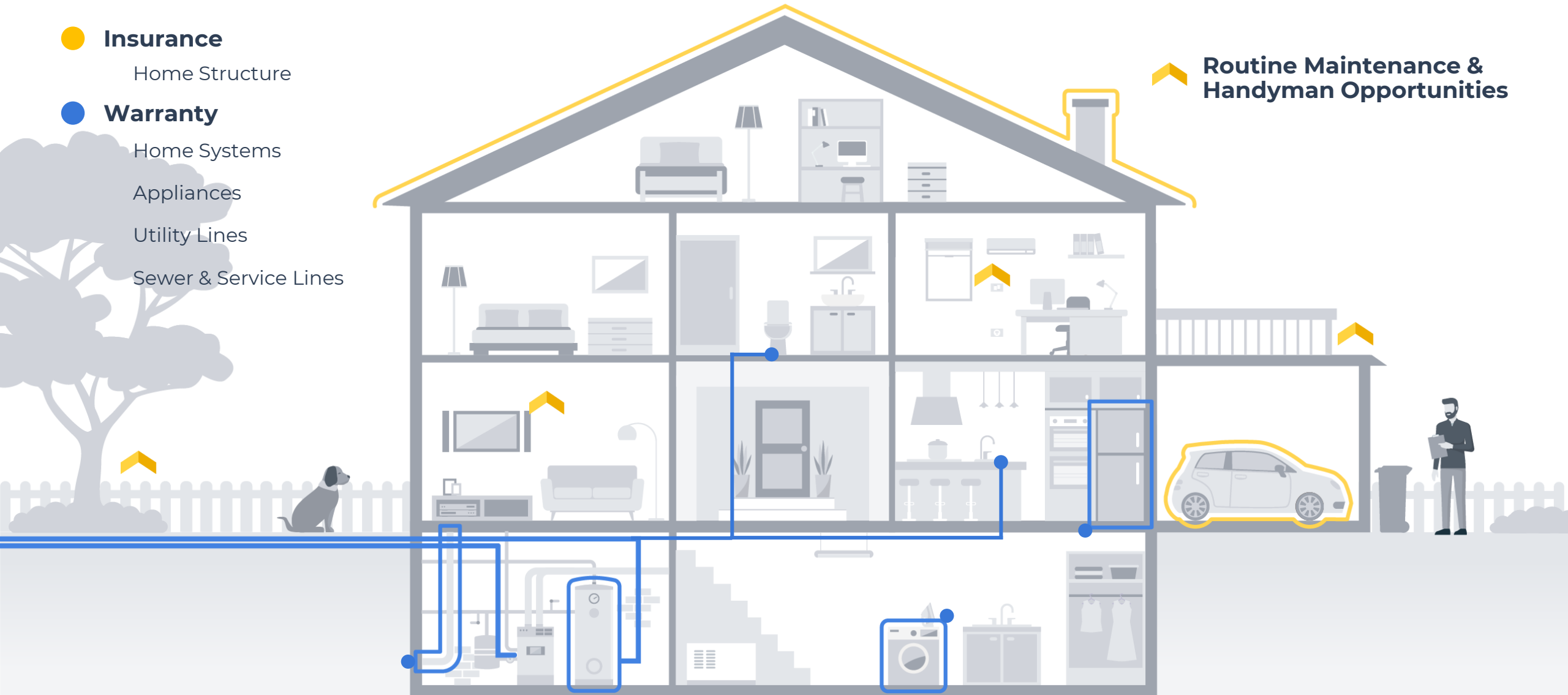
Home Systems

Appliances

Utility Lines

Sewer & Service Lines

▲ Routine Maintenance & Handyman Opportunities



Insurance Segment: High-Value Protection Products



Insurance Agency

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

Insurance Carrier

- Writing in 22 states
- Applied for a Reciprocal Exchange with Texas Department of Insurance

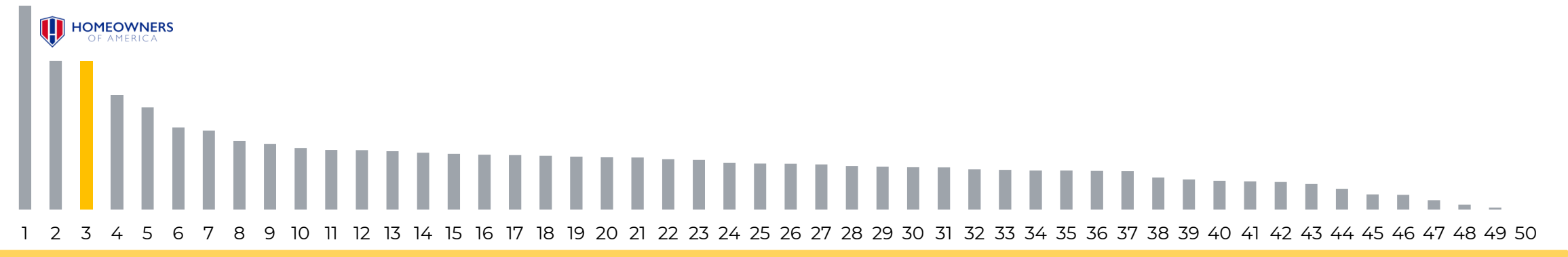
Home Warranty

- Live in 49 states + DC
- Offer innovative 3-year policy structure
- Also offer short-term warranties designed for home inspector offerings

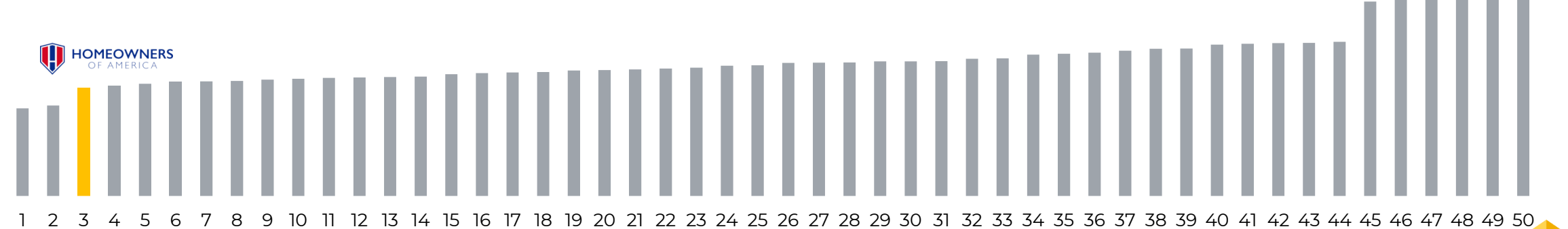
HOA Outperforms Majority of Peers

Delivering third highest growth and third highest performing combined ratio in 2022

2022 Gross Written Premium¹ Growth



2022 Gross Combined Ratio²



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.

Home Insights Data Drives Unique Insurance Pricing

Filed And Approved

Water heater locations:

- Approved in 11 states
- AZ, VA, GA, SD, SC, AL, TX, NC, IL, UT, OR

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

- Approved in 6 states
- AZ, VA, TX, IL, UT, OR

Submitted Awaiting Approval

- Water heater location: CO, NV
- Other insights: NV

Unique Data Advantages



Unique information about the borrowers



Make, model, age and characteristics



Number of potential issues

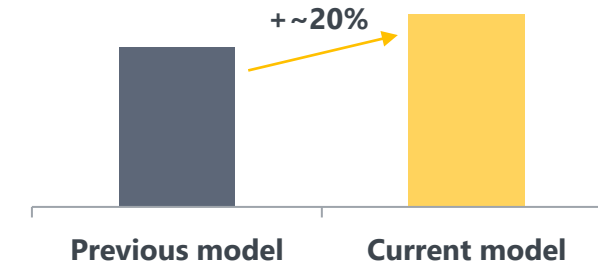
Data Insights Driving Insurance Pricing Model Accuracy

More Accurate Policy Pricing

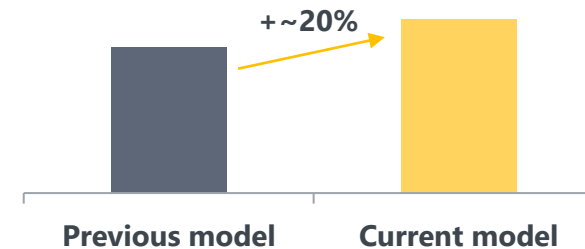
- Porch has insights into ~90% of US homebuyers
- Combined with claims history across many categories (fire, non-cat weather, water, etc.)
- Unique data and advanced pricing techniques drives improvements in model accuracy
- More accurate models allow for conversion of lower risk, lower priced policies and more accurate pricing of higher risk policies

Model Accuracy Improvements

Non-Cat Weather



Fire



Investor Presentation

Q2 2023 Financial Highlights

Second Quarter 2023 Key Updates

1. Reciprocal application continues to progress with the TDI
2. Maintain focus on improving underwriting performance
3. Unique data approved to use in insurance pricing in 11 states
4. Providing demand to independent insurance agencies where we share commissions
5. Warranty continues to grow with new B2B2C channels and partnerships

Second Quarter 2023 Results

Strong Execution in Q2'23

\$99m **+39%**

Total Revenue

18%

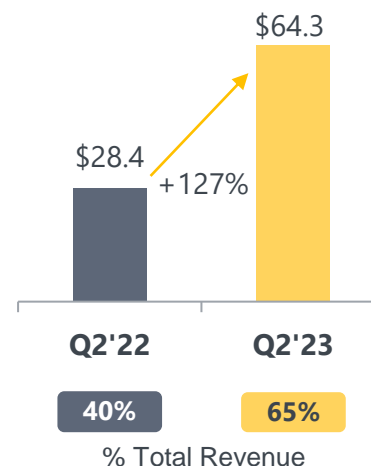
Revenue Less Cost of Revenue
as % of Revenue

\$(43)m

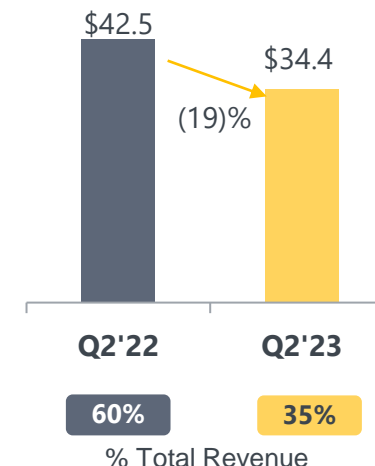
Adj. EBITDA¹

Insurance 65% of Revenue

Insurance
Segment (\$m)



Vertical Software
Segment (\$m)



(1) Adjusted EBITDA (loss) is a non-GAAP measure. See Porch's Q2 2023 earnings release for an explanation of all non-GAAP financial measures and reconciliations to the comparable GAAP measures.

KPIs – Q2 2023

30.7k

Avg Number
of Companies

- Broadly similar to Q1'23 and +7% increase from Q2'22

\$1,073

Avg Revenue
per Company per Month

- An increase of +13% from Q1'23 and +31% from Q2'22
- Driven by the increase in Insurance revenue

245k

Monetized
Services

- An increase of +14% vs Q1'23 due to seasonality in the moving business
- Decrease of 27% vs Q2'22 due to the industry-wide decline in home sales and corporate relocation in moving

\$331

Avg Revenue
Per Monetized Service

- Broadly flat versus Q1'23 due to a mix shift towards moving
- An increase of +109% vs Q2'22 driven by growth in higher value services such as insurance and warranty

Insurance Segment: Q2 2023 Performance

\$143m

Q2'23 GWP
Q2'22: \$145m

358k

Policies In Force
Q2'22: 379k

104%

Premium Retention
Q2'22: 102%

\$517

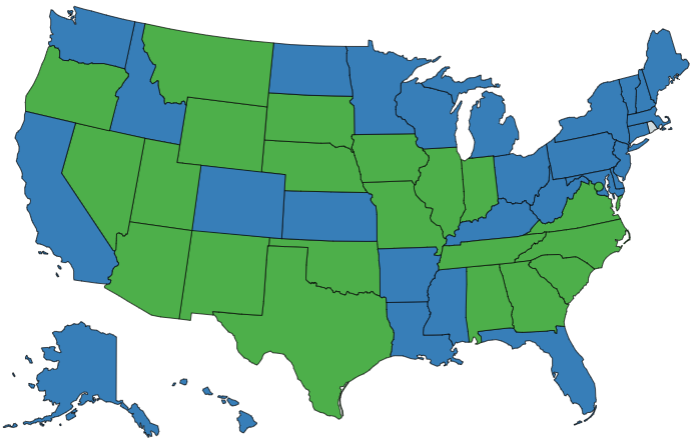
Annualized Revenue Per Policy
Q2'22: \$286

120%

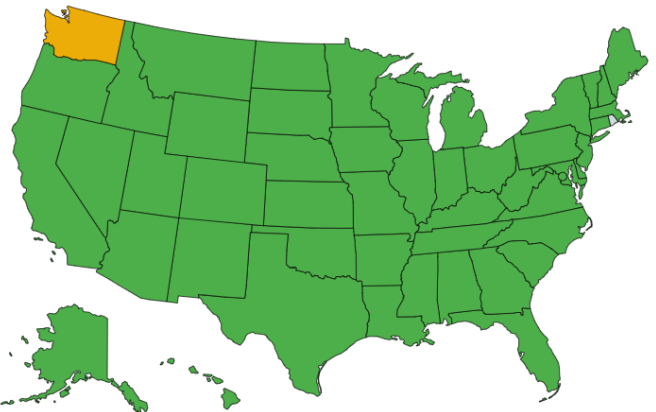
Gross Loss Ratio
Q2'22: 81%



Insurance
(Licensed agency in 50 states.
Carrier live in **22 states**)



Warranty
(Live in 49 states and D.C.)



- Active states
- Coming soon
- Agency only

Balance Sheet as of June 30, 2023

\$358 million unrestricted cash and investments as of June 30, 2023

- Includes an additional \$102 million cash from the \$333 million debt transaction which occurred in Q2'23
- Includes \$192 million HOA cash and investments
- In addition, \$39 million restricted cash held for warranty and captive businesses

Updating 2023 Guidance

2023: >20% Revenue Growth

H2 2023: Adjusted EBITDA Positive

\$330m - \$350m

Revenue
Unchanged

Reiterating with solid performance across several businesses, including price increases in insurance and software verticals

\$145m - \$160m

Revenue Less Cost of Revenue
Previously: \$170m - \$180m

This assumes cat weather is in line with historic trends and a 41% gross loss ratio

\$(65)m - \$(50)m

Adj EBITDA
Previously: \$(40)m - \$(30)m

Updated for unusual cat weather loss in Q2'23 (not included in guidance previously). On track for positive H2'23 Adj EBITDA and beyond.

~\$500m

Gross Written Premium
Unchanged

Includes non-renewal of approximately 37,000 higher risk policies and assumes some attrition due to increased premium per policy

See Porch's full year 2022 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.

Investor Presentation

Strategy & Outlook

2023 Strategic Priorities

1. Sell more software and access higher percentage of homebuyers
2. Extend online experiences and increase revenue per homebuyer
3. Improve premium per policy in our insurance and warranty offerings
4. Launch Reciprocal and move to lower risk, higher margin business

Investor Presentation

Appendix

Proven Porch Management Team Has 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



Adam Kornick
President, InsurTech Division



Matt Cullen
General Counsel and Secretary



Malcolm Conner
VP and Group GM, Home Services



Nick Graham
SVP, GM – Moving Group



Joshua Steffan
VP and Group GM, Inspection and Real Estate



Janet Zimmerman
VP of People



No Jerks / No Egos



Care Deeply



Be Ambitious



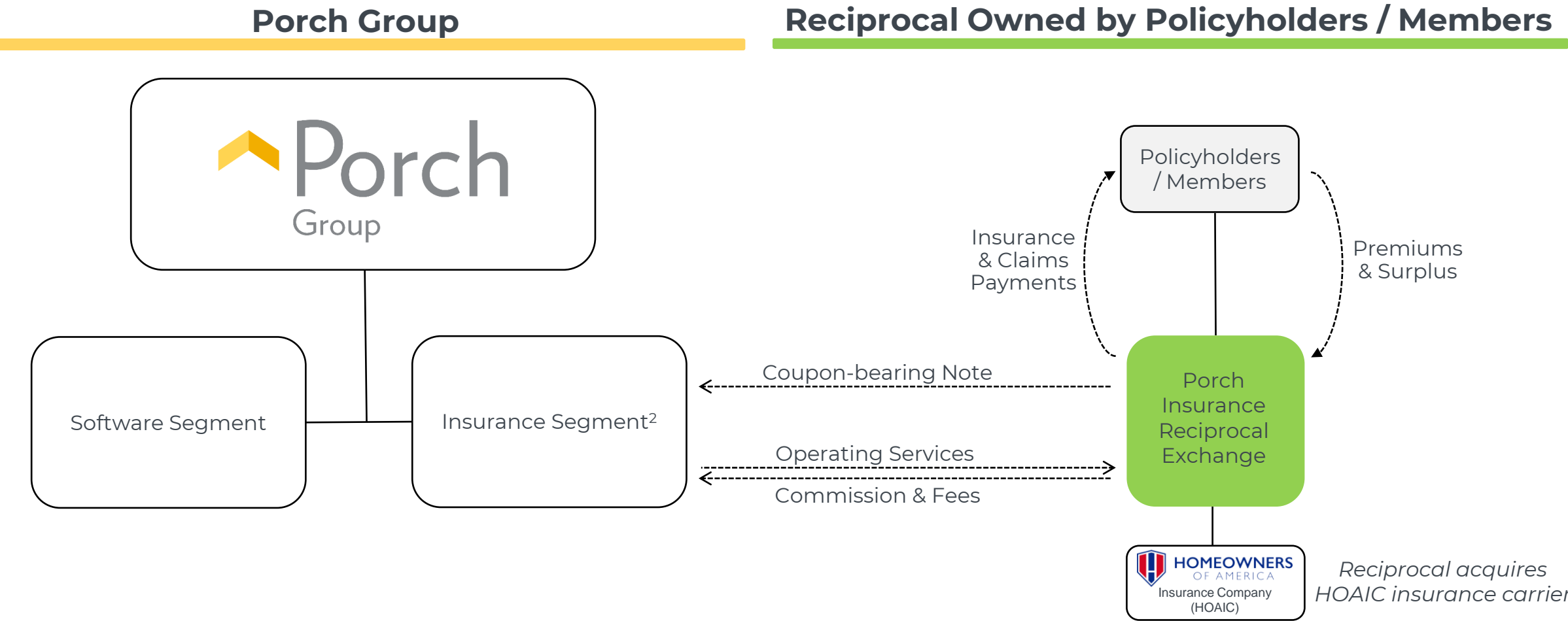
Together We Win



Solve Each Problem

What is a Reciprocal¹?

A reciprocal insurer is an insurance association owned by its policyholder-members



(1) This slide assumes the approval of the reciprocal under the proposed structure and terms. Formation of reciprocal is subject to ongoing Porch and regulatory review in context of broader capital and operating environment. Key risk factors for this operating and capital model are noted in Porch Group's SEC filings.

(2) Insurance Segment includes but not limited to the following legal entities: Homeowners Of America Holding Corp., Homeowners of America MGA, Inc., Porch Risk Management Services LLC.

Filed Application to form a Reciprocal Exchange with TDI

- If approved, Porch Insurance Reciprocal Exchange would be owned by policyholder members who:
 - Benefit from new Porch value propositions
 - Can participate in future dividends
- HOA insurance carrier and its capital would transfer to the Reciprocal on approval in exchange for a coupon-bearing note
- Strategy improves margins and profitability of Porch Group over time, with less direct exposure to weather

2023 Insurance Actions

1

Seeking Texas Department of Insurance approval for new Reciprocal Exchange¹

Formation of a Reciprocal on Porch's proposed terms is a key part of the strategy to reduce exposure to earnings volatility by mitigating direct exposure to claims and weather events

2

Decrease quota share reinsurance

Moving to be less dependent upon expensive annual quota share reinsurance and allow Reciprocal to be more efficient

3

Non-renew 37,000 higher risk policies to boost profitability

Given high cost of reinsurance, moving away from specific policies which are higher risk

(1) There can be no assurances that the Texas Department of Insurance will approve Porch's plans as proposed or that circumstances do not change before the Reciprocal is launched, and the decision to proceed remains within the Company's discretion.

Glossary

Term	Definition
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	Average Revenue per Account per Month in Quarter is defined 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	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 service transaction revenues generated from monetized services.
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.
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.
Monetized Services in Quarter	Monetized Services in Quarter is defined as the total number of unique 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.

Email: IR@porch.com
Website: IR.porchgroup.com

