



# Q4 2021 EARNINGS SUPPLEMENT

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MARCH 2022



# PRO FORMA INFORMATION AND NON-GAAP FINANCIAL MEASURES



The pro forma information presented herein gives effect to the results of our 2021 and 2020 Partnerships during the unowned period as if the Company had acquired such Partners on January 1, 2021 and January 1, 2020, respectively. This unaudited pro forma information should not be relied upon as being indicative of the historical results that would have been obtained if the acquisitions had occurred on that date, nor the results that may be obtained in the future.

Pro Forma Adjusted EBITDA and Pro Forma Adjusted EBITDA Margin are not measures of financial performance under GAAP and should not be considered substitutes for net income. These non-GAAP financial measures have limitations as analytical tools, and when assessing our operating performance, you should not consider these non-GAAP financial measures in isolation or as substitutes for commissions and fees, net income (loss) or other consolidated income statement data prepared in accordance with GAAP. Other companies in our industry may define or calculate these non-GAAP financial measures differently than we do, and accordingly, these measures may not be comparable to similarly titled measures used by other companies.

Pro Forma Adjusted EBITDA eliminates the effects of financing, depreciation and amortization. We define Pro Forma Adjusted EBITDA as pro forma net income (loss) before interest, taxes, depreciation, amortization and certain items of income and expense, including share-based compensation expense, transaction-related expenses related to forming Partnerships including severance, and certain non-recurring costs, including capital related expenses and loss on modification and extinguishment of debt. We believe that Pro Forma Adjusted EBITDA is an appropriate measure of operating performance because it eliminates the impact of expenses that do not relate to business performance, and that the presentation of this measure enhances an investor's understanding of our financial performance.

Pro Forma Adjusted EBITDA Margin is Pro Forma Adjusted EBITDA divided by pro forma commissions and fees revenue. Pro Forma Adjusted EBITDA Margin is a key metric used by management and our board of directors to assess our financial performance. We believe that Pro Forma Adjusted EBITDA Margin is an appropriate measure of operating performance because it eliminates the impact of expenses that do not relate to business performance, and that the presentation of this measure enhances an investor's understanding of our financial performance. We believe that Pro Forma Adjusted EBITDA Margin is helpful in measuring profitability of operations on a consolidated level.



# KEY PERFORMANCE METRICS



	AMOUNTS IN 000'S						
	Q4 2021	Q4 2020	% Growth	FY 2021	FY 2020	% Growth	
<b>ACTUAL</b>							
Total revenue	\$ 159,200	\$ 69,649	129 %	\$ 567,290	\$ 240,919	135 %	
Net loss	(44,385)	(19,118)		(58,120)	(29,885)		
Diluted EPS	(0.41)	(0.29)		(0.64)	(0.58)		
Adjusted EBITDA <sup>(1)</sup>	20,246	10,615	91 %	112,909	43,956	157 %	
Adjusted EBITDA Margin <sup>(1)</sup>	13 %	15 %		20 %	18 %		
Adjusted Net Income <sup>(1)(2)</sup>	\$ 11,681	\$ 5,358	118 %	\$ 80,637	\$ 33,433	141 %	
Adjusted Diluted EPS <sup>(1)(2)</sup>	0.10	0.06	67 %	0.80	0.46	74 %	
Organic Revenue Growth % <sup>(1)</sup>	18 %	17 %		22 %	16 %		
"MGA of the Future" Revenue Growth	36 %	73 %		47 %	49 %		
HO4 Policies in force <sup>(3)</sup>	692,385	524,370	32 %	692,385	524,370	32 %	
Net cash provided by operating activities	n/a	n/a		\$ 40,129	\$ 36,817	9 %	
Adjusted net cash provided by operating activities <sup>(4)</sup>	n/a	n/a		54,267	18,024	201 %	
<b>PRO FORMA</b>							
Pro Forma Revenue <sup>(5)</sup>	\$ 169,973	\$ 94,406	80 %	\$ 719,320	\$ 426,249	69 %	
Pro Forma Adjusted EBITDA <sup>(6)</sup>	28,138	19,815	42 %	175,025	109,866	59 %	
Pro Forma Adjusted EBITDA Margin <sup>(6)</sup>	17 %	21 %		24 %	26 %		
Total revenue of businesses owned as of 12/31/2020 <sup>(7)</sup>	\$ 116,966	\$ 94,406	24 %	\$ 506,268	\$ 426,249	19 %	

(1) Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Net Income, Adjusted Diluted EPS and Organic Revenue Growth are non-GAAP metrics. Refer to our earnings release issued on March 1, 2022 and posted on our website for a reconciliation of these non-GAAP metrics to the most directly comparable GAAP metrics.

(2) Calculation was adjusted in the fourth quarter of 2021 to include depreciation. Prior year amounts have been conformed to current year presentation.

(3) Figure not in 000's. Represents total policies in force managed by our "MGA of the Future."

(4) Management calculates adjusted free cash flow from operations, a non-GAAP measure, because the Company holds fiduciary cash designated for our Insurance Company partners on behalf of our clients, and incurs substantial earnout liabilities in conjunction with its Partnership strategy. Adjusted Net Cash provided by Operating Activities is calculated as Net Cash provided by Operating Activities excluding: (i) the impact of the change in premiums, commissions and fees receivable, net; (ii) the change in accounts payable, accrued expenses and other current liabilities; and (iii) the payment of contingent earnout consideration in excess of purchase price accrual."

(5) Reflects quarterly GAAP revenue, plus revenue from Partnerships in the unowned portion of the period for Partnerships closed (i) before the end of Q4 2021 for 2021 periods and (ii) before the end of Q4 2020 for 2020 periods. Refer to Slides 8 and 17 of this presentation for a reconciliation of Pro Forma Revenue to the most directly comparable GAAP metric.

(6) Pro Forma Adjusted EBITDA and Pro Forma Adjusted EBITDA Margin are non-GAAP metrics. Refer to Slides 7 and 16 of this presentation for reconciliations of these non-GAAP metrics to the most directly comparable GAAP metrics.

(7) Total revenue of businesses owned as of 12/31/2020 is a non-GAAP metric that presents growth as if all 2020 Partners were included in the calculation of organic growth. Refer to Slide 8 of this presentation for a reconciliation of total revenue of businesses owned as of 12/31/2020 to the most directly comparable GAAP metric.

# 2021 PARTNERSHIPS



## AMOUNTS IN 000'S

	Q1	Q2	2021 Q3	Q4	FY
<b>CONSOLIDATED</b>					
Closed Partnerships	2	3	5	6	16
Cash/Equity aggregate closing consideration <sup>(1)</sup>	\$ 19,969	\$ 13,341	\$ 293,377	\$ 608,203	\$ 934,890
Maximum contingent earnout	11,014	7,948	213,725	312,473	545,160
Acquired revenue <sup>(2)</sup>	3,961	4,595	63,947	133,652	206,155
Estimated acquired adjusted EBITDA <sup>(3)</sup>	252	1,815	19,059	54,338	75,464
Phasing of acquired revenue <sup>(4)</sup>	\$ 57,600	\$ 54,261	\$ 46,012	\$ 48,282	\$ 206,155

- (1) Equity portion of consideration for Q1, Q2, Q3 and Q4 Partnerships based on the fair value of the Company's equity consideration paid as of the closing date of each such Partnership.
- (2) Represents the aggregate revenues of Partners acquired during the relevant quarter presented, for the most recent trailing twelve-month period prior to acquisition by the Company, in each case, at the time the due diligence was concluded based on a quality of earnings review and not an audit.
- (3) Represents the aggregate estimated Adjusted EBITDA of Partners acquired during the relevant quarter presented, for the most recent trailing twelve-month period prior to acquisition by the Company, in each case, at the time the due diligence was conducted based on a quality of earnings review and not an audit. Adjustments to net income (loss) include the adjustments to net income (loss) used by the Company to calculate its Adjusted EBITDA and certain estimated deal-specific cost savings resulting from acquisition by the Company, including commissions grid alignment, technology-related cost savings, personnel-related cost savings and centralized growth services, as well as the normalization of acquisitions/divestitures and continuation of Adjusted EBITDA growth trends seen in the year-to-date quality of earnings.
- (4) Represents the aggregate revenues on a quarterly basis under ASC Topic 606 of Partners acquired during the relevant year for the most recent trailing twelve-month period prior to acquisition by the Company, in each case, at the time the due diligence was concluded based on a quality of earnings review and not an audit.

# ACTUAL DISAGGREGATED COMMISSIONS AND FEES REVENUE & KPIs



AMOUNTS IN 000'S	2021				
	Q1 <sup>(1)</sup>	Q2 <sup>(1)</sup>	Q3 <sup>(1)</sup>	Q4	FY
<b>MIDDLE MARKET</b>					
Commissions <sup>(2)</sup>	\$ 95,724	\$ 61,328	\$ 64,997	\$ 82,523	\$ 304,572
Profit-sharing	7,487	6,628	6,950	8,294	29,359
Consulting and service fee	7,007	7,570	7,353	5,680	27,610
Other	337	583	787	574	2,281
Total Middle Market revenue	\$ 110,555	\$ 76,109	\$ 80,087	\$ 97,071	\$ 363,822
Organic revenue growth					16 %
Closed Partnerships <sup>(3)</sup>	—	1	3	5	9
	Q1	Q2	Q3 <sup>(1)</sup>	Q4	FY
<b>SPECIALTY</b>					
Commissions <sup>(4)</sup>	\$ 17,898	\$ 23,170	\$ 34,092	\$ 37,259	\$ 112,419
Policy fee and installment fee	4,476	4,792	5,157	5,433	19,858
Profit-sharing	1,925	1,243	879	2,064	6,111
Consulting and service fee	—	—	540	897	1,437
Other	783	900	1,318	1,629	4,630
Total Specialty revenue	\$ 25,082	\$ 30,105	\$ 41,986	\$ 47,282	\$ 144,455
Organic revenue growth					36 %
Closed Partnerships <sup>(3)</sup>	1	—	2	2	5
Policies in force <sup>(5)</sup>	566,114	605,295	661,946	692,385	692,385

- (1) Certain Q1, Q2 and Q3 disaggregated amounts for the Middle Market Operating Group and Q3 disaggregated amounts for the Specialty Operating Group have been reclassified to conform to Q4 presentation.
- (2) The Middle Market Operating Group recorded intercompany commissions of \$0.4 million, \$0.1 million, \$0.6 million \$0.4 million and \$1.5 million for Q1, Q2, Q3, Q4 and the year-to-date period, respectively, which are eliminated in consolidation.
- (3) The JGS Partnership, which closed in Q4 2021, is a Middle Market Partner and Specialty Partner.
- (4) The Specialty Operating Group recorded intercompany commissions of less than \$0.1 million, \$0.1 million and \$0.2 million for Q3, Q4 and the year-to-date period, respectively, which are eliminated in consolidation.
- (5) Figure not in 000's. Represents total policies in force managed by our "MGA of the Future."

# ACTUAL DISAGGREGATED COMMISSIONS AND FEES REVENUE & KPIs



AMOUNTS IN 000'S	2021				
	Q1	Q2	Q3	Q4	FY
<b>MAINSTREET</b>					
Commissions <sup>(1)</sup>	\$ 7,316	\$ 8,250	\$ 8,407	\$ 8,286	\$ 32,259
Profit-sharing	880	304	276	462	1,922
Other	26	22	77	38	163
Total Mainstreet revenue	\$ 8,222	\$ 8,576	\$ 8,760	\$ 8,786	\$ 34,344
Organic revenue growth					12 %
Closed Partnerships	—	—	—	—	—

	Q1	Q2	Q3	Q4	FY
<b>MEDICARE</b>					
Commissions <sup>(2)</sup>	\$ 9,390	\$ 5,139	\$ 5,427	\$ 5,831	\$ 25,787
Other	62	13	238	1,292	1,605
Total Medicare revenue	\$ 9,452	\$ 5,152	\$ 5,665	\$ 7,123	\$ 27,392
Organic revenue growth					7 %
Closed Partnerships	1	2	—	—	3

(1) The MainStreet Operating Group recorded intercompany commissions of less than \$0.1 million, less than \$0.1 million, \$0.1 million, \$0.3 million and \$0.5 million for Q1, Q2, Q3, Q4 and the year-to-date period, respectively, which are eliminated in consolidation.

(2) The Medicare Operating Group recorded intercompany commissions of \$0.1 million, \$0.1 million, \$0.2 million, \$0.2 million and \$0.6 million for Q1, Q2, Q3, Q4 and the year-to-date period, respectively, which are eliminated in consolidation.

# PRO FORMA CONSOLIDATED ADJUSTED EBITDA BRIDGE



	AMOUNTS IN 000'S				
	Q1	Q2	2021 Q3	Q4	FY
Pro Forma Revenue	\$ 209,380	\$ 172,510	\$ 167,457	169,973	\$ 719,320
Pro Forma Net Income (Loss)	\$ 45,274	\$ (11,731)	\$ (23,621)	\$ (38,964)	\$ (29,042)
Adjustments to Pro Forma Net Income (Loss):					
Amortization expense	17,387	17,532	17,435	16,451	68,805
Change in fair value of contingent consideration	(1,503)	13,325	11,341	22,033	45,196
Interest expense, net	9,848	9,933	10,738	9,333	39,852
Share-based compensation	3,542	4,545	3,834	7,272	19,193
Transaction-related Partnership expenses	2,445	3,225	5,556	7,956	19,182
Depreciation expense	594	573	753	868	2,788
Change in fair value of interest rate caps	—	825	334	(1,036)	123
Severance	—	—	481	390	871
Income tax provision	—	—	—	19	19
Other	859	1,412	1,951	3,816	8,038
Pro Forma Adjusted EBITDA	\$ 78,446	\$ 39,639	\$ 28,802	\$28,138	\$ 175,025
Pro Forma Adjusted EBITDA Margin	37%	23%	17%	17%	24%

# RECONCILIATION TO GAAP



AMOUNTS IN 000'S	2021				
	Q1	Q2	Q3	Q4	FY
Revenue	\$ 152,828	\$ 119,706	\$ 135,556	\$ 159,200	\$ 567,290
Revenue for 2021 Partnerships in the unowned period <sup>(1)</sup>	<u>56,552</u>	<u>52,804</u>	<u>31,901</u>	<u>10,773</u>	<u>152,030</u>
Pro Forma Revenue	\$ 209,380	\$ 172,510	\$ 167,457	\$ 169,973	\$ 719,320
Net income (loss)	\$ 31,307	\$ (20,441)	\$ (24,601)	\$ (44,385)	\$ (58,120)
Net income for 2021 Partnerships in the unowned period <sup>(2)</sup>	<u>13,967</u>	<u>8,710</u>	<u>980</u>	<u>5,421</u>	<u>29,078</u>
Pro Forma Net Income (Loss)	\$ 45,274	\$ (11,731)	\$ (23,621)	\$ (38,964)	\$ (29,042)
Revenue	\$ 152,828	\$ 119,706	\$ 135,556	\$ 159,200	\$ 567,290
Less revenue from 2021 Partners in the owned period <sup>(3)</sup>	<u>711</u>	<u>1,547</u>	<u>16,530</u>	<u>42,234</u>	<u>61,022</u>
Total revenue of businesses owned as of 12/31/2020	\$ 152,117	\$ 118,159	\$ 119,026	\$ 116,966	\$ 506,268

- (1) The adjustment for Q1 reflects commissions and fees revenue for Effective Coverage/LeaseTrack, Medicare Help Now, Only Medicare Solutions, Seniors' Insurance Solutions, Mid-Continent, RogersGray, EBSME, FounderShield, The Capital Group and River Oak Risk, K&S Insurance, JGS, WGB, CRP, Brush Creek Partners and Arcana as if the Company had acquired the Partners on January 1, 2021. The adjustment for Q2 reflects commissions and fees revenue for Only Medicare Solutions, Seniors' Insurance Solutions, Mid-Continent RogersGray, EBSME, FounderShield, The Capital Group, River Oak Risk, K&S Insurance, WGB, JGS, CRP, Brush Creek Partners and Arcana as if the Company had acquired the Partners on January 1, 2021. The adjustment for Q3 reflects commissions and fees revenue for EBSME, FounderShield, The Capital Group, River Oak Risk, K&S Insurance, JGS, WGB, CRP, Brush Creek Partners and Arcana as if the Company had acquired the Partners on January 1, 2021. The adjustment for Q4 reflects commissions and fees revenue for WGB, CRP, Brush Creek Partners and Arcana as if the Company had acquired the Partners on January 1, 2021. This unaudited pro forma information should not be relied upon as being indicative of the historical results that would have been obtained if the acquisitions had occurred on that date, nor the results that may be obtained in the future.
- (2) The adjustment for Q1 reflects net income (loss) for Effective Coverage/LeaseTrack, Medicare Help Now, Only Medicare Solutions, Seniors' Insurance Solutions, Mid-Continent, RogersGray, EBSME, FounderShield, The Capital Group, River Oak Risk, K&S Insurance, JGS, WGB, CRP, Brush Creek Partners and Arcana as if the Company had acquired the Partners on January 1, 2021. The adjustment for Q2 reflects net income (loss) for Only Medicare Solutions, Seniors' Insurance Solutions, Mid-Continent, RogersGray, EBSME, FounderShield, The Capital Group, River Oak Risk, K&S Insurance, JGS, WGB, CRP, Brush Creek Partners and Arcana as if the Company had acquired the Partners on January 1, 2021. The adjustment for Q3 reflects net income (loss) for EBSME, FounderShield, The Capital Group, River Oak Risk, K&S Insurance, JGS, WGB, CRP, Brush Creek Partners and Arcana as if the Company had acquired the Partners on January 1, 2021. The adjustment for Q4 reflects net income (loss) for WGB, CRP, Brush Creek Partners and Arcana as if the Company had acquired the Partners on January 1, 2021. This unaudited pro forma information should not be relied upon as being indicative of the historical results that would have been obtained if the acquisitions had occurred on that date, nor the results that may be obtained in the future.
- (3) The adjustment for Q1 reflects commissions and fees revenue for Effective Coverage/LeaseTrack and Medicare Help Now during the owned period of Q1 2021. The adjustment for Q2 reflects commissions and fees revenue for Effective Coverage/LeaseTrack, Medicare Help Now, Only Medicare Solutions, Seniors' Insurance Solutions and Mid-Continent during the owned period of Q2 2021. The adjustment for Q3 reflects commissions and fees revenue for Effective Coverage/LeaseTrack, Medicare Help Now, Only Medicare Solutions, Seniors' Insurance Solutions, Mid-Continent, RogersGray, EBSME, FounderShield, TCG and River Oak Risk as if the Company had acquired the Partners on January 1, 2021. The adjustment for Q4 reflects commissions and fees revenue for Effective Coverage/LeaseTrack, Medicare Help Now, Only Medicare Solutions, Seniors' Insurance Solutions, Mid-Continent, RogersGray, EBSME, FounderShield, TCG, River Oak Risk, K&S Insurance, JGS, WGB, CRP, Brush Creek Partners and Arcana as if the Company had acquired the Partners on January 1, 2021.



# SHAREHOLDER VALUE CREATION



	Q1	Q2	2021 Q3	Q4	FY
Stock price at quarter end	\$ 27.25	\$ 26.65	\$ 33.29	\$ 36.11	\$ 36.11
Weighted average Class A & B shares outstanding (000's) <sup>(1)</sup>	95,572	93,133	100,412	113,223	101,381
Adjusted Diluted EPS (fully vested and as-if converted)	\$ 0.44	\$ 0.14	\$ 0.11	\$ 0.10	\$ 0.80

<i>RECONCILIATION TO GAAP</i>	Q1	Q2	Q3	Q4	FY
Diluted earnings (loss) per share	\$ 0.32	\$ (0.22)	\$ (0.28)	\$ (0.41)	\$ (0.64)
Effect of exchange of Class B shares and net income attributable to noncontrolling interests per share	—	0.01	0.04	0.02	0.07
Other adjustments to earnings per share	0.17	0.37	0.36	0.50	1.46
Adjusted income taxes per share	<u>(0.05)</u>	<u>(0.02)</u>	<u>(0.01)</u>	<u>(0.01)</u>	<u>(0.09)</u>
Adjusted Diluted EPS	\$ 0.44	\$ 0.14	\$ 0.11	\$ 0.10	\$ 0.80

(1) Assumes the vesting of all restricted stock and full exchange of LLC Units (and paired Class B shares) for Class A shares pursuant to the Amended LLC Agreement. Shares used is consistent with the calculation of Adjusted Diluted EPS in the Non-GAAP Financial Measures section of our Quarterly Report on Form 10-Q.

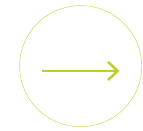
# TREASURY



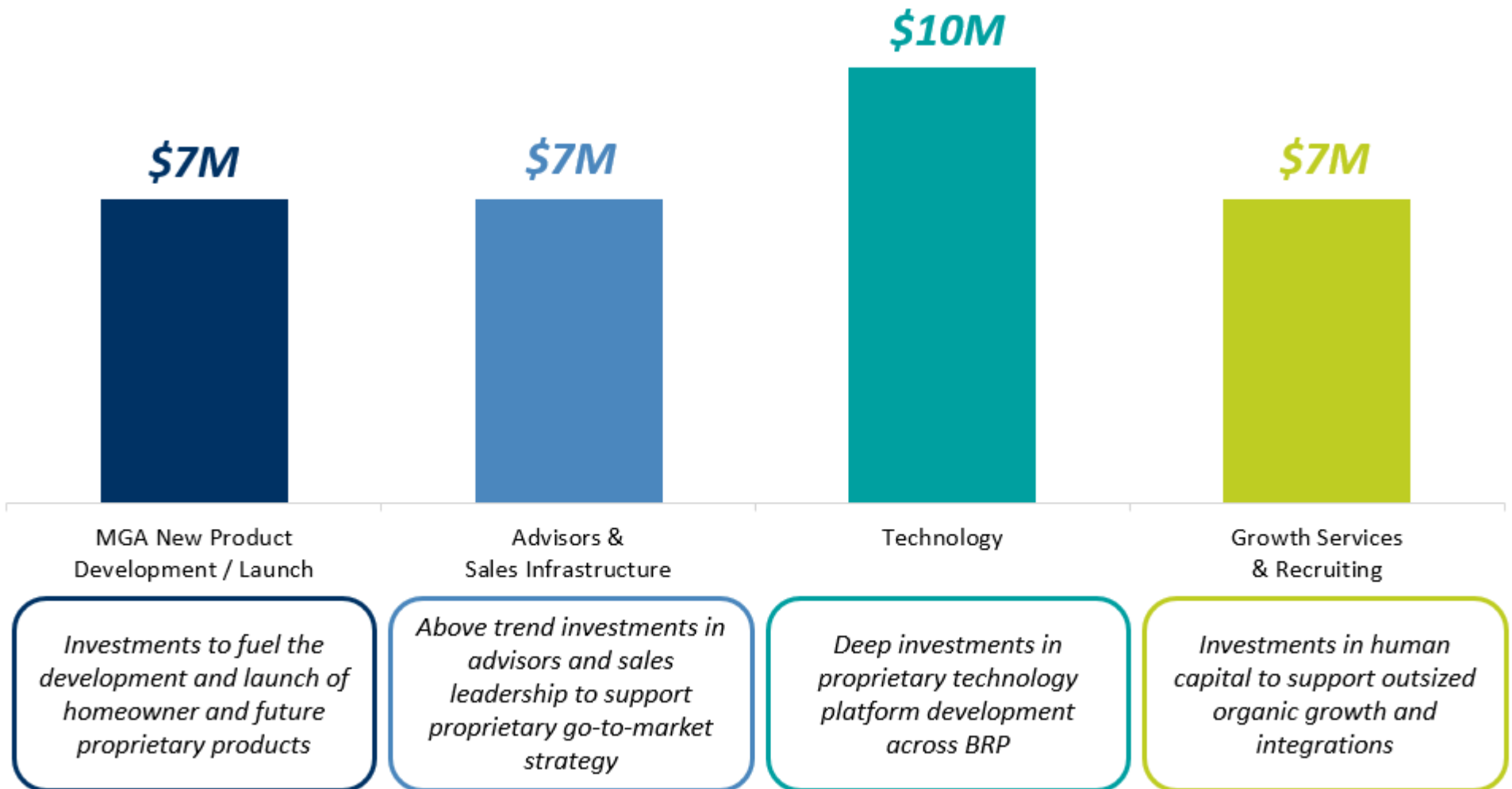
<i>INSTRUMENT</i>	<i>DEBT OUTSTANDING @ 12.31.2021</i>	<i>AVAILABLE FOR BORROWING</i>	<i>RATE as of 12.31.2021</i>	<i>MATURITY</i>	<i>CASH INTEREST PAID IN 2021</i>
<i>Amounts in 000's</i>					
Term Loan B <sup>(1)</sup>	\$ 846,623	\$ —	LIBOR + 3.50%, LIBOR Floor of 0.50%	October 2027	\$ 19,801
Revolving line of credit	35,000	440,000	LIBOR + 2.00% to LIBOR + 3.00%	October 2025	2,309

(1) Debt outstanding under the Term Loan B represents gross debt outstanding. The gross debt outstanding is netted against unamortized debt discount and issuance costs of \$23.5 million for balance sheet presentation.

# INVESTMENTS DRIVING FUTURE GROWTH



In 2021, BRP invested **~\$31 million** above normal trend in human capital and technology to drive continued and accelerated organic revenue growth



A nighttime photograph of a city skyline, likely San Francisco, featuring several prominent skyscrapers and a bridge over a body of water. The sky is dark with some clouds, and the city lights are visible. A large, semi-transparent graphic overlay of a stylized, geometric pattern is present in the background.

# APPENDIX

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MARCH 2022



# ACTUAL DISAGGREGATED COMMISSIONS AND FEES REVENUE & KPIs



AMOUNTS IN 000'S	2020					FY
	Q1	Q2	Q3	Q4		
<b>CONSOLIDATED</b>						
Total revenue	\$ 54,159	\$ 51,268	\$ 65,843	\$ 69,649	\$ 240,919	
Pro Forma Revenue <sup>(1)</sup>	143,316	89,392	99,135	94,406	426,249	
Organic Revenue Growth <sup>(2)</sup>	5%	19%	20%	17%	16%	
"MGA of the Future" Revenue Growth <sup>(3)</sup>	41%	39%	43%	73%	49%	
Organic + MGA of the Future Revenue Growth <sup>(3)</sup>	12%	19%	20%	17%	17%	
Total revenue growth <sup>(4)</sup>	82%	55%	72%	91%	75%	
Closed Partnerships	4	5	2	5	16	
Cash/Equity aggregate consideration <sup>(5)</sup>	\$ 52,975	\$ 225,115	\$ 6,826	\$ 633,656	\$ 918,572	
Maximum contingent earnout <sup>(6)(7)</sup>	16,828	110,701	7,240	297,131	431,900	
Acquired revenue <sup>(8)</sup>	30,612	47,403	3,668	154,556	236,239	
Estimated acquired adjusted EBITDA <sup>(9)</sup>	5,123	19,477	806	51,795	77,201	

- (1) Reflects quarterly GAAP revenue (commissions and fees), plus revenue from Partnerships in the unowned portion of the period for Partnerships closed before the end of 2020.
- (2) Organic Revenue Growth is a non-GAAP metric. Refer to our earnings release issued on November 8, 2021, and posted on our website for a reconciliation of Organic Revenue Growth to the most directly comparable GAAP metric.
- (3) "MGA of the Future" was acquired by the Company on April 1, 2019 and as a result is not included in the Organic Revenue Growth calculation for Q1 above because it had not reached the twelve-month owned mark. Since "MGA of the Future" was not acquired by the Company until April 1, 2019, the revenue of "MGA of the Future" for a portion of the prior-year period is not included in the consolidated results of operations for the Company for such period and the revenue growth rates were calculated including periods during which "MGA of the Future" was not owned by the Company.
- (4) Calculated as total GAAP revenue (commissions and fees) for the current period as compared to the same prior year period.
- (5) Cash/Equity aggregate consideration differs from amount previously disclosed as a result of the Company finalizing its calculation of consideration in accordance with GAAP. Equity consideration has been reduced as a result of 1) the application of a valuation discount due to trade restrictions on shares issued to Partners and 2) the exclusion of share-based awards to colleagues that represent share-based compensation rather than a component of consideration.
- (6) Q2 figure is inclusive of one uncapped earnout, which has been calculated assuming the Partner grows revenue 50% per year for three consecutive years.
- (7) Amount includes the earnouts attributable to both business combinations and asset acquisitions.
- (8) Represents the aggregate revenues of Partners acquired during Q1, Q2, Q3 and Q4 for the most recent trailing twelve-month period prior to acquisition by the Company, in each case, at the time the due diligence was concluded based on a quality of earnings review and not an audit.
- (9) Represents the aggregate estimated Adjusted EBITDA of Partners acquired during Q1, Q2, Q3 and Q4 for the most recent trailing twelve-month period prior to acquisition by the Company, in each case, at the time the due diligence was conducted based on a quality of earnings review and not an audit. Adjustments to net income (loss) include the adjustments to net income (loss) used by the Company to calculate its Adjusted EBITDA and certain estimated deal-specific cost savings resulting from acquisition by the Company, including commissions grid alignment, technology-related cost savings, personnel-related cost savings and centralized growth services.

# ACTUAL DISAGGREGATED COMMISSIONS AND FEES REVENUE & KPIs



<i>AMOUNTS IN 000'S</i>	Q1	Q2	2020 Q3	Q4	FY
<b>MIDDLE MARKET</b>					
Commissions <sup>(1)</sup>	\$ 18,653	\$ 17,395	\$ 22,370	\$ 25,972	\$ 84,390
Profit-sharing	2,494	1,412	2,107	3,448	9,461
Consulting and service fee	715	793	720	1,281	3,509
Other	170	1,118	1,364	3,381	6,033
Total Middle Market revenue	\$ 22,032	\$ 20,718	\$ 26,561	\$ 34,082	\$ 103,393
Organic Revenue Growth <sup>(2)</sup>					5%
Closed Partnerships	1	4	—	5	10
	Q1	Q2	Q3	Q4	FY
<b>SPECIALTY</b>					
Commissions	\$ 12,907	\$ 14,535	\$ 21,908	\$ 18,404	\$ 67,754
Profit-sharing	957	904	902	1,244	4,007
Policy fee and installment fee	3,382	3,653	4,051	4,150	15,236
Other	170	364	625	720	1,879
Total Specialty revenue	\$ 17,416	\$ 19,456	\$ 27,486	\$ 24,518	\$ 88,876
Organic Revenue Growth <sup>(2)</sup>					38%
Closed Partnerships	1	1	—	—	2
Policies in force <sup>(3)</sup>	401,520	445,988	500,301	524,370	524,370

(1) The Middle Market Operating Group recorded intercompany commissions from activity with the Specialty Operating Group of \$0.5 million for the year, which is eliminated in consolidation.

(2) Organic Revenue Growth is a non-GAAP metric. Refer to our earnings release issued on March 1, 2022 and posted on our website for a reconciliation of Organic Revenue Growth to the most directly comparable GAAP metric.

(3) Figure not in 000's. Represents total policies in force managed by our "MGA of the Future."

# ACTUAL DISAGGREGATED COMMISSIONS AND FEES REVENUE & KPIs



<i>AMOUNTS IN 000'S</i>	Q1	Q2	2020 Q3	Q4	FY
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<i>MAINSTREET</i>					
Commissions <sup>(1)</sup>	\$ 6,609	\$ 7,382	\$ 7,368	\$ 5,822	\$ 27,181
Profit-sharing	1,673	295	541	420	2,929
Other	26	27	(4)	202	251
Total MainStreet revenue	\$ 8,308	\$ 7,704	\$ 7,905	\$ 6,444	\$ 30,361
Organic Revenue Growth <sup>(3)</sup>					5%
Closed Partnerships	—	—	—	—	—

	Q1	Q2	Q3	Q4	FY
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<i>MEDICARE</i>					
Commissions <sup>(2)</sup>	\$ 6,369	\$ 3,374	\$ 3,690	\$ 4,810	\$ 18,243
Other	34	16	411	616	1,077
Total Medicare revenue	\$ 6,403	\$ 3,390	\$ 4,101	\$ 5,426	\$ 19,320
Organic Revenue Growth <sup>(3)</sup>					5%
Closed Partnerships	2	—	2	—	4

- (1) The Mainstreet Operating Group recorded intercompany commissions from activity with the Middle Market Operating Group of \$0.2 million for the year, which is eliminated in consolidation.
- (2) The Medicare Operating Group recorded intercompany commissions from activity within the Medicare Operating Group of \$0.2 million and \$0.3 million for Q4 and the year, respectively, which is eliminated in consolidation.
- (3) Organic Revenue Growth is a non-GAAP metric. Refer to our earnings release issued on November 8, 2021 and posted on our website for a reconciliation of Organic Revenue Growth to the most directly comparable GAAP metric.

# PRO FORMA CONSOLIDATED ADJUSTED EBITDA BRIDGE



<i>AMOUNTS IN 000'S</i>	Q1	Q2	2020 Q3	Q4	FY
Pro Forma Revenue	\$ 143,316	\$ 89,392	\$ 99,135	\$ 94,406	\$ 426,249
Pro Forma Net Income (Loss)	\$ 32,285	\$ (11,065)	\$ (10,787)	\$ (15,113)	\$ (4,680)
Adjustments to Pro Forma Net Income (Loss):					
Amortization expense	11,226	11,297	11,003	10,439	43,965
Interest expense, net	5,587	5,575	5,542	5,586	22,290
Change in fair value of contingent consideration	1,661	4,581	6,455	7,819	20,516
Transaction-related Partnership expenses	1,848	2,020	2,904	7,079	13,851
Share-based compensation	1,139	1,978	2,240	2,387	7,744
Depreciation expense	513	604	611	746	2,474
Capital related expenses	—	1,000	—	87	1,087
Severance related to Partnership activity	53	360	(324)	—	89
Income tax provision	12	—	—	(17)	(5)
Other	266	568	899	802	2,535
Pro Forma Adjusted EBITDA	\$ 54,590	\$ 16,918	\$ 18,543	\$ 19,815	\$ 109,866
Pro Forma Adjusted EBITDA Margin	38%	19%	19%	21%	26%



# RECONCILIATION TO GAAP



AMOUNTS IN 000'S	2020				
	Q1	Q2	Q3	Q4	FY
Revenue	\$ 54,159	\$ 51,268	\$ 65,843	\$ 69,649	\$ 240,919
Revenue for 2020 Partnerships in the unowned period <sup>(1)</sup>	89,157	38,124	33,292	24,757	185,330
Pro Forma Revenue	\$ 143,316	\$ 89,392	\$ 99,135	\$ 94,406	\$ 426,249
Net income (loss)	\$ 4,707	\$ (7,859)	\$ (7,615)	\$ (19,118)	\$ (29,885)
Net income (loss) for 2020 Partnerships in the unowned period <sup>(2)</sup>	27,578	(3,206)	(3,172)	4,005	25,205
Pro Forma Net Income (Loss)	\$ 32,285	\$ (11,065)	\$ (10,787)	\$ (15,113)	\$ (4,680)

- (1) The adjustment for Q1 reflects commissions and fees revenue for Agency RM, Vibrant, IRP, Southern Protective Group, Pendulum, Rosenthal, TBA/RBA, Fletcher, MIA, Insgroup, AHT, Burnham, TBM and Westward as if the Company had acquired the Partners on January 1, 2020. The adjustment for Q2 reflects commissions and fees revenue for IRP, Southern Protective Group, Pendulum, Rosenthal, TBA/RBA, Fletcher, MIA, Insgroup, AHT, Burnham, TBM and Westward as if the Company had acquired the Partners on January 1, 2020. The adjustment for Q3 reflects commissions and fees revenue for Fletcher, MIA, Insgroup, AHT, Burnham, TBM and Westward as if the Company had acquired the Partners on January 1, 2020. The adjustment for Q4 reflects commissions and fees revenue for Insgroup, AHT, Burnham, TBM and Westward as if the Company had acquired the Partners on January 1, 2020. This unaudited pro forma information should not be relied upon as being indicative of the historical results that would have been obtained if the acquisitions had occurred on that date, nor the results that may be obtained in the future.
- (2) The adjustment for Q1 reflects net income (loss) for Agency RM, Vibrant, IRP, Southern Protective Group, Pendulum, Rosenthal, TBA/RBA, Fletcher, MIA, Insgroup, AHT, Burnham, TBM and Westward as if the Company had acquired the Partners on January 1, 2020. The adjustment for Q2 reflects net income (loss) for IRP, Southern Protective Group, Pendulum, Rosenthal, TBA/RBA, Fletcher, MIA, Insgroup, AHT, Burnham, TBM and Westward as if the Company had acquired the Partners on January 1, 2020. The adjustment for Q3 reflects net income (loss) for Fletcher, MIA, Insgroup, AHT, Burnham, TBM and Westward as if the Company had acquired the Partners on January 1, 2020. The adjustment for Q4 reflects net income (loss) for Insgroup, AHT, Burnham, TBM and Westward as if the Company had acquired the Partners on January 1, 2020. This unaudited pro forma information should not be relied upon as being indicative of the historical results that would have been obtained if the acquisitions had occurred on that date, nor the results that may be obtained in the future.