Year In Review

February 28, 2024

2023 was a challenging year in many respects for BRP and our stakeholders. Given the dynamics impacting the global insurance industry, our clients bore the brunt of a hard insurance rate environment for the sixth consecutive year, in some cases significantly challenged by higher insurance pricing across a wide variety of both commercial and personal lines products. Our insurance company partners continued to battle higher loss costs, the growing impact of social inflation and elevated natural catastrophe losses. Our colleagues, amid these circumstances, worked tirelessly to identify solutions and to produce differentiated outcomes for clients. And, our shareholders experienced with us a share price which represented a notable discount to our peers for most of the year as we operationally pivoted to thoughtfully mitigate and navigate a significant increase in our cost of capital. Importantly, our business has emerged from 2023 a stronger, more fully integrated platform; well-positioned to drive continued outsized organic growth, accelerating margin accretion and free cash flow. All of this underpinned by our client and colleague franchise which prioritizes innovation and execution.

While executing on this pivot and transformation to support our next leg of growth, BRP once again generated industry-leading organic growth, approximately 50 basis points of margin accretion, reported cash flow from operating activities of $45 million and de-levered the business by roughly .60 multiples of adjusted EBITDA. Although we did not achieve all of the lofty expectations we set for ourselves in 2023, in many ways, a year of challenge in serving clients and supporting colleagues has been more gratifying and self-defining than the years which largely consisted of broad-based tailwinds. I have never been more confident in the differentiated platform we have built and the value creation opportunity we have in front of us.

As I reflect on the year, below are a few accomplishments worth noting:

- **All of our businesses continue to perform exceptionally well.** In our Insurance Advisory Solutions (IAS) segment, total organic growth was 12%, despite headwinds emerging from a slowdown in project-related insurance programs, transaction-based insurance solutions, and the impact of broad-based rate softening in conjunction with an anemic IPO market impacting our D&O practice. Sales velocity of 17% (in our IAS business) continues to reflect the strength of our new business generation realized through the outsized rate at which new clients continue to choose BRP for advice and brokerage services over our competitors. Our Underwriting, Capacity and Technology Solutions (UCTS) segment grew revenue organically 31%, due to continued strength in our multi-family platform and significant contributions from our homeowners and commercial umbrella products. Our Mainstreet Insurance Solutions (MIS) segment grew revenue organically 23%, thanks to continued strength from Westwood and a growing contribution from our new national mortgage and real estate operation launched in 2022.

- **We are starting to see more meaningful contribution from the maturation of the deep investments we made in 2021 and 2022.** In IAS, our 2021 and 2022 cohorts of new advisor hires (including both new and experienced advisors) generated $8.8 mm of new business revenue in 2023, representing 51% of the dollars invested. In UCTS, our homeowners and flood products generated in aggregate over $350mm of net written premium and over $65mm of gross revenue in 2023, and are contributing meaningfully to adjusted EBITDA. We also launched high-net-worth homeowners and commercial property products with roughly ~15% of the net new colleague count required to launch our homeowners business over the course of 2021-2022. We expect both will contribute to organic growth in 2024. In MIS, our national mortgage and real estate insurance operation generated $12mm of revenue in 2023, and our investments in new client acquisition efforts at Westwood led to 3 new "Top 35" builders joining as clients since this time last year.

- **We continue to be recognized as a destination employer.** We firmly believe that attracting, developing and retaining the industry's best and brightest is our most powerful and sustainable long-term competitive advantage. Recognition for the fourth consecutive year as a Great Place to Work by the likes of Fortune, Business Insurance and Top Workplaces USA continues to validate our efforts to foster the industry's leading destination for high-performers with accelerated career paths.

- As mentioned in the outset, the year brought many challenges, **and we made many difficult decisions across the business,** impacting colleague jobs and some investments, as we reprioritized capital deployment and aligned our resources toward the most optimal return. The use of every dollar we retain continues to be heavily scrutinized against our strategic plan. Costs across the business have been reevaluated and reduced if not client-facing or critical to our strategic objectives. Though difficult, the decisions were essential to meet our financial and operating commitments and have positioned us to be a better, more effective and efficient business going forward. Importantly, all of these decisions were made through the lens of our north star – our clients' interests. As we work with a heightened focus on margin and free cash flow in the current cost of capital environment, we will continue to remain focused first on clients. **Simply put, when our clients succeed, our colleagues win, and financial results and shareholder returns follow.**

Powered by People

As always, none of our collective success would be possible without the nearly 4,000 colleagues that power BRP every day. Our ability to perform amid difficult operating conditions is a testament to our colleagues' talent, tremendous tenacity and grit throughout the year. They are our most important asset and continue to deliver for our clients and all BRP stakeholders. I appreciate the efforts of everyone at BRP whose dedication in 2023 has set the stage for what we expect will be an outstanding 2024 and beyond.

2023 Highlights

- Continued industry leading organic revenue growth of 19%
- Grew Adjusted EBITDA by 27% and expanded Adjusted EBITDA Margin by approximately 50 basis points
- Grew Free Cash Flow by 6% in the face of a 68%, or $42.7mm, increase in cash paid for interest due to rising rates
- Reduced net leverage from approximately 5.4x to 4.8x via growth in Adjusted EBITDA and modest debt paydown
- Added ~$85mm of revenue via organic growth initiatives invested in over 2021 and 2022, inclusive of new MGA product launches (~$65mm), experienced advisor hiring (~$8 mm), and launch of our mortgage and real estate channel initiative in Charlotte (~$12 mm)
- Grew MGA net written premium by over 30%, fueled by broad-based momentum in both more mature product lines (renters, commercial umbrella, home, real estate investor, management liability) and new product launches (high-net-worth home, flood, commercial property)
- Ended the year having completed the technology integrations of all but one IAS partner (which is on track to be completed in Q3 2024), resulting in approximately 95% of our IAS business operating on one common agency management system and IT stack
- Won numerous accolades highlighting our status as a destination employer: Named by Fortune & Great Place to Work as a “Best Workplaces in Financial Services and Insurance™” for 2023 and re-certified through 2024; and recognized by Top Workplaces USA as a nationally recognized employer

Financial Benchmarks

	2023	2022	2021	2020	2019	2023 YOY GROWTH (%)
Pro Forma Revenue ($mm)	$1,218.6	$1,014.5	$719.3	$426.2	$152.6	20%
Pro Forma Adjusted EBITDA ($mm)	$250.2	$202.9	$175.0	$109.9	$34.0	23%
Adjusted Net Income ($mm)	$131.1	$119.0	$80.6	$33.4	$17.3	10%
Adjusted Earnings Per Share	$1.12	$1.03	$0.80	$0.46	$0.28	9%
Free Cash Flow ($mm)	$60.6	$57.1	$54.3	$18.0	$9.0	6%
Organic Revenue Growth	19%	23%	22%	16%	10%	
Total Revenue Growth	24%	73%	135%	75%	73%	
Pro Forma Revenue Growth	24%	41%	69%	179%	75%	
Annualized Revenue of New Partner Firms ($mm)	-	$96.3	$206.2	$236.2	$46.9	
Enterprise Value ($bn)	$4.0	$4.1	$4.9	$3.1	$1.0	-2%
Price Per Share	$24.02	$25.14	$36.11	$29.97	$16.05	-4%

Balancing near-term needs with managing the business for the long-term

Put bluntly, balancing this dynamic over the past 18 months has been my single biggest challenge as CEO of BRP.

To rewind the clock, in 2019, BRP went public with a very transparent long-term strategy and financial operating model – invest in the business, tolerate the near-term margin impact, foster industry-leading organic growth and drive superior free cash flow generation over the long-term. Objectively, we have delivered on that strategy, and in our view, we have outperformed expectations we set for both ourselves and investors at the time of our initial public offering (IPO).

Our IPO was well-timed with our long-term strategy and well-supported in the public markets. Today, rising interest rates have left the present value of future cash flows meaningfully less valuable than they were in the 2019-2021 timeframe. We now operate in an environment with a heightened focus on near-term margin and free cash flow generation, necessitating a thoughtful balance in how we maximize near-term free cash flow without sacrificing the meaningful investments required for our long-term growth and continued innovation across our client capabilities.

Our conviction in the long-term strategy to generate outsized shareholder returns via industry-leading organic growth remains the same. Yet, what has changed is our approach to doing so in a sustainable way with our intermediate financial goals clearly before us. Over the next 18-24 months, we must expand margin, free cash flow and de-lever the business to position ourselves for continued investment over the long-term to drive differentiated growth. Most importantly, we must do so in a way that does not erode the strength of our culture, our ability to deliver exceptional outcomes for our clients, and ultimately propel the revenue trajectory of our business.

Operating a truly integrated business

The scale of our business has benefited greatly from adding capabilities and expertise via Partnerships. Relative to many of our acquisitive peers, we are unique in our approach of truly integrating with the Partners who have joined our platform. We also believe that the benefits of scale are significantly diminished without integration. By intentionally choosing to do so, we've built a stronger firm and navigated the complexities of integration (including expense, difficulty, and time). Thus, we firmly believe our investments in integration have created a competitive advantage in the marketplace, and that this strategic differentiator best positions us to deliver on our strategic and financial goals moving forward.

Because "integration" can have very different meanings for disparate organizations, I would like to enumerate the elements in BRP's definition for full context:

- **Migration to a single instance of a firmwide agency management system.** This affords access to clean, common data to operate and manage the business optimally, creates consistency and scalability of both our advisor and client experience, and enables us to deploy and execute on a common, optimized "go-to-market" strategy that supports new business generation and client retention ensuring the best of BRP is delivered to our clients, no matter where either resides in our platform.
- **Movement to a common technology stack.** This allows us to institute appropriate controls, security and cyber frameworks, lets us facilitate communication and collaboration across various regions and partner firms, and enables our firm to efficiently deploy proprietary tools and resources in the field as they become available.
- **Utilization of one common finance and accounting system.** This enables us to efficiently pull financials and forecast the business with accuracy.
- **Migration to a single human resources information system**. This includes the standardization of job profiles, titles and matrixing, which allows us to manage our human capital in an effective and efficient way, and provides our colleagues with clarity on career pathing and development.
- **Full and efficient access to our entire suite of tools.** This allows us to distribute valuable resources and expertise across the organization and importantly, to our clients.
- **Adoption and optimization of a singular operating model and "go-to-market" strategy.** This is key to driving continued outperformance and increased efficiency as the business continues to scale.

Integration also drives cultural alignment and buy-in to BRP's vision, broader strategy and mission. This binds the organization together under one common set of goals and aspirations. Additionally, by the end of 2024, BRP will move to one common brand for our retail brokerage business. Building brand equity in the markets in which we operate will drive greater clarity around our identity and contribute to advisor effectiveness when leveraging resources outside their home office.

While our cumulative integration investments have been significant, they have undoubtedly made us a more effective business and positioned us to continue to deliver differentiated results for our clients, helping to maintain our status as a destination employer for the industry's best and brightest, and to deliver on our financial goals over the intermediate and long term.

Approaching an inflection point for free cash flow and de-leveraging

Given the increased importance of free cash flow and leverage on our valuation and ability to fund growth, a reminder of where we stand today – and how we got here – is appropriate.

As of year-end 2023, BRP operated with roughly 4.8x net leverage, having produced $61mm of free cash flow in 2023 (approximately 24% of our reported adjusted EBITDA of $250 mm). These are not acceptable levels to us, underscoring our focus on rapidly reducing the former and increasing the latter.

We arrived here by way of a series of large high-quality Partnerships (acquisitions) joining BRP which now contribute significantly to BRP's growth and earnings profile.

- From November 2020 thru May 2022, we Partnered with 8 "Top 100" firms that in aggregate have grown revenue at a CAGR of 21% since they joined BRP. These are outstanding businesses that have greatly expanded our capabilities, and the strength of their performance on our platform is primarily responsible for ~$218mm of earnout liabilities we have coming due over the next 12 months. Given the revenue-based earnout structure we have in place, these large earnout payments are the result of the significant revenue growth of these Partner firms (many of whom far surpassed what we had originally underwritten), which in turns drives meaningful purchase price de-levering on an EBITDA basis.
- In 2022, we increased net leverage to ~5.7x to support the acquisition of Westwood Insurance Agency, the dominant provider of embedded insurance solutions in the homebuilder channel. Westwood provided us a strong market position, has accelerated our homeowners MGA capabilities, and has grown EBITDA 80% since joining BRP. The purchase price of Westwood (inclusive of $15mm of deferred payments, $10mm of which remain outstanding) now represents ~7.0x of its 2023 adjusted EBITDA before contemplating the EBITDA generated from our homeowners MGA operations that support Westwood.

Looking ahead

By the end of 2024, we expect the business to de-lever to 4.0x or lower. However, Partnership earnouts and higher interest rates will continue to depress free cash flow in the coming year. The last, large cohort of earnouts will be paid in the first quarter of 2025 after which the free cash flow profile of our business should inflect dramatically. From that point on, free cash flow conversion will more closely resemble that of our public peers, allowing us to optimize our leverage profile and make targeted investments as they materialize.

In 2024, we expect to begin seeing pockets of pricing relief for our clients, both generally through inflation conditions and specifically in both commercial and personal lines insurance markets. However, pricing "progress" is likely to be uneven, given the wide dispersion of conditions. Although the resilience of the U.S. economy during the past 12 months has been impressive, our clients generally continue to operate their businesses with a level of caution.

In parallel, we, too, remain cautious in budgeting, while remaining confident as ever in our ability to execute for clients and each other in 2024.

A Transcendent Firm

As I referenced earlier, the grit-fueled accomplishments of 2023 position us exceptionally well for 2024 and beyond. They will accelerate us on our journey to becoming the transcendent broker in our industry. I couldn't be more bullish for the future of our firm!

We often use the phrase "transcendent" when describing our long-term aspiration for BRP. It's a lofty ambition and important to define exactly what it means. From my perspective, these are the characteristics that define a transcendent broker:

- Industry-leading organic growth with clients expressing an ongoing top-of mind preference for BRP because of our depth of expertise and exceptional service.
- Leveraging technology to its fullest, thus, enabling efficient delivery of that expertise to clients and partners and freeing colleagues to do the highest value work possible.
- Harnessing the power of our entire franchise within a streamlined brand platform to solve problems for clients at any stage of their personal or professional lives.
- Sustaining a culture that attracts and retains exceptional individuals and firms and provides broad opportunities for our standout colleagues.
- Consistently outstanding financial results, especially as compared to peers in the industry.

To be sure, this vision is a long-term one. Realizing it will take laser focus on excellent operations and execution against our strategic objectives with a mindset of continual improvement from all parts of the organization, year after year.

Excellence in Execution in 2024

Given our pursuit of becoming a transcendent brand and "broker of the future," our theme for 2024 is "**Excellence in Execution.**" It is a guiding principle that will drive our actions and decisions throughout the year and beyond. With disciplined progress against our strategic objectives, our talented colleagues from across our firm will bring this theme to life.

- To continue our pace of organic growth in IAS, we will continue to sharpen our focus and journey towards specialization with ongoing investments in both industry practice groups and product Centers of Excellence. We will also continue to build on our sales execution, sharpening our prospecting activities and cross-selling efforts, efficiently delivering to our clients seamless access to our firm's collective expertise.
- In our MIS segment with our Mainstreet and Medicare businesses, we will capitalize on accelerating organic growth and strengthening our position with embedded partners across the homebuilding, mortgage, and real estate industries.
- Across the UCTS businesses, we will continue to scale product expansions with increasing speed while also broadening our distribution footprint across the U.S. and Canada. In addition, we will continue the build out and expansion of our new Juniper Re reinsurance broking platform.
- Our Growth Services teams will continue to prioritize revenue-generating and efficiency enabling initiatives which include streamlining our portfolio of brands; implementing contemporary colleague engagement, development and retention practices; and contributing to best practice standardization and automation work.

In conclusion

I am so proud of the strong foundation we have built for the future of BRP. While 2024 will have its share of challenges and unforeseen obstacles for BRP and other businesses, my confidence is bolstered knowing that the collaboration, innovation, execution, and grit that defined 2023 will serve us well and that we will celebrate many new milestones this year. My sincere thanks to all of our colleagues for their dedication, perseverance and resilience because you make BRP Alchemy a reality every day.

It is a privilege to lead this outstanding firm, especially in times that challenge us, ultimately making us stronger. On behalf of all BRP colleagues, I extend my gratitude to our clients, our insurance company partners, the communities we live and work in, and our shareholders. Your confidence and trust in us propels us forward to become the industry's transcendent brand and our clients top-of-mind choice.

With gratitude,

Trevor Baldwin
Chief Executive Officer

APPENDIX

NON-GAAP FINANCIAL MEASURES

Adjusted EBITDA, Adjusted EBITDA Margin, Organic Revenue, Organic Revenue Growth, Adjusted Net Income, Adjusted Diluted Earnings Per Share ("EPS"), Pro Forma Revenue, Pro Forma Adjusted EBITDA, Pro Forma Adjusted EBITDA Margin and adjusted net cash provided by operating activities ("free cash flow") are not measures of financial performance under GAAP and should not be considered substitutes for GAAP measures, including commissions and fees (for Organic Revenue and Organic Revenue Growth), total revenues (for Pro Forma Revenue), net income (loss) (for Adjusted EBITDA, Adjusted EBITDA Margin, Pro Forma Adjusted EBITDA and Pro Forma Adjusted EBITDA Margin), net income (loss) attributable to BRP Group (for Adjusted Net Income), diluted earnings (loss) per share (for Adjusted Diluted EPS) or net cash provided by (used in) operating activities (for free cash flow), which we consider to be the most directly comparable GAAP measures. 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, total revenues, net income (loss), net income (loss) attributable to BRP Group, diluted earnings (loss) per share, net cash provided by (used in) operating activities 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.

We define Adjusted EBITDA as net income (loss) before interest, taxes, depreciation, amortization, change in fair value of contingent consideration and certain items of income and expense, including share-based compensation expense, transaction-related Partnership and integration expenses, severance, and certain non-recurring items, including those related to raising capital. We believe that Adjusted EBITDA is an appropriate measure of operating performance because it eliminates the impact of income and expenses that do not relate to business performance, and that the presentation of this measure enhances an investor's understanding of our financial performance.

Adjusted EBITDA Margin is Adjusted EBITDA divided by total revenues. Adjusted EBITDA Margin is a key metric used by management and our board of directors to assess our financial performance. We believe that Adjusted EBITDA Margin is an appropriate measure of operating performance because it eliminates the impact of income and 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 Adjusted EBITDA Margin is helpful in measuring profitability of operations on a consolidated level.

Adjusted EBITDA and Adjusted EBITDA Margin have important limitations as analytical tools. For example, Adjusted EBITDA and Adjusted EBITDA Margin:

- do not reflect any cash capital expenditure requirements for the assets being depreciated and amortized that may have to be replaced in the future;
- do not reflect changes in, or cash requirements for, our working capital needs;
- do not reflect the impact of certain cash charges resulting from matters we consider not to be indicative of our ongoing operations;
- do not reflect the interest expense or the cash requirements necessary to service interest or principal payments on our debt;
- do not reflect share-based compensation expense and other non-cash charges; and
- exclude certain tax payments that may represent a reduction in cash available to us.

We calculate Organic Revenue based on commissions and fees for the relevant period by excluding the first twelve months of commissions and fees generated from new Partners. Organic Revenue Growth is the change in Organic Revenue period-to-period, with prior period results adjusted to include commissions and fees that were excluded from Organic Revenue in the prior period because the relevant Partners had not yet reached the twelve-month owned mark, but which have reached the twelve-month owned mark in the current period. For example, revenues from a Partner acquired on June 1, 2022 are excluded from Organic Revenue for 2022. However, after June 1, 2023, results from June 1, 2022 to December 31, 2022 for such Partners are compared to results from June 1, 2023 to December 31, 2023 for purposes of calculating Organic Revenue Growth in 2023. Organic Revenue Growth is a key metric used by management and our board of directors to assess our financial performance. We believe that Organic Revenue and Organic Revenue Growth are appropriate measures of operating performance as they allow investors to measure, analyze and compare growth in a meaningful and consistent manner.

We define Adjusted Net Income as net income (loss) attributable to BRP Group adjusted for depreciation, amortization, change in fair value of contingent consideration and certain items of income and expense, including share-based compensation expense, transaction-related Partnership and integration expenses, severance, and certain non-recurring costs that, in the opinion of management, significantly affect the period-over-period assessment of operating results, and the related tax effect of those adjustments. We believe that Adjusted Net Income is an appropriate measure of operating performance because it eliminates the impact of income and expenses that do not relate to business performance.

Adjusted Diluted EPS measures our per share earnings excluding certain expenses as discussed above and assuming all shares of Class B common stock were exchanged for Class A common stock on a one-for-one basis. Adjusted Diluted EPS is calculated as Adjusted Net Income divided by adjusted diluted weighted-average shares outstanding. We believe Adjusted Diluted EPS is useful to investors because it enables them to better evaluate per share operating performance across reporting periods.

Pro Forma Revenue reflects GAAP revenues plus revenue from Partnerships in the unowned periods.

Pro Forma Adjusted EBITDA takes into account Adjusted EBITDA from Partnerships in the unowned periods and 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, change in fair value of contingent consideration and certain items of income and expense, including share-based compensation expense, transaction-related Partnership and integration expenses, severance, and certain non-recurring costs, including those related to raising capital. 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 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.

We calculate free cash flow because we hold fiduciary cash designated for our Insurance Company Partners on behalf of our Clients and incur substantial earnout liabilities in conjunction with our Partnership strategy. Free cash flow is calculated as net cash provided by (used in) operating activities excluding the impact of: (i) 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. We believe that free cash flow is an important financial measure for use in evaluating financial performance because it measures our ability to generate additional cash from our business operations.

ADJUSTED EBITDA AND ADJUSTED EBITDA MARGIN

The following table reconciles Adjusted EBITDA and Adjusted EBITDA Margin to net loss, which we consider to be the most directly comparable GAAP financial measure:

	For the Years Ended December 31,				
(in thousands, except percentages)	**2023**	**2022**	**2021**	**2020**	**2019**
Revenues	$ 1,218,555	$ 980,720	$ 567,290	$ 240,919	$ 137,841
Net loss	$ (164,019)	$ (76,748)	$ (58,120)	$ (29,885)	$ (22,454)
Adjustments to net loss:					
Interest expense, net	119,465	71,072	26,899	7,857	10,640
Amortization expense	92,704	81,738	48,720	19,038	10,007
Change in fair value of contingent consideration	61,083	32,307	45,196	20,516	10,829
Share-based compensation	56,222	47,389	19,193	7,744	4,561
Transaction-related Partnership and integration expenses	28,748	34,588	19,182	13,851	2,204
Severance	18,514	1,255	871	89	329
Depreciation expense	5,698	4,620	2,788	1,129	542
(Gain) loss on interest rate caps	1,670	(26,220)	123	—	—
Income tax provision	1,285	715	19	(5)	17
Capital related expenses	—	—	—	1,087	4,739
Loss on extinguishment of debt	—	—	—	—	6,732
Other[(1)]	28,834	25,774	8,038	2,535	375
Adjusted EBITDA	$ 250,204	$ 196,490	$ 112,909	$ 43,956	$ 28,521
Adjusted EBITDA Margin	21 %	20 %	20 %	18 %	21 %

(1) Other addbacks to Adjusted EBITDA include certain income and expenses that are considered to be non-recurring or non-operational, including certain recruiting costs, professional fees, litigation costs and bonuses. In 2022 and 2021, these addbacks also included certain expenses related to remediation efforts.

ORGANIC REVENUE AND ORGANIC REVENUE GROWTH

The following table reconciles Organic Revenue and Organic Revenue Growth to commissions and fees, which we consider to be the most directly comparable GAAP financial measure:

	For the Years Ended December 31,				
(in thousands, except percentages)	**2023**	**2022**	**2021**	**2020**	**2019**
Commissions and fees	$ 1,211,828	$ 980,720	$ 567,290	$ 240,919	$ 137,841
Partnership commissions and fees[(1)]	(44,696)	(280,660)	(272,272)	(81,250)	(50,163)
Organic Revenue	$ 1,167,132	$ 700,060	$ 295,018	$ 159,669	$ 87,678
Organic Revenue Growth[(2)]	$ 187,213	$ 132,610	$ 54,004	$ 21,780	$ 7,780
Organic Revenue Growth %[(2)]	19 %	23 %	22 %	16 %	10 %

(1) Includes the first twelve months of such commissions and fees generated from newly acquired Partners.

(2) Organic Revenue for the year ended December 31, 2022 used to calculate Organic Revenue Growth for the year ended December 31, 2023 was $979.9 million, which is adjusted to reflect revenues from Partnerships that reached the twelve-month owned mark during the year ended December 31, 2023.

ADJUSTED NET INCOME AND ADJUSTED DILUTED EPS

The following table reconciles Adjusted Net Income to net loss attributable to BRP Group and reconciles Adjusted Diluted EPS to diluted loss per share, which we consider to be the most directly comparable GAAP financial measures:

	For the Years Ended December 31,				
(in thousands, except per share data)	**2023**	**2022**	**2021**	**2020**	**2019**
Net loss attributable to BRP Group	$ (90,141)	$ (41,772)	$ (30,646)	$ (15,696)	$ (8,650)
Net loss attributable to noncontrolling interests	(73,878)	(34,976)	(27,474)	(14,189)	(13,804)
Amortization expense	92,704	81,738	48,720	19,038	10,007
Change in fair value of contingent consideration	61,083	32,307	45,196	20,516	10,829
Share-based compensation	56,222	47,389	19,193	7,744	4,561
Transaction-related Partnership and integration expenses	28,748	34,588	19,182	13,851	2,204
Severance	18,514	1,255	871	89	329
(Gain) loss on interest rate caps, net of cash settlements	12,588	(24,012)	123	—	—
Depreciation	5,698	4,620	2,788	1,129	542
Amortization of deferred financing costs	5,129	5,120	3,506	1,002	1,312
Capital related expenses	—	—	—	1,087	4,739
Loss on extinguishment of debt	—	—	—	—	6,732
Other(1)	28,834	25,774	8,038	2,535	375
Adjusted pre-tax income	145,501	132,031	89,497	37,106	19,176
Adjusted income taxes(2)	14,405	13,071	8,860	3,673	1,898
Adjusted Net Income	$ 131,096	$ 118,960	$ 80,637	$ 33,433	$ 17,278
Weighted-average shares of Class A common stock outstanding - diluted	60,135	56,825	47,588	27,176	17,917
Dilutive effect of unvested stock awards	3,874	3,526	1,982	571	330
Exchange of Class B common stock(3)	53,132	55,450	51,811	45,147	43,194
Adjusted diluted weighted-average shares outstanding	117,141	115,801	101,381	72,894	61,441
Adjusted Diluted EPS	$ 1.12	$ 1.03	$ 0.80	$ 0.46	$ 0.28
Diluted loss per share	$ (1.50)	$ (0.74)	$ (0.64)	$ (0.58)	$ (0.48)
Effect of exchange of Class B common stock and net loss attributable to noncontrolling interests per share	0.10	0.08	0.07	0.17	0.11
Other adjustments to loss per share	2.64	1.80	1.46	0.92	0.68
Adjusted income taxes per share	(0.12)	(0.11)	(0.09)	(0.05)	(0.03)
Adjusted Diluted EPS	$ 1.12	$ 1.03	$ 0.80	$ 0.46	$ 0.28

(1) Other addbacks to Adjusted Net Income include certain income and expenses that are considered to be non-recurring or non-operational, including certain recruiting costs, professional fees, litigation costs and bonuses. In 2022 and 2021, these addbacks also included certain expenses related to remediation efforts.

(2) Represents corporate income taxes at assumed effective tax rate of 9.9% applied to adjusted pre-tax income.

(3) Assumes the full exchange of Class B common stock for Class A common stock pursuant to the Third Amended and Restated Limited Liability Company Agreement of BRP, as amended.

PRO FORMA REVENUE

The following table reconciles Pro Forma Revenue and Pro Forma Revenue Growth to total revenues, which we consider to be the most directly comparable GAAP financial measure:

	For the Years Ended December 31,				
(in thousands, except percentages)	**2023**	**2022**	**2021**	**2020**	**2019**
Revenues	$ 1,218,555	$ 980,720	$ 567,290	$ 240,919	$ 137,841
Revenue for Partnerships in the unowned period(1)	—	33,768	152,030	185,330	14,769
Pro Forma Revenue	$ 1,218,555	$ 1,014,488	$ 719,320	$ 426,249	$ 152,610
Pro Forma Revenue Growth	$ 204,067	$ 295,168	$ 293,071	$ 273,639	
Pro Forma Revenue Growth %	20 %	41 %	69 %	179 %	

(1) The adjustments for the year ended December 31, 2022 reflect revenues for Westwood Insurance Agency, Venture Captive Management, LLC and National Health Plans & Benefits Agency, LLC as if the Company had acquired the Partners on January 1, 2022. The adjustments for the year ended December 31, 2021 reflect revenues for LeaseTrack Services LLC/Effective Coverage LLC, Riley Financial, Inc. (operating as “Medicare Help Now”), Tim Altman, Inc. (operating as “Only Medicare Solutions”), Seniors’ Insurance Services of Washington, Inc., Mid-Continent Companies, Ltd., RogersGray Inc., EBSME, LLC, FounderShield LLC, The Capital Group, LLC, River Oak Risk, LLC, White Hill Plaza, Inc., Jacobson, Goldfarb & Scott, Inc, Wood Guttman & Bogart Insurance Brokers, Construction Risk Partners, LLC, Brush Creek, LLC and Arcana Insurance Services, LP as if the Company had acquired the Partners on January 1, 2021. The adjustments for the year ended December 31, 2020 reflect revenues for AgencyRM LLC, VibrantUSA Inc., Insurance Risk Partners, LLC, Southern Protective Group, LLC, Pendulum, LLC, Rosenthal Bros., Inc., Trinity Benefit Advisors, Inc./Russ Blakely & Associates, LLC, Fletcher Financial Group, Inc., Medicare Insurance Advisors, Inc., Insgroup, Inc., Armfield, Harrison & Thomas, Inc., Westward Insurance Services, Inc., Burnham Benefits Insurance Services, Inc. and Tanner, Ballew & Maloof, Inc. as if the Company had acquired the Partners on January 1, 2020. The adjustments for the year ended December 31, 2019 reflect revenues for Lykes Insurance, Inc., Millennial Specialty Insurance LLC, Fiduciary Partners Retirement Group, Inc. and Foundation Insurance of Florida, LLC, as well as two asset acquisitions for the unowned period, as if the Company had acquired the Partners on January 1, 2019. 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

The following table reconciles Pro Forma Adjusted EBITDA and Pro Forma Adjusted EBITDA Margin to net loss, which we consider to be the most directly comparable GAAP financial measure:

	For the Years Ended December 31,				
(in thousands, except percentages)	**2023**	**2022**	**2021**	**2020**	**2019**
Pro forma revenue	$ 1,218,555	$ 1,014,488	$ 719,320	$ 426,249	$ 152,610
Net loss	(164,019)	(76,748)	(58,120)	(29,885)	(22,454)
Net income (loss) for Partnerships in the unowned period(1)	—	(2,069)	29,078	25,205	(472)
Pro forma net loss	(164,019)	(78,817)	(29,042)	(4,680)	(22,926)
Adjustments to pro forma net loss:					
Interest expense, net	119,465	72,789	39,852	22,290	14,768
Amortization expense	92,704	88,537	68,805	43,965	11,866
Change in fair value of contingent consideration	61,083	32,307	45,196	20,516	10,829
Share-based compensation	56,222	47,389	19,193	7,744	4,561
Transaction-related Partnership and integration expenses	28,748	34,588	19,182	13,851	2,204
Severance	18,514	1,255	871	89	329
Depreciation expense	5,698	4,620	2,788	2,474	542
(Gain) loss on interest rate caps	1,670	(26,220)	123	—	—
Income tax provision	1,285	715	19	(5)	17
Capital related expenses	—	—	—	1,087	4,739
Loss on extinguishment of debt	—	—	—	—	6,732
Other	28,834	25,774	8,038	2,535	375
Pro Forma Adjusted EBITDA	$ 250,204	$ 202,937	$ 175,025	$ 109,866	$ 34,036
Pro Forma Adjusted EBITDA Margin	21 %	20 %	24 %	26 %	22 %

(1) The adjustments for the year ended December 31, 2022 reflect net income (loss) for Westwood Insurance Agency, Venture Captive Management, LLC and National Health Plans & Benefits Agency, LLC as if the Company had acquired the Partners on January 1, 2022. The adjustments for the year ended December 31, 2021 reflect net income (loss) for LeaseTrack Services LLC/Effective Coverage LLC, Riley Financial, Inc. (operating as “Medicare Help Now”), Tim Altman, Inc. (operating as “Only Medicare Solutions”), Seniors’ Insurance Services of Washington, Inc., Mid-Continent Companies, Ltd., RogersGray Inc., EBSME, LLC, FounderShield LLC, The Capital Group, LLC, River Oak Risk, LLC, White Hill Plaza, Inc., Jacobson, Goldfarb & Scott, Inc, Wood Guttman & Bogart Insurance Brokers, Construction Risk Partners, LLC, Brush Creek, LLC and Arcana Insurance Services, LP as if the Company had acquired the Partners on January 1, 2021. The adjustments for the year ended December 31, 2020 reflect net income (loss) for AgencyRM LLC, VibrantUSA Inc., Insurance Risk Partners, LLC, Southern Protective Group, LLC, Pendulum, LLC, Rosenthal Bros., Inc., Trinity Benefit Advisors, Inc./Russ Blakely & Associates, LLC, Fletcher Financial Group, Inc., Medicare Insurance Advisors, Inc., Insgroup, Inc., Armfield, Harrison & Thomas, Inc., Westward Insurance Services, Inc., Burnham Benefits Insurance Services, Inc. and Tanner, Ballew & Maloof, Inc. as if the Company had acquired the Partners on January 1, 2020. The adjustments for the year ended December 31, 2019 reflect net income (loss) for Lykes Insurance, Inc., Millennial Specialty Insurance LLC, Fiduciary Partners Retirement Group, Inc. and Foundation Insurance of Florida, LLC, as well as two asset acquisitions for the unowned period, as if the Company had acquired the Partners on January 1, 2019. 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.

ADJUSTED NET CASH PROVIDED BY OPERATING ACTIVITIES ("FREE CASH FLOW")

The following table reconciles free cash flow to net cash provided by (used in) operating activities, which we consider to be the most directly comparable GAAP financial measure:

	For the Years Ended December 31,				
(in thousands)	**2023**	**2022**	**2021**	**2020**	**2019**
Net cash provided by (used in) operating activities	$ 44,644	$ (2,462)	$ 40,129	$ 36,817	$ 12,014
Adjustments to net cash provided by (used in) operating activities:					
Change in premiums, commissions and fees receivable, net	132,269	183,006	64,501	6,828	6,000
Change in accounts payable, accrued expenses and other current liabilities	(140,675)	(173,362)	(55,188)	(27,348)	(9,000)
Payment of contingent earnout consideration in excess of purchase price accrual	24,326	49,926	4,825	1,727	8
Free cash flow	$ 60,564	$ 57,108	$ 54,267	$ 18,024	$ 9,022