HAGERTY

Q1 // 2024

Investor Presentation

SPEAKERS:

McKeel Hagerty | Chief Executive Officer

Patrick McClymont | Chief Financial Officer

FORWARD LOOKING STATEMENTS / NON-GAAP FINANCIAL MEASURES

This presentation contains statements that constitute “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include all statements that are not historical facts. These forward-looking statements reflect our current expectations and projections with respect to our expected future business and financial performance, including, among other things: (i) expected operating results, such as revenue growth and financial position; (ii) changes in the market for our products and services; (iii) our plans to expand market share, including planned investments and partnerships; (iv) anticipated business objectives; and (v) the strength of our business model. These statements may be preceded by, followed by, or include the words “anticipate,” “believe,” “envision,” “estimate,” “expect,” “forecast,” “future,” “goal,” “intend,” “likely,” “outlook,” “plan,” “potential,” “project,” “seek,” “target,” “can,” “could,” “may,” “should,” “would,” “will,” the negatives thereof and other words and terms of similar meaning. A number of factors could cause actual results or outcomes to differ materially from those indicated by these forward-looking statements. These factors include, among other things, our ability to: (i) compete effectively within our industry and attract and retain insurance policyholders and paid HDC members; (ii) maintain key strategic relationships with our insurance distribution and underwriting carrier partners; (iii) prevent, monitor and detect fraudulent activity; (iv) manage risks associated with disruptions, interruptions, outages or other issues with our technology platforms or our use of third-party services; (v) accelerate the adoption of our membership products as well as any new insurance programs and products we offer; (vi) manage the cyclical nature of the insurance business, including through any periods of recession, economic downturn or inflation; (vii) address unexpected increases in the frequency or severity of claims; (viii) comply with the numerous laws and regulations applicable to our business, including state, federal, and foreign laws relating to insurance and rate increases, privacy, the internet and accounting matters; (ix) manage risks associated with being a controlled company; and (x) successfully defend any litigation, government inquiries and investigations. The forward-looking statements herein represent our judgment as of the date of this release and we disclaim any intent or obligation to publicly update or review any forward-looking statement, whether as a result of new information, future developments, or otherwise. This presentation should be read in conjunction with the information included in our filings with the SEC and press releases. Understanding the information contained in these filings is important in order to fully understand our reported financial results and our business outlook for future periods. In addition, this presentation contains certain “non-GAAP financial measures”. The non-GAAP measures are presented for supplemental informational purposes only. These financial measures are not recognized measures under GAAP and should not be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP. Reconciliations to the most directly comparable financial measure calculated and presented in accordance with GAAP are provided in the appendix to this presentation.

Q1 2024
Highlights

Total Revenue growth of 24%

Commission and Fee growth of 19%

Written Premium growth of 19%

» Added 59,000 new customers in the quarter

Membership, Marketplace and other revenue growth of 18%

» Marketplace growth of 58%

Significantly improved profitability

» Improved operating margin by 1,210 bps

» Net Income[1] of $8 million compared to $(15) million

» Adjusted EBITDA[2] of $27 million compared to $7 million

[1] Net Income in the current year includes a $6 million loss as a result of an increase in the fair value of warrant liabilities.

[2] See Appendix for additional information regarding this non-GAAP financial measure.

Business Process Re-engineering Driving Sustained Margin Expansion

2023

Reset Hagerty's cost base through restructurings and began to evaluate business process improvements to drive sustained margin improvement.

» Operating income margins expanded by 960 bps compared to 2022.

» Delivered an increase in Net Income of $26 million and Adjusted EBITDA[1] of $90 million compared to 2022.

2024

Beginning to implement changes to business processes to drive sustained reductions in cost to acquire and cost to serve.

» Performance marketing efforts powering efficient customer acquisition.

» Improve efficiency of our member service center focused on reducing handle times and freeing up existing resources to handle continued growth in new members.

» Adding resources to claims team to optimize spend and reduce losses.

[1] See Appendix for additional information regarding this non-GAAP financial information

2024
Priorities

Deliver sustained top-line momentum in 2024 with continued margin expansion

KEY 2024 BUSINESS PRIORITIES INCLUDE:

» Further improve loyalty to drive renewals and referrals

» Enhance member experience in a cost effective and efficient way

» Build Hagerty Marketplace into the most trusted and preferred place to buy, sell and finance collector cars

» Expand insurance offerings, particularly in the post-1980s collectible space

FIRST QUARTER

Financial Highlights

GROWTH	PERSISTENCE	PROFITABILITY	
$272M Total Revenue +24%	41.1% Loss Ratio	$12M Operating Income +29M	$8M Net Income +23M
$218M Written Premium +19%	88.7% Retention	$27M Adjusted EBITDA[1] +21M	$(0.04) Basic Earnings (Loss) Per Share

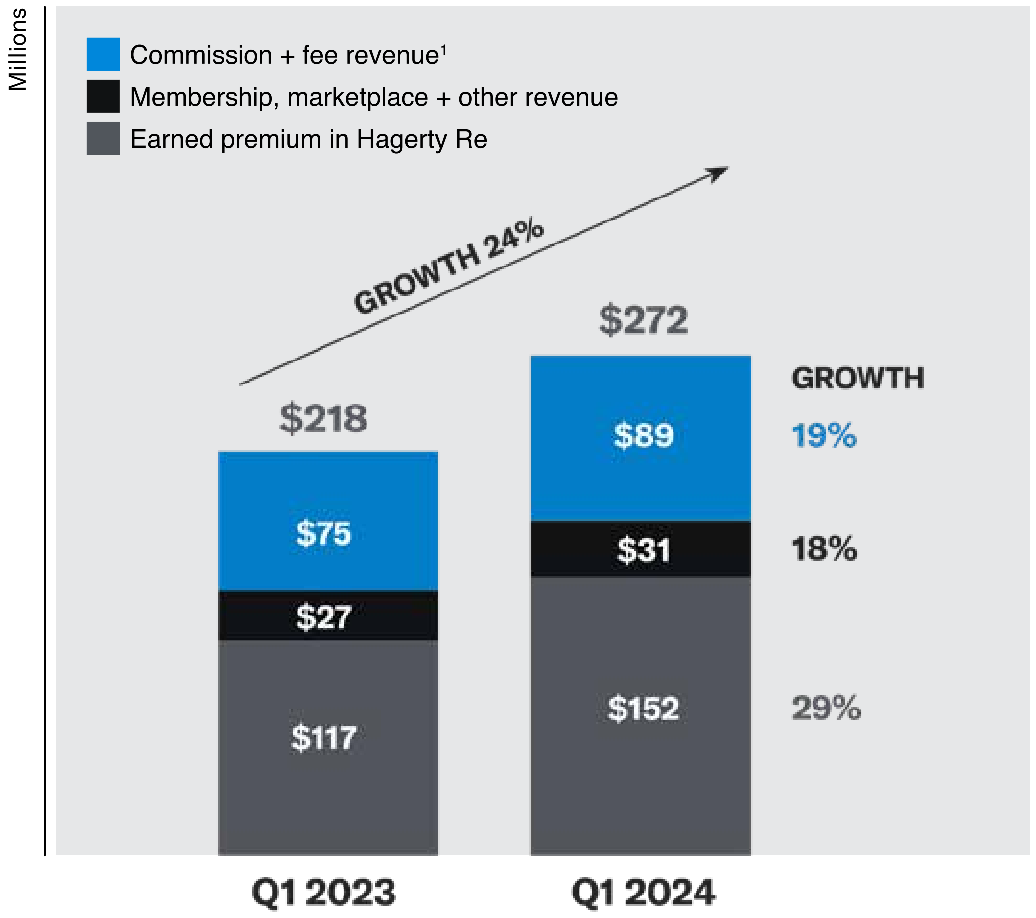
And a 1,210 bps improvement in operating margin

[1] See Appendix for additional information regarding this non-GAAP measure.

Revenue Components

Strong double-digit gains

TOTAL REVENUE



FIRST QUARTER 2024 HIGHLIGHTS

Commission + fee revenue (+19%)

» Written premium growth of 19%

» Policies in Force retention of 89%

Membership, marketplace + other revenue (+18%)

» Membership revenue growth of 7%

» Marketplace revenue growth of 58%

Earned premium in Hagerty Re (+29%)

» Contractual quota share[2] ~80% in 2024

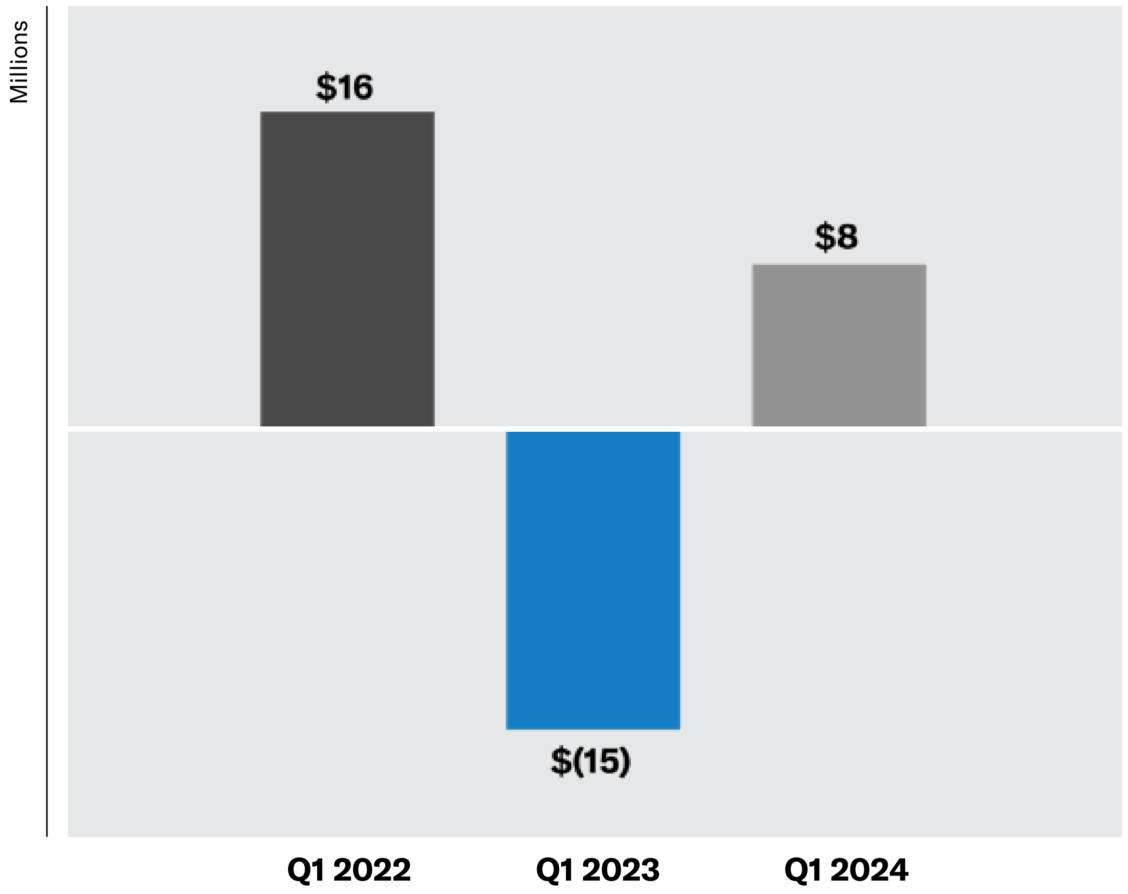
[1] Includes base commissions, payment plan fees and contingent underwriting commissions.

[2] Currently applies to U.S. and U.K. programs. Generally described as an arrangement where underwriting risk and profit is shared proportionately.

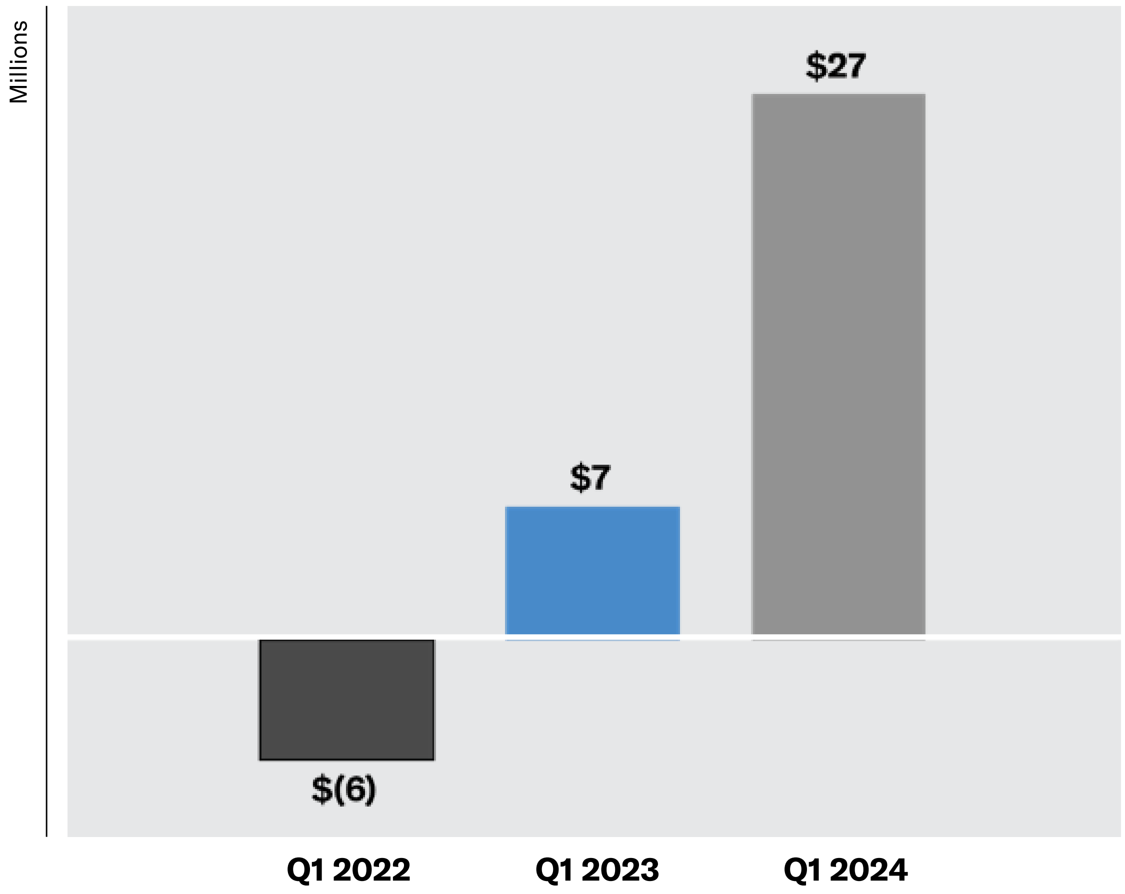
Earnings Analysis

Delivering sustained profit growth

FIRST QUARTER NET INCOME[1]



FIRST QUARTER ADJUSTED EBITDA[2]



[1] Q1 2022 Net Income includes a $32 million gain as a result of a decrease in fair value of warrant liabilities, Q1 2023 Net Income includes a $1 million loss and Q1 2024 includes a $6 million loss as a result of an increase in fair value of warrant liabilities.

[2] See Appendix for additional information regarding this non-GAAP financial measure.

Reaffirmed 2024 Outlook

Deliver sustained top-line momentum in 2024 with continued margin expansion

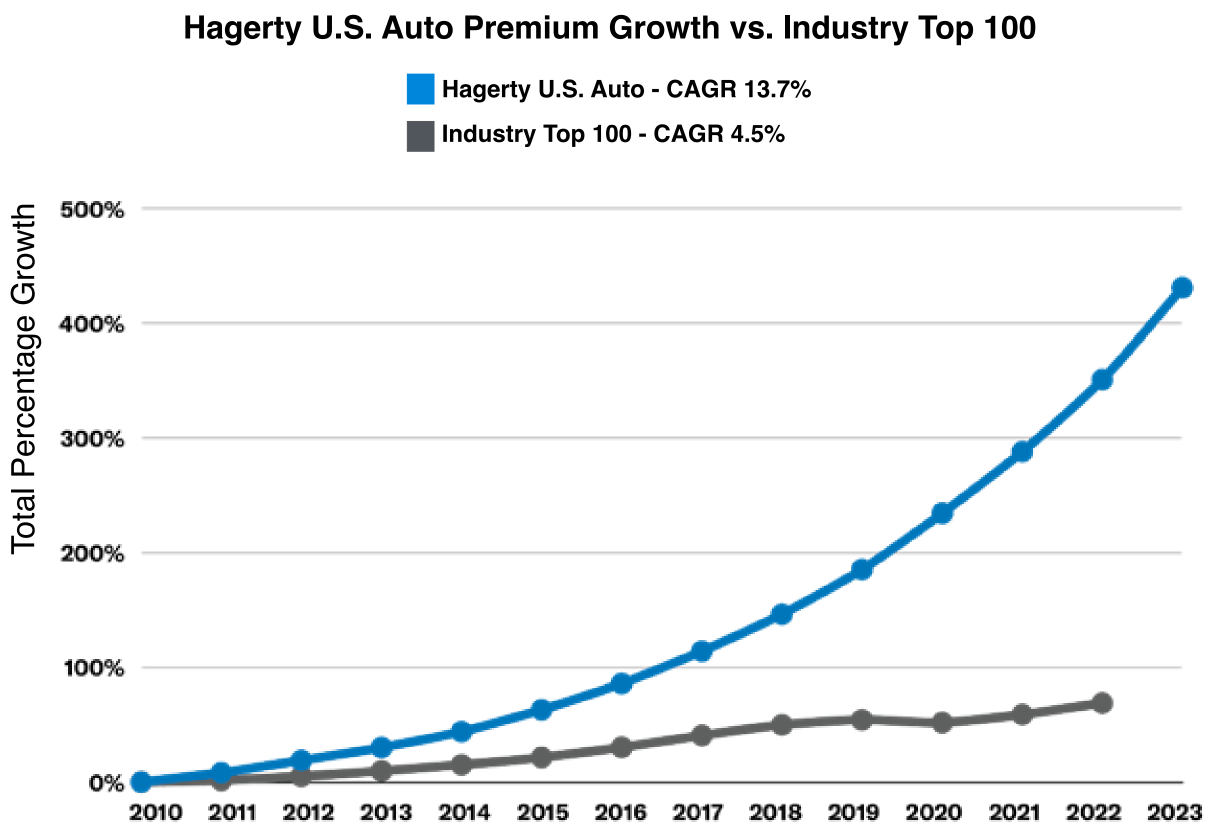
IN THOUSANDS	2023 RESULTS	2024 OUTLOOK ($)	2024 OUTLOOK (%)
Total Written Premium	$907,175	$1,025,000 - $1,034,000	13% - 14%
Total Revenue	$1,000,213	$1,150,000 - $1,170,000	15% - 17%
Net Income[1]	$28,179	$61,000 - $70,000	116% - 148%
Adjusted EBITDA[2]	$88,162	$124,000 - $135,000	41% - 53%

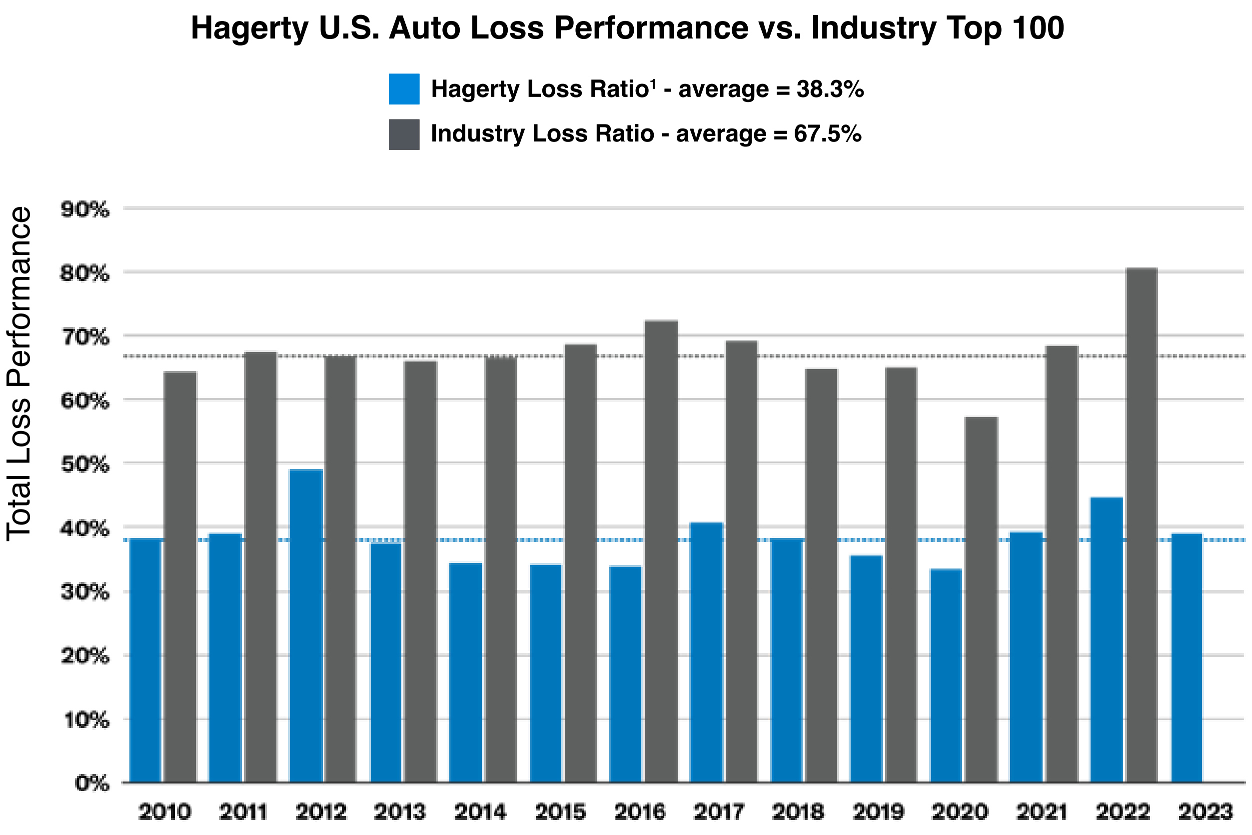
[1] Net income range assumes no impact from warrants.

[2] See Appendix for additional information regarding this non-GAAP financial measure.

APPENDIX

PROVEN TRACK RECORD OF PROFITABLE LONG-TERM GROWTH



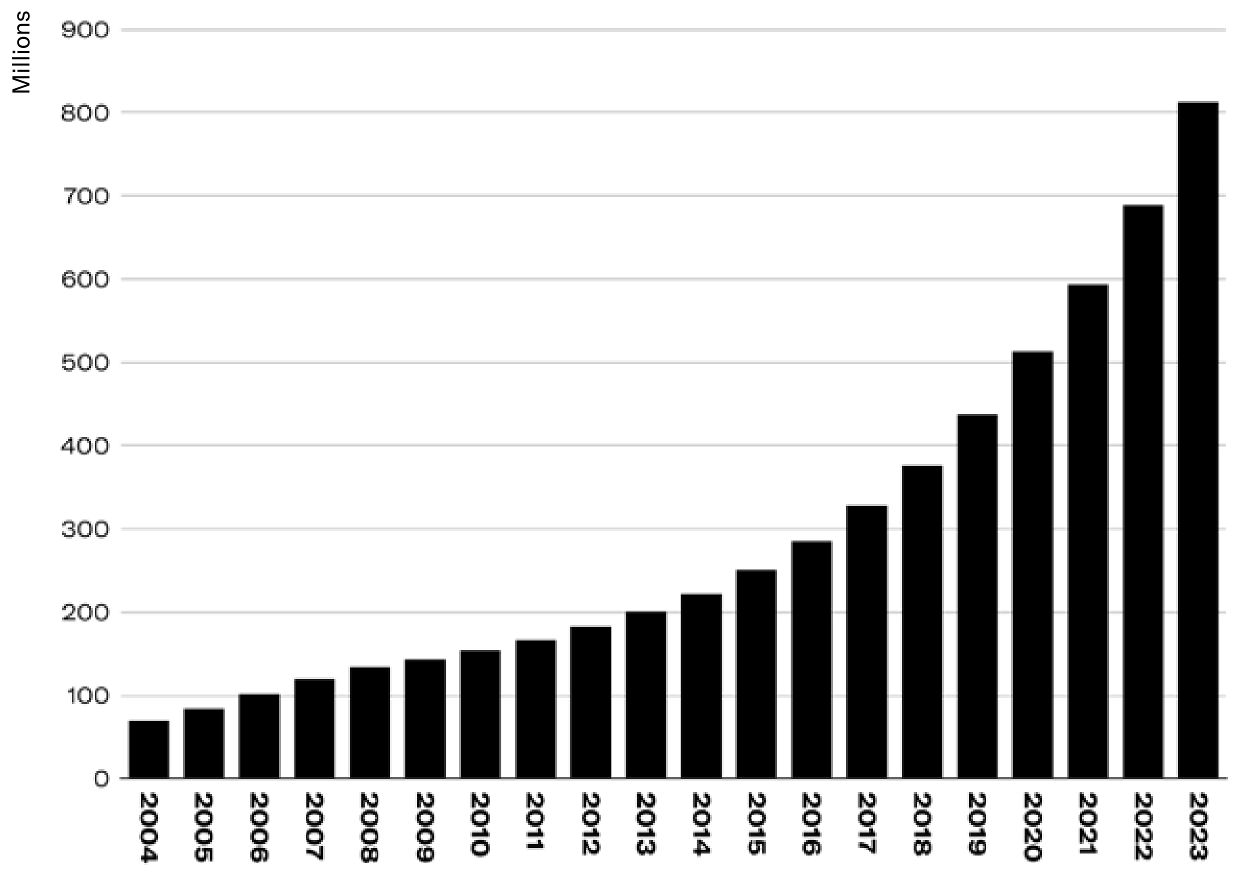


[1]Hagerty's full year 2022 loss ratio of 45.3% includes the $10.0 million impact from Hurricane Ian (2.5%) as well as the increased U.S. liability reserves of $6.5 million (1.6%). Recently implemented rate changes expected to drive 2023 loss ratios in line with historical results.

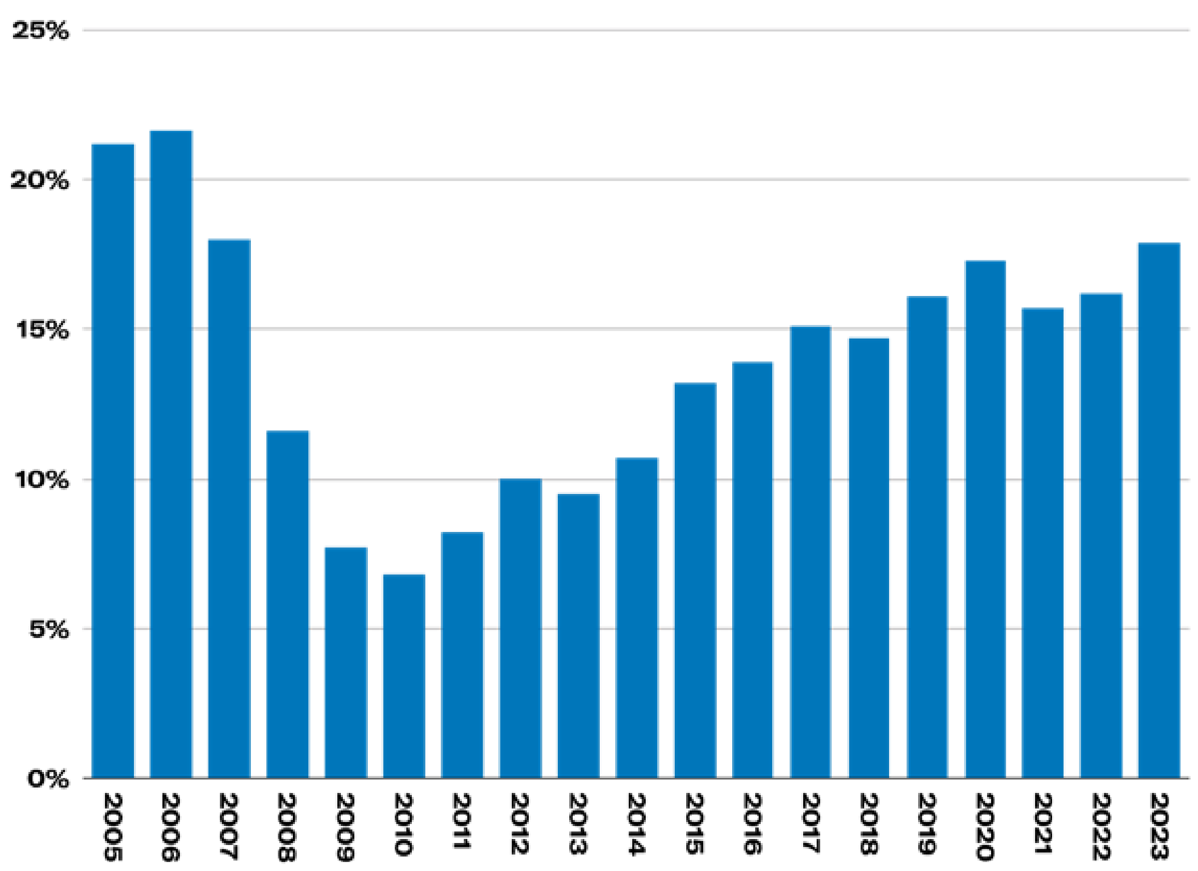
Source: Hagerty Internal Data, S&P Global Market Intelligence (2022).

HISTORICAL WRITTEN PREMIUM GROWTH

Total U.S. Auto Written Premium



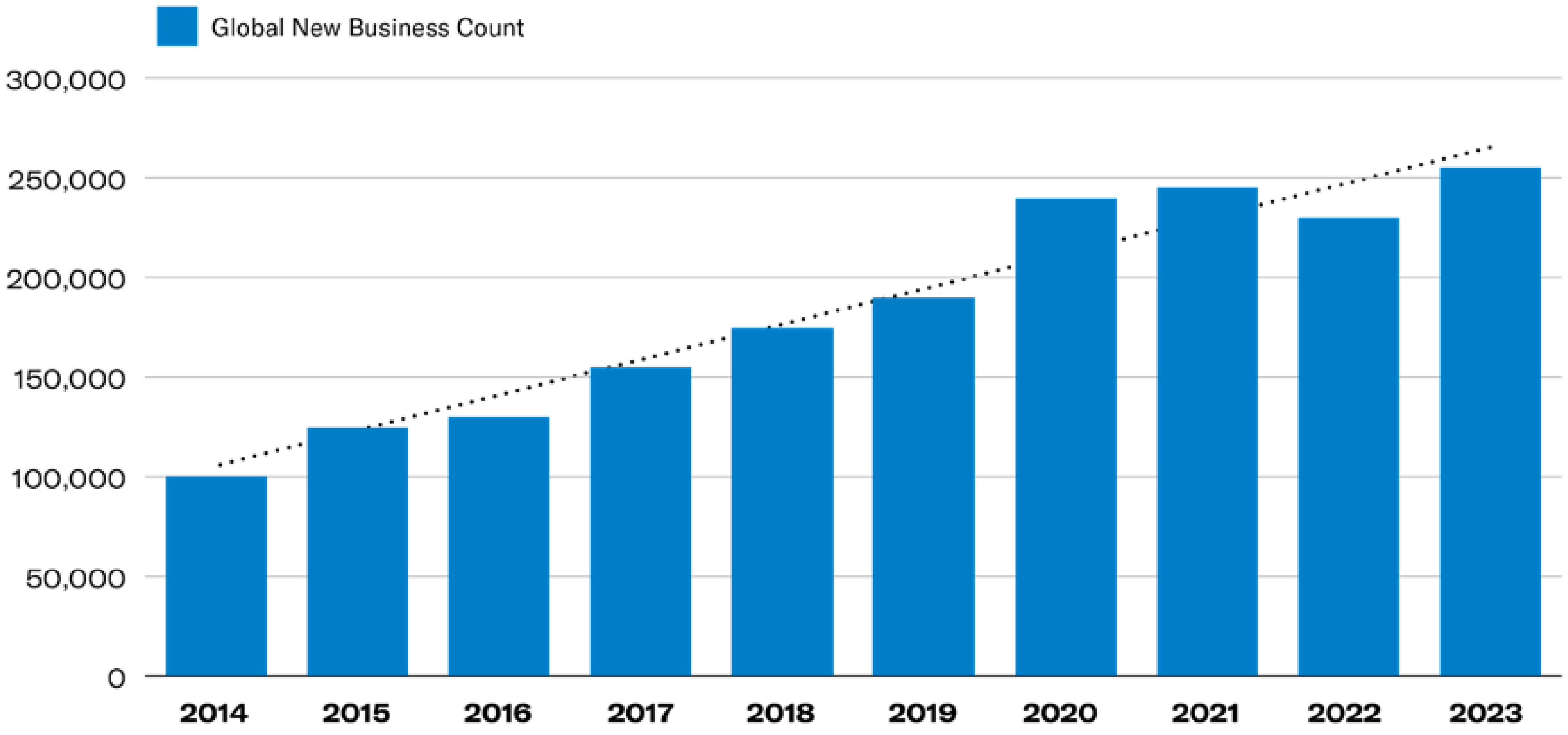
U.S. Auto Written Premium Annual Growth



Durable mid-teens growth

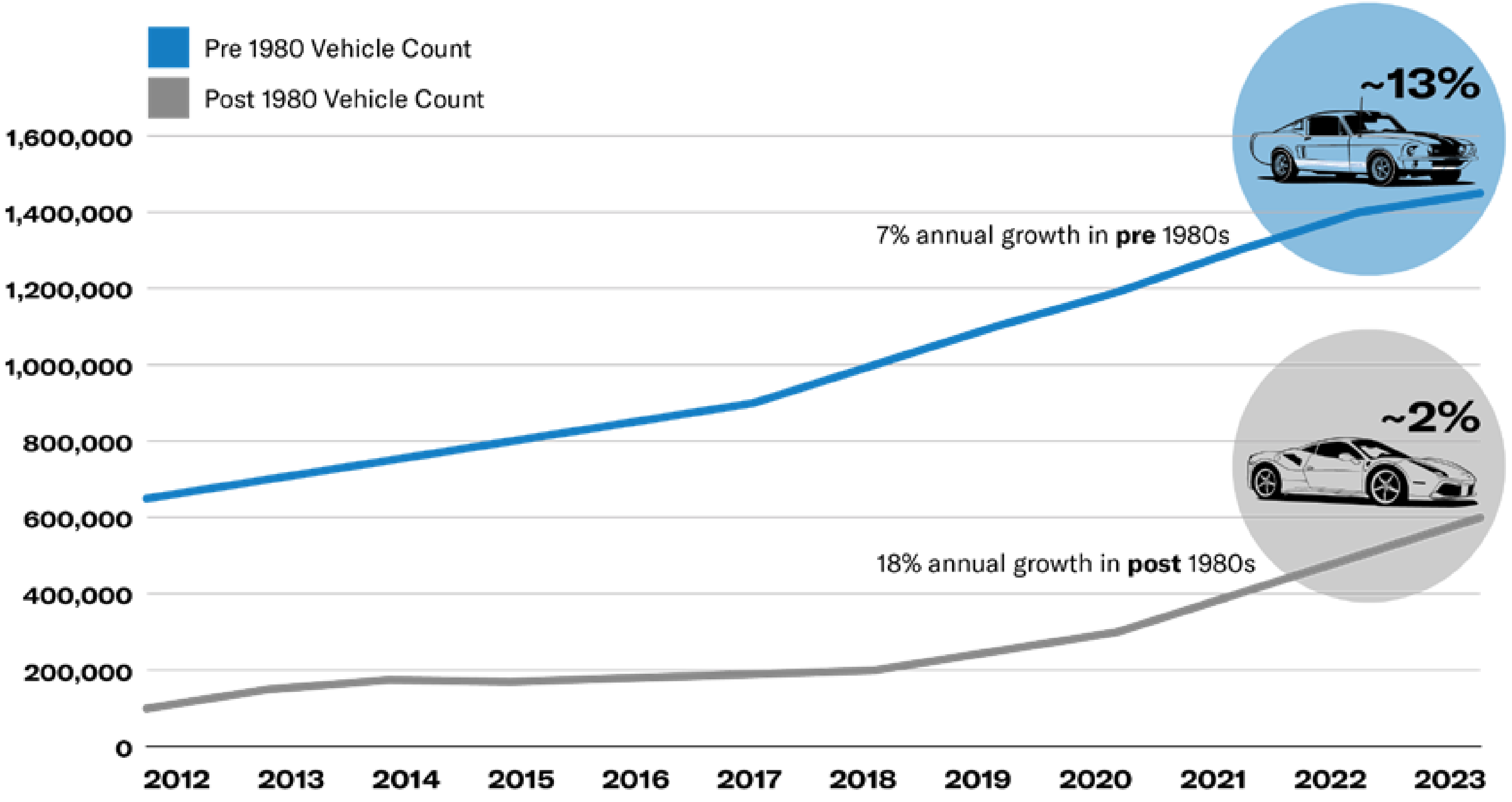
WRITTEN PREMIUM GROWTH FUELED BY NEW MEMBERS

Strong and growing New Business Count



POST 1980 VEHICLES BECOMING MORE IMPACTFUL FOR GROWTH

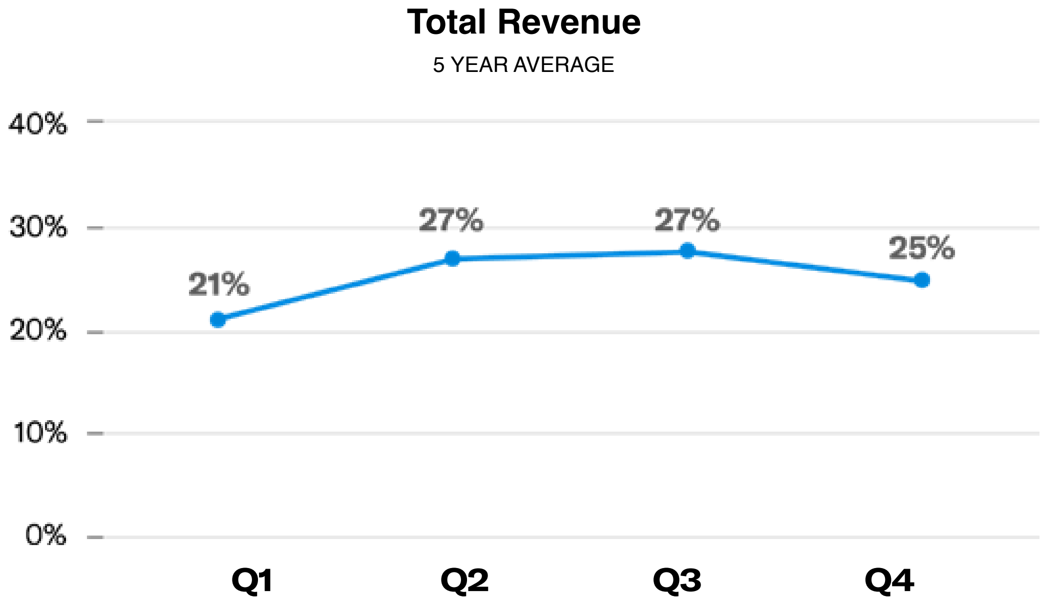
Hagerty Penetration and U.S. Auto Insured Vehicle Count



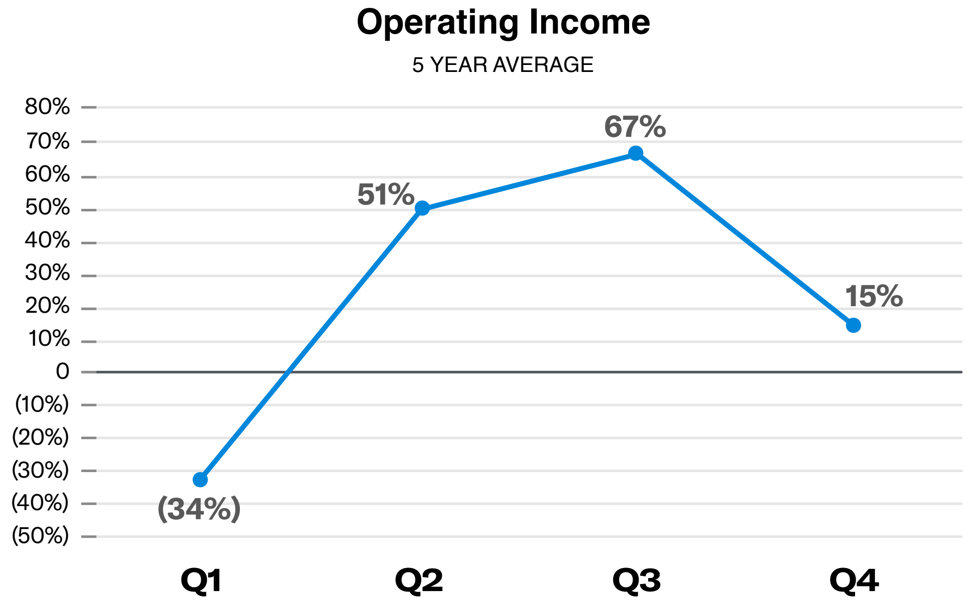
Collectible Vehicles by Cohort

Type	Total Market (cars, mm)	Hagerty Penetration
Pre 1980 Vehicles	11.2	13.3%
Post 1980 Vehicles	35.2	1.7%
Total	~46.3	4.5%

HISTORICAL SEASONALITY TRENDS



$ IN THOUSANDS	Q1	Q2	Q3	Q4	Total
2019	78,479	109,722	111,472	97,601	397,274
2020	106,859	135,462	135,781	121,446	499,548
2021	129,200	167,409	168,086	154,384	619,079
2022	167,811	206,017	216,757	197,003	787,588
2023	218,352	261,244	275,574	245,043	1,000,213
5 Year Average Total Revenue %	**21%**	**27%**	**27%**	**25%**	**100%**



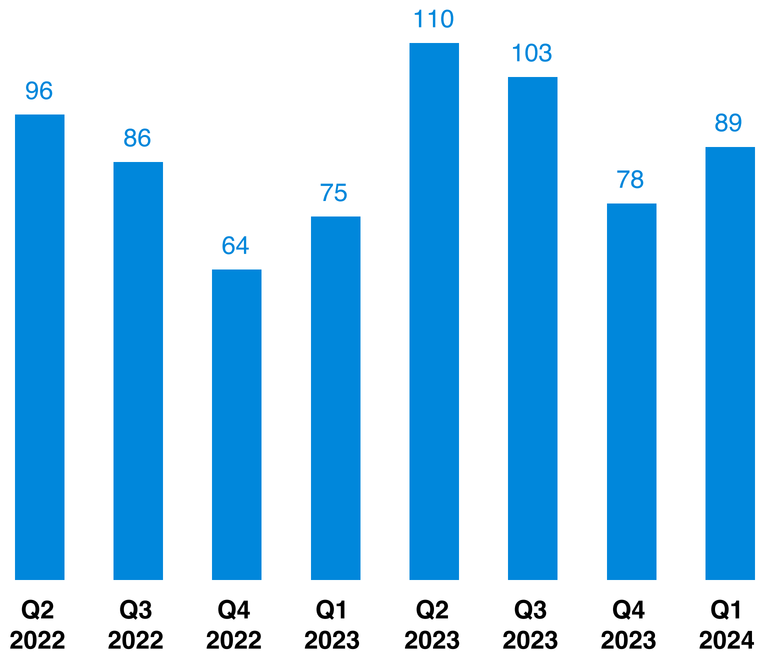
$ IN THOUSANDS	Q1	Q2	Q3	Q4	Total
2019	(5,808)	13,247	9,258	(6,149)	10,548
2020	(4,171)	17,441	12,650	(10,074)	15,846
2021	(5,096)	14,274	1,758	(21,006)	(10,070)
2022	(13,004)	2,387	(21,223)	(35,726)	(67,566)
2023	(16,489)	17,253	16,117	(6,473)	10,408
5 Year Average Operating Income %	**(34)%**	**51%**	**67%**	**15%**	**100%**

Geographic footprint of our North American book creates seasonal differences by quarter for revenue and operating income.

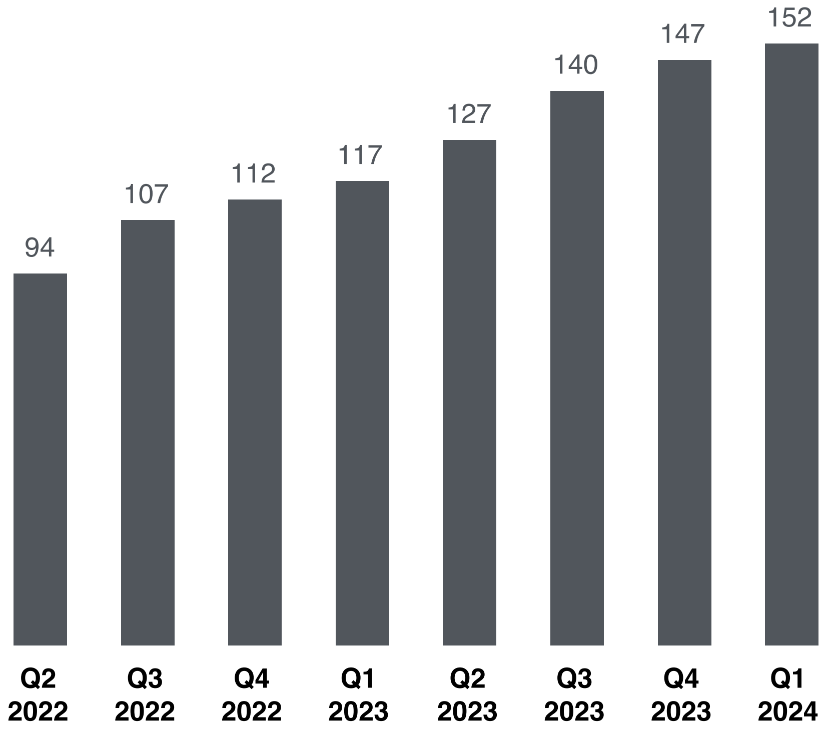
REVENUE COMPONENTS BY QUARTER

$ IN MILLIONS

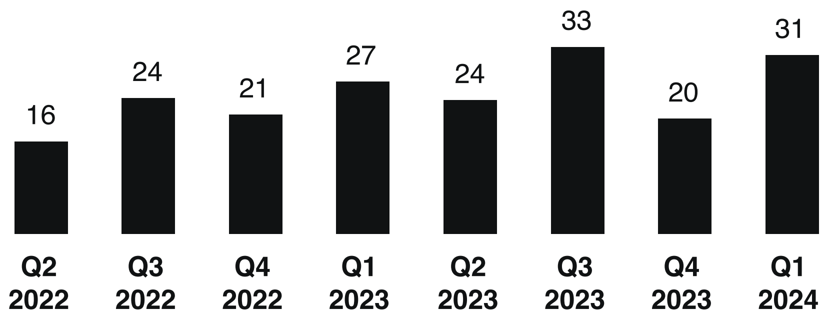
Commission + fee revenue[1]



Earned premium in Hagerty Re



Membership, marketplace + other revenue



[1] Includes base commissions, payment plan fees and contingent underwriting commissions.

RECONCILIATION OF NON-GAAP METRICS

Net Income (Loss) to Adjusted EBITDA

IN THOUSANDS	Q1 2023	Q2 2023 - Q4 2023	Q1 2024	TTM
Net income (loss)	**($15,025)**	**$43,204**	**$8,199**	**$51,403**
Interest and other income (expense)[1]	(5,647)	(17,174)	(7,244)	(24,418)
Income tax expense	3,668	12,925	5,129	18,054
Depreciation and amortization	13,743	32,066	10,560	42,626
EBITDA	**(3,261)**	**71,021**	**16,644**	**87,665**
Restructuring, impairment and related charges, net	5,535	3,277	—	3,277
Change in fair value of warrant liabilities	515	(12,058)	6,140	(5,918)
Share-based compensation expense	3,916	13,813	4,543	18,356
Losses and impairments related to divestitures	—	4,013	—	4,013
Other unusual items[2]	—	1,391	—	1,391
Adjusted EBITDA	**$6,705**	**$81,457**	**$27,327**	**$108,784**

[1] Excludes interest expense related to the BAC Credit Facility, which is recorded within “Sales expense” on the Condensed Consolidated Statements of Operations.

[2] Other unusual items primarily includes certain legal settlement expenses (net) recognized in the year ended December 31, 2023.

Adjusted EBITDA

We define Adjusted EBITDA as consolidated Net income (loss), excluding interest and other income (expense), income tax expense, and depreciation and amortization, further adjusted to exclude (i) changes in the fair value of our warrant liabilities; (ii) share-based compensation expense; and when applicable, (iii) restructuring, impairment and related charges, net; (iv) the net gain or loss from asset disposals; (v) losses and impairments related to divestitures; and (vi) certain other unusual items.

We present Adjusted EBITDA because we consider it to be an important supplemental measure of the Company's performance and believe it is frequently used by securities analysts, investors, and other interested parties in the evaluation of companies in our industry. Management uses Adjusted EBITDA as a measure of the operating performance of our business on a consistent basis, as it removes the impact of items not directly resulting from our core operations.

By providing this non-GAAP financial measure, together with a reconciliation to Net income (loss), which is the most comparable GAAP measure, we believe we are enhancing investors’ understanding of our business and our results of operations, as well as assisting investors in evaluating how well we are executing our strategic initiatives. However, Adjusted EBITDA has limitations as an analytical tool, and should not be considered in isolation, or as an alternative to, or a substitute for Net income (loss) or other financial statement data presented in our Condensed Consolidated Financial Statements as indicators of financial performance. Hagerty's definition of Adjusted EBITDA may be different than similarly titled measures used by other companies in our industry, which could reduce the usefulness of this non-GAAP financial measure when comparing our performance to that of other companies.

RECONCILIATION OF NON-GAAP METRICS

Basic Earnings (Loss) Per Share to Adjusted Earnings (Loss) Per Share

IN THOUSANDS (EXCEPT PER SHARE AMOUNTS)	Q1 2024	Q1 2023
Numerator:		
Net income (loss) available to Class A Common Stockholders[1]	$(3,189)	$(2,099)
Undistributed earnings allocated to Series A Convertible Preferred Stock	—	—
Accretion of Series A Convertible Preferred Stock	1,838	—
Net income (loss) attributable to non-controlling interest	9,550	(12,926)
Consolidated net income (loss)	8,199	(15,025)
Change in fair value of warrant liabilities	6,140	515
Revaluation gain on previously held equity method investment	—	—
Adjusted consolidated net income (loss)[2]	$14,339	$(14,510)
Denominator:		
Weighted-average shares of Class A Common Stock Outstanding - basic[1]	84,656	83,227
Total potentially dilutive shares outstanding:		
Conversion of non-controlling interest units of THG to Class A Common Stock	255,499	255,640
Conversion of Series A Convertible Preferred Stock to Class A Common Stock	6,785	—
Total unissued share-based compensation awards	8,256	6,870
Total warrants outstanding	19,484	19,484
Potentially dilutive shares outstanding	290,024	281,994
Fully dilutive shares outstanding[2]	374,680	365,221
Basic Earnings (Loss) per Share[1]	$(0.04)	$(0.03)
Adjusted Earnings (Loss) per Share[2]	$0.04	$(0.04)

[1] Numerator and Denominator of the GAAP measure Basic EPS

[2] Numerator and Denominator of the non-GAAP measure Adjusted EPS

Adjusted EPS

We define Adjusted Earnings (Loss) Per Share ("Adjusted EPS") as consolidated Net income (loss), less the change in fair value of our warrants divided by our outstanding and total potentially dilutive securities, which includes (i) the weighted-average issued and outstanding shares of Class A Common Stock; (ii) all issued and outstanding non-controlling interest units of THG; (iii) all unexercised warrants; (iv) all unissued share-based compensation awards; and (v) all issued and outstanding shares of the Series A Convertible Preferred Stock.

In the third quarter of 2023, we began removing (i) the change in fair value of our warrants and (ii) the revaluation gain on previously held equity method investment from consolidated Net income (loss) for purposes of calculating Adjusted EPS. For comparability, references to prior period non-GAAP measures have been updated to show the effect of removing the change in the fair value of our warrants from Adjusted EPS. We believe this updated presentation of Adjusted EPS enhances investors' understanding of our financial performance from activities occurring in the ordinary course of our business..

The most directly comparable GAAP measure is basic earnings per share ("Basic EPS"), which is calculated as Net income (loss) available to Class A Common Stockholders divided by the weighted average number of Class A Common Stock shares outstanding during the period.

We caution investors that Adjusted EPS is not a recognized measure under GAAP and should not be considered in isolation or as a substitute for, or superior to, the financial information prepared and presented in accordance with GAAP, including Basic EPS, and that Adjusted EPS, as we define it, may be defined or calculated differently by other companies. In addition, Adjusted EPS has limitations as an analytical tool and should not be considered as a measure of profit or loss per share.

RECONCILIATION OF NON-GAAP METRICS | 2024 OUTLOOK

Net Income to Adjusted EBITDA

IN THOUSANDS	2024 Low	2024 High
Net Income	**$61,000**	**$70,000**
Interest and Other (Income) Expense (1)	(18,000)	(18,000)
Income Tax (Benefit) Expense	17,250	19,250
Depreciation and Amortization	46,000	46,000
Change in Fair Value of Warrant Liabilities	—	—
Share-based Compensation Expense	17,750	17,750
Adjusted EBITDA	**$124,000**	**$135,000**

[1] Excludes interest expense related to the BAC Credit Facility, which is recorded within "Sales expense" on the Condensed Consolidated Statements of Operations.

Adjusted EBITDA

We define Adjusted EBITDA as consolidated Net income (loss), excluding interest and other income (expense), income tax expense, and depreciation and amortization, further adjusted to exclude (i) changes in the fair value of our warrant liabilities; (ii) share-based compensation expense; and when applicable, (iii) restructuring, impairment and related charges, net; (iv) the net gain or loss from asset disposals; (v) losses and impairments related to divestitures; and (vi) certain other unusual items.

We present Adjusted EBITDA because we consider it to be an important supplemental measure of the Company's performance and believe it is frequently used by securities analysts, investors, and other interested parties in the evaluation of companies in our industry. Management uses Adjusted EBITDA as a measure of the operating performance of our business on a consistent basis, as it removes the impact of items not directly resulting from our core operations.

By providing this non-GAAP financial measure, together with a reconciliation to Net income (loss), which is the most comparable GAAP measure, we believe we are enhancing investors' understanding of our business and our results of operations, as well as assisting investors in evaluating how well we are executing our strategic initiatives. However, Adjusted EBITDA has limitations as an analytical tool, and should not be considered in isolation, or as an alternative to, or a substitute for Net income (loss) or other financial statement data presented in our Condensed Consolidated Financial Statements as indicators of financial performance. Hagerty's definition of Adjusted EBITDA may be different than similarly titled measures used by other companies in our industry, which could reduce the usefulness of this non-GAAP financial measure when comparing our performance to that of other companies.

Never Stop Driving

HAGERTY