



2021 Investor Presentation

Speakers:

McKeel Hagerty | Chief Executive Officer

Frederick J. Turcotte | SVP & Chief Financial Officer

HAGERTY

FORWARD LOOKING STATEMENTS / NON-GAAP FINANCIAL MEASURES

This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These statements may relate to, but are not limited to, expectations of future operating results or financial performance, including expectations regarding achieving profitability and our GAAP and non-GAAP guidance for the year ending December 31, 2021; management's plans, priorities, initiatives and strategies; and expectations regarding growth of our business. Forward-looking statements are inherently subject to risks and uncertainties, some of which cannot be predicted or quantified. In some cases, you can identify forward-looking statements because they contain words such as anticipate, believe, contemplate, continue, could, estimate, expect, intend, may, plan, potential, predict, project, should, target, toward, will, or would, or the negative of these words or other similar terms or expressions. You should not put undue reliance on any forward-looking statements. Forward-looking statements are based on information available

at the time those statements are made and are based on current expectations, estimates, forecasts, and projections as well as the beliefs and assumptions of management as of that time with respect to future events. These statements are subject to risks and uncertainties, many of which involve factors or circumstances that are beyond our control, that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Forward-looking statements should not be read as a guarantee of future performance or results. Except as required by law, we do not undertake any obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future developments, or otherwise.

In addition, this presentation contains certain "non-GAAP financial terms". The non-GAAP measures are presented for supplemental informational purposes only. Reconciliations to the most directly comparable financial measure calculated and presented in accordance GAAP are provided in the appendix to this presentation.



THE HAGERTY STORY

For People Who Love Cars

- 01** Our purpose is to **save driving** and car culture for future generations
- 02** Our mission is to build a global business of scale to fund our purpose, create a place where team members thrive and to **drive positive impact** on the world
- 03** Since 1984, Hagerty has helped **protect and preserve** the treasured vehicles of our members
- 04** We are **building an automotive ecosystem** that honors and catalyzes human passion for cars
- 05** **Our members are our people** and there are tens of millions of them around the world
- 06** We are a **growth company** first. We think and invest for the long-term
- 07** We have a long history of **organic growth** and profitability



THE MARKET

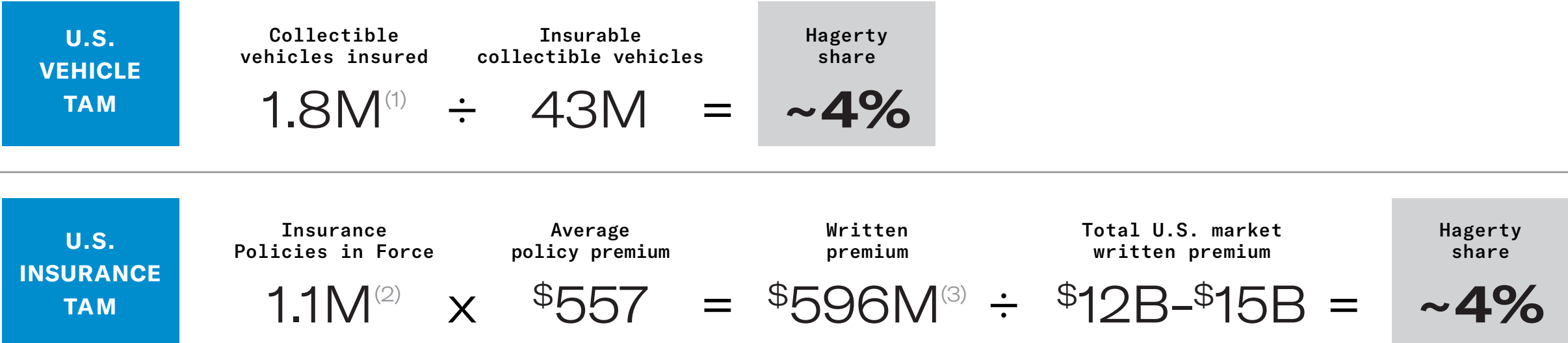
The Enthusiast Community is
an Expansive and Growing Addressable Market

| VAST | GROWING | PASSIONATE |
|--|---|--|
| <div>500M+</div> Global car enthusiasts ⁽¹⁾ | <div>~2.3M</div> New vehicles eligible as insurable collectible vehicles in 2022 ⁽⁴⁾ | <div>\$13k+</div> Average dollars spent on the hobby annually ⁽⁷⁾ |
| <div>43M+</div> U.S. insurable collectible vehicles ⁽²⁾ | <div>~1.8M</div> Vehicles turning 25 years old in 2022 ⁽⁵⁾ | <div>2,500+</div> Number of events Hagerty owns, sponsors or attends ⁽⁸⁾ |
| <div>>\$12B</div> Estimated written premium TAM (U.S.) ⁽³⁾ | <div>~3%</div> Of new 2022 vehicles expected to be insurable by Hagerty ⁽⁶⁾ | <div>≥</div> Category spending on par with or above children, pets & sports ⁽⁹⁾ |

(1) Per Facebook analytics, Facebook members who have expressed an interest in or 'Liked' automobiles or associated interests; (2) Per Hagerty company reports based on aggregate data of various sources. (3) 43MM collectible vehicles at an assumed average premium of approximately \$300. (4) 2.3 million equals 1.8 million vehicles turning 25 years old in 2022 + 3% of new 2022 vehicles. (5) 1.8 million equals 2.18 million total 1997 vehicles with an 85% survival rate. (6) 16.3 million estimated vehicles to be produced in 2022, 3% of which are estimated to be insurable by Hagerty. (7) Hagerty Driver's Club Magazine Reader Survey 2020. (8) Based on internal records. (9) Federal Reserve Economic Data based upon 2020 Personal consumption expenditures for vehicle maintenance & repair, pet services & products, sporting equipment & supplies, and children's clothing & education.

HAGERTY MARKET SHARE

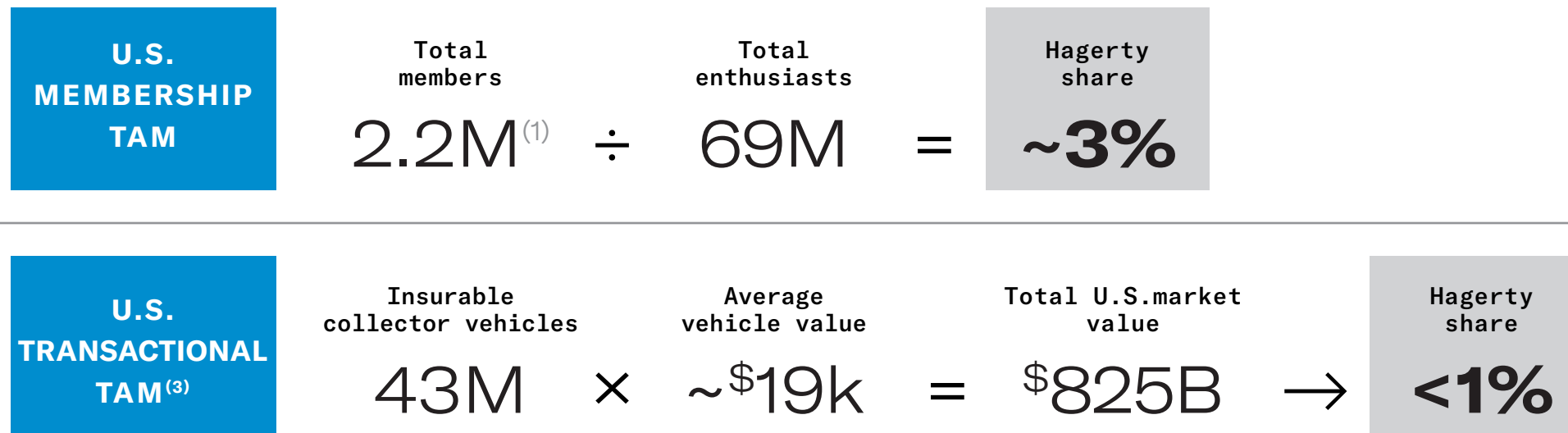
Framework for Monetizing the Total U.S. Addressable Market



(1) U.S. only - global vehicles insured ~2.1M as of 12/31/21.
(2) U.S. only - global policies in force equal ~1.2M as of 12/31/21.
(3) U.S. only - global written premium \$674M as of 12/31/21.

HAGERTY MARKET SHARE

Framework for Monetizing the Total U.S. Addressable Market



(1) Total members = HDC members, insurance members, Hagerty guests and Hagerty Garage + Social members.

(2) U.S. only - global members 2.4M as of 12/31/21.

(3) Transactional TAM refers to estimated total addressable market for buy/sell/rent transactions of collector cars, defined as classic cars, modern collectibles and supercars.

HAGERTY MARKET SHARE

Opportunity to Monetize at Scale – Total U.S. Addressable Market

| | Current Market Share | Long-term Target |
|------------------|----------------------|------------------|
| Vehicle count | ~4% | 7%-10% |
| Written premium | ~4% | 9%-12% |
| Membership count | ~3% | 7%-10% |
| Transactional | <1% | 6%-9% |

Paid U.S.
member count

1.1M⁽¹⁾

÷

Total
U.S. members

2.2M

=

Paid member
percentage

50%

HDC
conversion
opportunity*

*For illustrative purposes only, for every 1% of incremental conversion the revenue opportunity increases by \$1.2M assuming an average membership fee of \$57.



2021 MILESTONES & HIGHLIGHTS

Investing for the Long Term

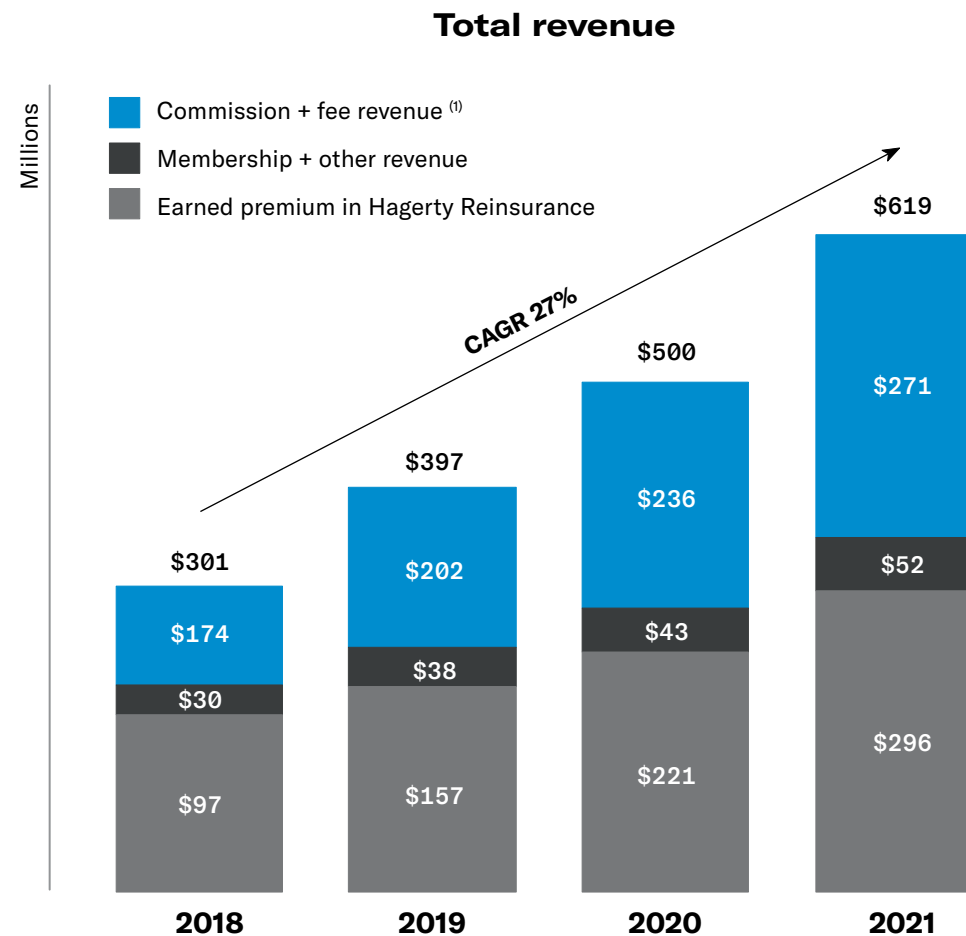
- » Successfully completed our business combination with Aldel Financial Inc.
- » Became the first automotive insurance, membership and media brand to go public
- » Grew our global membership family to 2.4 million, including 1.2 million paid members
- » Maintained a Net Promoter Score of 82
- » Acquired McCalls Motorworks, The Amelia, The Detroit Concours d'Elegance and California Mille
- » Opened three new Garage + Social locations in Seattle, Delray Beach and Toronto
- » Established a new partnership with Sony PlayStation (Gran Turismo 7) gaming platform
- » Increased our YouTube subscribers to almost 2 million and delivered 7.2 million hours of Hagerty content to enthusiasts
- » Over 3 million enthusiasts use Hagerty Valuation Tools, our proprietary database providing current and historic vehicle prices
- » Strengthened capital position and flexibility with the proceeds from the Business Combination and renegotiated long-term syndicated credit facility

2021 CONSOLIDATED FINANCIAL HIGHLIGHTS

| GROWTH | PERSISTENCE | PROFITABILITY | | FINANCIAL STRENGTH |
|---|--|---|---|--|
| \$619M Total Revenue 24% ↑ | 41% Loss Ratio 0% | (\$10M) Operating Income (Loss) 164% ↓ | \$160M Contribution Margin* 9% ↑ | \$275M Unrestricted Cash on Balance Sheet |
| \$674M Written Premium 17% ↑ | 89% Retention 1.0% ↓ | (\$61M) Net Income (Loss) 711% ↓ | \$25M Adjusted EBITDA* 14% ↓ | \$145M Undrawn Syndicated Credit Facility |
| 719k HDC Paid Member Count 12% ↑ | \$499 Revenue per Paid Member 13% ↑ | (\$.56) Earnings (Loss) Per Share | (\$.17) Adjusted Earnings Per Share* | \$258M Equity Proceeds |

*See Appendix for additional information regarding these non-GAAP financial measures.

REVENUE COMPONENTS



Commission + fee revenue

- » Premium growth averaging* 16%
- » New business written premium average* growth 19%
- » Average* Policies in Force retention at 90%

Membership + other revenue

- » Average* HDC member count growth of 9%
- » Average* membership revenue growth of 15%
- » Acceptance on new insurance of 75%

Earned premium in Hagerty Reinsurance

- » Average* 45% growth
- » Contractual quota share growing to 80% beginning in 2023

| | Quota share ⁽²⁾ |
|-------|----------------------------|
| 2018 | 34% |
| 2019 | 50% |
| 2020 | 50% |
| 2021 | 60% |
| 2022 | 70% |
| 2023+ | 80% |

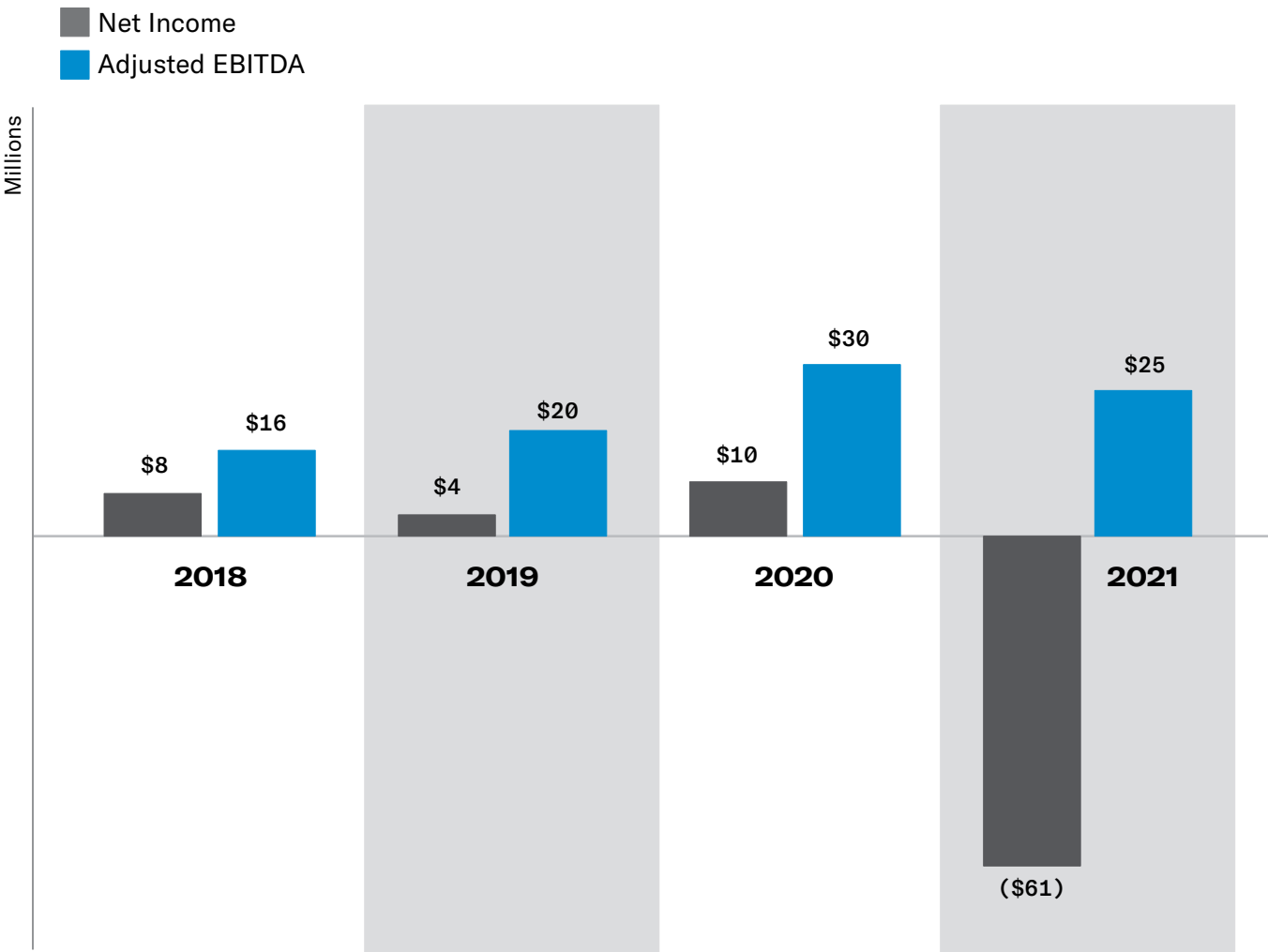
CAGR or compounded annual growth rate describes the growth rate achieved if growth had occurred at the same rate every year, and is expressed as a percentage (rounded to the nearest tenth of a percent 0.1%) and is calculated for a performance period using the following formula: $\text{CAGR} = \left(\frac{\text{2021 result}}{\text{2018 result}} \right)^{\frac{1}{(2021-2018)}} - 1$.

*Average is defined by 3-Year CAGR.

(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.

EARNINGS ANALYSIS



EBITDA Adjustments IN THOUSANDS

| | 2021 |
|--|-------------------|
| Net Income (Loss) | (\$61,354) |
| Interest and Other (Income) Expense | 1,993 |
| Income Tax Expense | 6,751 |
| Depreciation and Amortization | 22,144 |
| Changes in Fair Value of Warrant Liabilities | 42,540 |
| Accelerated Vesting of Incentive Plans | 9,321 |
| Net (Gain) Loss From Asset Disposals | 1,764 |
| Other Non-Recurring (Gains) Losses | 2,191 |
| Adjusted EBITDA | \$25,350 |

ADDITIONAL NON-RECURRING INVESTMENTS FOR GROWTH (not included in Adjusted EBITDA)

2020 \$18M | 2021 \$31M

GAAP Net Income (Loss) includes substantial pre-revenue costs related to scaling infrastructure, human resources, occupancy, newly-developed digital platforms and legacy systems to accommodate its alliance with State Farm and potentially other distribution partnerships as well as to staff and develop its recently announced Marketplace transactional platform.

*See Appendix for additional information regarding these non-GAAP financial measures.

CONTRIBUTION MARGIN AND CONTRIBUTION MARGIN RATIO

2019 - 2021

IN THOUSANDS

| | 2019 | % of Total Revenue | 2020 | % of Total Revenue | 2021 | % of Total Revenue |
|--------------------------------|------------------|--------------------|------------------|--------------------------|------------------|--------------------------|
| Total Revenue | \$397,274 | 100% | \$499,548 | 100% | \$619,079 | 100% |
| Less: Total Operating Expense | 386,425 | 97% | 483,702 | 97% | 629,149 | 102% |
| Operating Income (Loss) | 10,849 | 3% | 15,846 | 3% | (10,070) | -2% |
| Add: Fixed Operating Expenses | 106,413 | 27% | 130,908 | 26% | 169,641 | 27% |
| Contribution Margin | \$117,262 | 30% | \$146,754 | 29%⁽¹⁾ | \$159,571 | 26%⁽²⁾ |

We use Contribution Margin:

- » to analyze the relationship between cost, volume and profit as revenue grows
- » to measure how much profit is earned for every product or service sold
- » to measure how different management actions could affect the Company's Total Revenue and related cost levels

(1) Hagerty Re's variable cost structure produces a 10% contribution margin, as it becomes a larger portion of total revenue it will draw down Contribution Margin

(2) Driven by increase in digital marketing spend, roadside servicing costs and additional headcount for scale

Contribution Margin is the amount of Total Revenue that exceeds variable costs, representing the amount of revenue available to cover fixed costs and reinvest for growth.

*See Appendix for additional information regarding these non-GAAP financial measures.



2022 Outlook

HAGERTY + STATE FARM PARTNERSHIP

Leverage and Monetize at Scale

“This strategic relationship brings together two outstanding, customer-centric organizations to create value for our customers. We are excited about the future of this strategic relationship with Hagerty, and the benefits it will provide to State Farm customers and agents. Providing insurance through State Farm Classic Insurance Company, along with Hagerty’s unique abilities in this segment including additional services through HDC will be a great combination for our customers.”

Rand Harbert

EVP and Chief Agency, Sales & Marketing Officer for State Farm

Our partnership

- » \$500M investment
- » Board seat
- » 460,000+ collector policies
- » 19,200 agents
- » 10-year contract

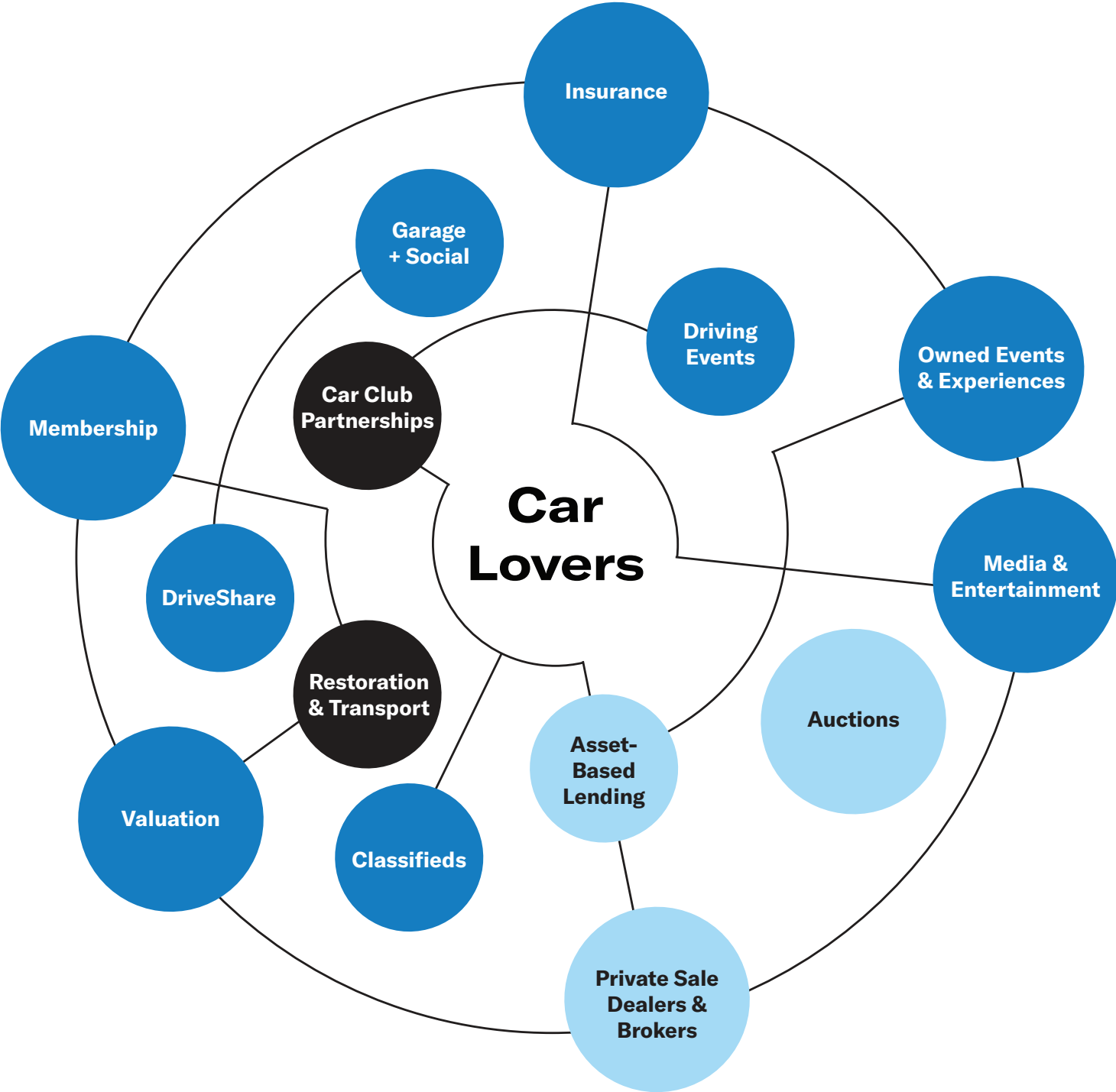
Our expectations

- » Initial rollout end of 2022
- » Up to 75% HDC adoption rate on new insurance policies
- » Average annual revenue per customer: \$85-\$110



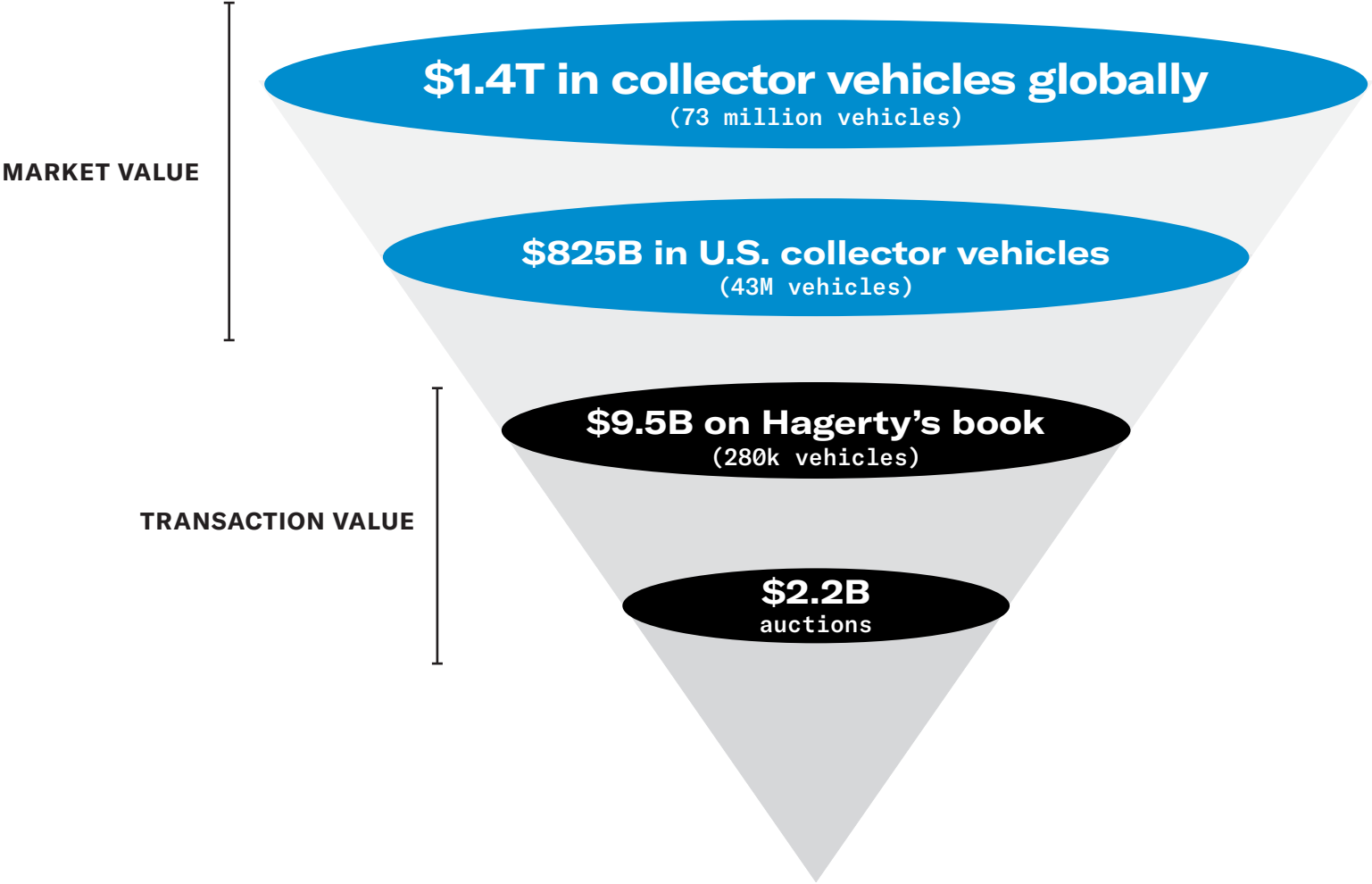
BUILDING AN ECOSYSTEM FOR THE AUTOMOTIVE WORLD

Earning More Discretionary Spend



- Hagerty offerings
- Broad Arrow Inc. investment
- Opportunity for fee-based revenue

COLLECTOR VEHICLE TRANSACTIONAL MARKET

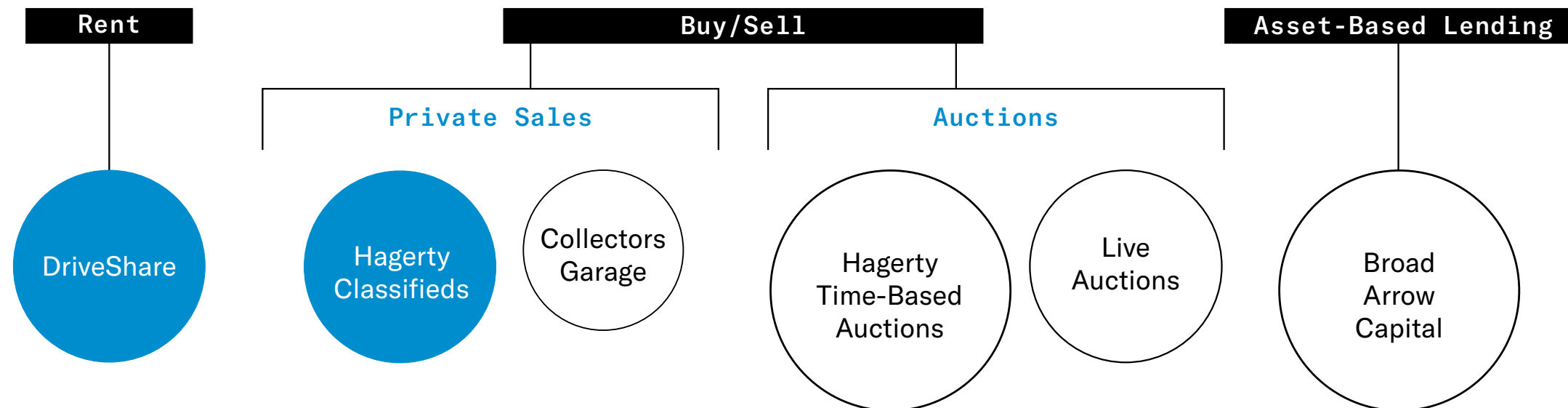


- » U.S. is approximately 59% of the global collector vehicle market based on vehicle count, representing \$825B of market value
- » In 2021, Hagerty observed 280k buy/sell vehicle transactions representing \$9.5B in total value on its U.S. insurance book or approximately 1% of the U.S. total market value
- » Value of transactions in Hagerty' book of \$9.5B is 4x the combined estimated annual value of \$2.2B generated by all U.S. auctions

Opportunity to monetize the transactional TAM is massive

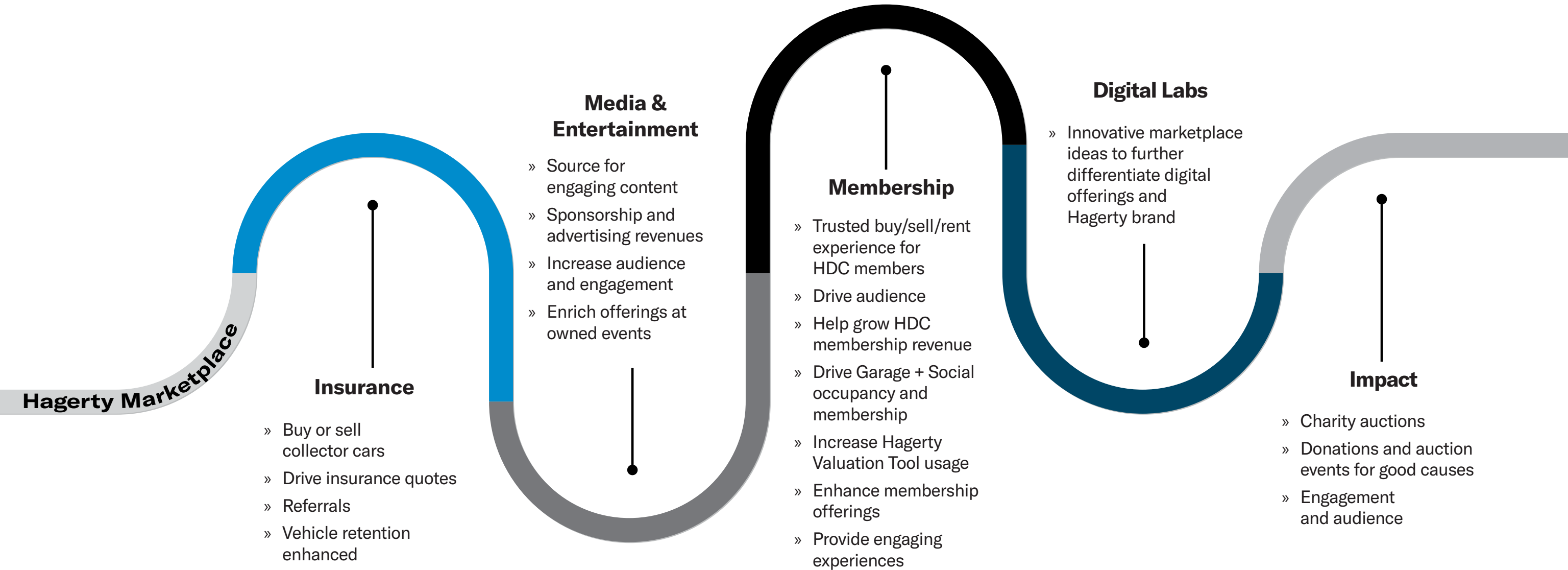
HAGERTY MARKETPLACE

Leverage Hagerty Valuation Tools, membership and media content assets to build a comprehensive, trust-based suite of transactional offerings to drive data, revenue and engagement



- Hagerty owned
- Joint venture with Broad Arrow Group

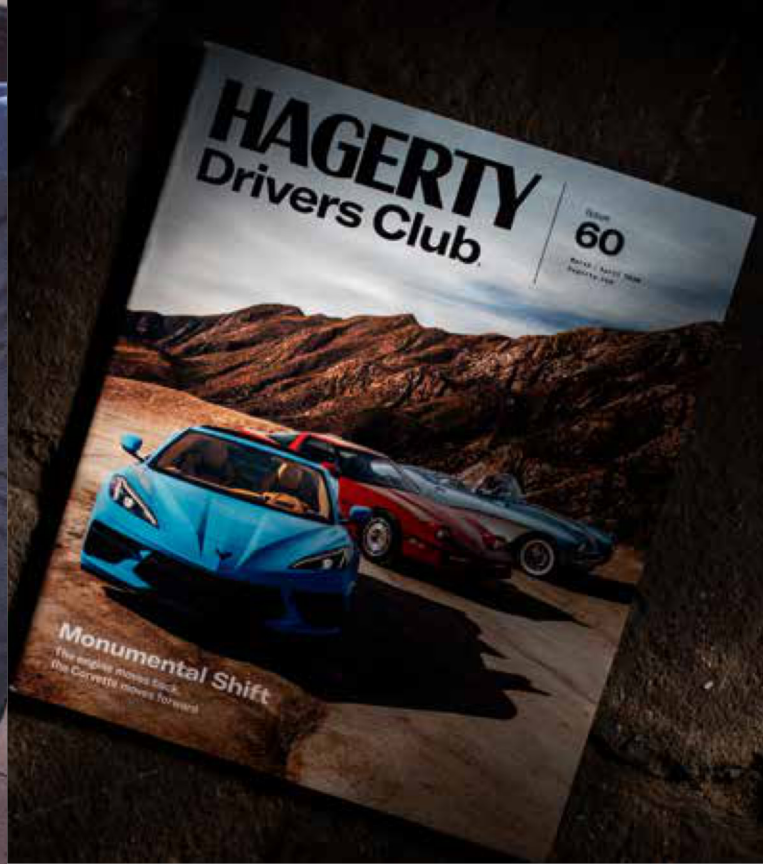
MARKETPLACE SYNERGIES



2022 OUTLOOK

| | 2022 Outlook | 2022 Guidance at Business Combination |
|------------------------------|--------------|---------------------------------------|
| Total Written Premium Growth | ↑ 14% - 18% | 32% |
| Total Revenue Growth | ↑ 24% - 28% | 36% |
| Policies in Force Retention | 89% - 90% | 90% |
| Total Members | ↑ 9% - 12% | - |
| Revenue per Paid Member | ↑ 7% - 10% | - |
| HDC Paid Member Count | ↑ 7% - 10% | 33% |
| Net Income (Loss) | ↑ 35% - 75% | - |
| Adjusted EBITDA | ↑ 10% - 20% | - |
| Earnings per Share | ↑ 35% - 75% | - |
| Adjusted Earnings per Share | ↑ 35% - 75% | - |

Principal difference in 2022 as compared to guidance relates to the delay in launch of State Farm and market timing relative to HDC product launch.



DRIVING FUTURE GROWTH

Insurance

- » Grow omni-channel distribution (onboard new partners & deepen existing)
- » Expand share of insurance underwriting profit
- » Deliver frictionless member experience (sales, service, claims)

Media + Entertainment

- » Develop owned and operated events
- » Expand digital audience
- » Leverage Sony partnership with Gran Turismo gaming platform
- » Expand video distribution
- » Increase advertising and sponsorship revenue

Membership

- » Deepen paid membership
- » Enhance value proposition
- » Develop partnership model
- » Expand to international markets

Reinsurance

- » Increase contractual quota share
- » Grow international footprint

Marketplace

- » Leverage Broad Arrow Group investment
- » Launch live and time-based auctions
- » Grow asset-based lending

Digital Labs

- » Develop proprietary membership/ insurance platform
- » Launch mileage-based insurance platform

Impact

- » Create carbon neutrality plan
- » Establish government affairs program

A scenic coastal road with cars driving away from the viewer, a forested hillside, and a cloudy sky.

READY TO ROAR

At Hagerty, our purpose is to ‘Save Driving & Car Culture for Future Generations.’ To meet that challenge, we are building an ecosystem of products, services and entertainment for car lovers that honors and catalyzes the passion for cars and driving.

McKEEL HAGERTY

APPENDIX

KEY PERFORMANCE INDICATORS + SUPPLEMENTAL FINANCIAL INFORMATION

| | 2020 | 2021 |
|--------------------------------|---------------|----------------|
| HDC Paid Member Count | 641,343 | 718,583 |
| Total Written Premium | \$578,234,262 | \$674,305,411 |
| New Business Count (Insurance) | 236,665 | 244,478 |
| Policies in Force Retention | 90.0% | 89.1% |
| Loss Ratio | 41.3% | 41.3% |
| Revenue per Paid Member | \$442 | \$499 |
| Total Revenue | \$499,548,201 | \$619,078,501 |
| Net Promoter Score | 84 | 82 |
| Operating Income (Loss) | \$15,846,049 | (\$10,069,922) |
| Contribution Margin | \$146,753,546 | \$159,571,025 |
| Net Income (Loss) | \$10,039,116 | (\$61,354,297) |
| Earnings Per Share (Loss) | N/A | (\$0.56) |
| Adjusted EBITDA | \$29,693,049 | \$25,350,012 |
| Adjusted EPS | N/A | (\$0.17) |

SUPPLEMENTAL FINANCIAL INFORMATION

Total member count

Paid Membership Counts

| U.S. | 2019 | 2020 | 2021 |
|-----------------|---------|-----------|-----------|
| Insurance Only | 344,297 | 412,420 | 443,137 |
| Insurance + HDC | 521,471 | 568,285 | 630,323 |
| HDC Standalone | 26,248 | 21,632 | 31,817 |
| Total Paid | 892,016 | 1,002,337 | 1,105,277 |

| Canada | 2019 | 2020 | 2021 |
|-----------------|---------|---------|---------|
| Insurance Only | 74,096 | 77,339 | 79,692 |
| Insurance + HDC | 42,044 | 46,656 | 53,763 |
| HDC Standalone | 1,074 | 1,609 | 2,680 |
| Total Paid | 117,214 | 125,604 | 136,135 |

| Total | 2019 | 2020 | 2021 |
|-----------------|-----------|-----------|-----------|
| Insurance Only | 418,393 | 489,759 | 522,829 |
| Insurance + HDC | 563,515 | 614,941 | 684,086 |
| HDC Standalone | 27,322 | 23,241 | 34,497 |
| Total Paid | 1,009,230 | 1,127,941 | 1,241,412 |

Guest Membership Counts

| | 2019 | 2020 | 2021 |
|--------|---------|-----------|-----------|
| U.S. | 840,193 | 977,180 | 1,142,122 |
| Canada | 26,740 | 38,686 | 47,650 |
| Total | 866,933 | 1,015,866 | 1,189,772 |

Total Membership Counts

| | 2019 | 2020 | 2021 |
|---------------------|-----------|-----------|-----------|
| Total Member Count: | 1,876,163 | 2,143,807 | 2,431,184 |
| US | 1,732,209 | 1,979,517 | 2,247,399 |
| Canada | 143,954 | 164,290 | 183,785 |

SUPPLEMENTAL FINANCIAL INFORMATION

Policies and Vehicles in Force

| Policies in Force | 2021 |
|-------------------|-----------|
| US | 1,080,909 |
| CAN | 133,515 |
| UK | 32,632 |
| Total | 1,247,056 |

| Vehicles Covered | 2021 |
|------------------|-----------|
| US | 1,861,248 |
| CAN | 188,518 |
| UK | 53,419 |
| Total | 2,103,185 |

RECONCILIATION OF NON-GAAP METRICS

Net Income (Loss) to Adjusted EBITDA

| IN THOUSANDS | 2018 | 2019 | 2020 | 2021 |
|---|----------|----------|----------|------------|
| Net Income (Loss) | \$8,474 | \$4,207 | \$10,039 | (\$61,354) |
| Interest and Other (Income) Expense | 17 | (608) | 987 | 1,993 |
| Income Tax Expense | 122 | 7,250 | 4,820 | 6,751 |
| Depreciation and Amortization | 7,755 | 8,950 | 11,800 | 22,144 |
| Changes in Fair Value of Warrant Liabilities | - | - | - | 42,540 |
| Accelerated Vesting of Incentive Plans | - | - | - | 9,321 |
| Net (Gain) Loss From Asset Disposals | - | - | 2,047 | 1,764 |
| Other Non-Recurring (Gains) Losses ⁽¹⁾ | - | - | - | 2,191 |
| Adjusted EBITDA | \$16,368 | \$19,799 | \$29,693 | \$25,350 |

(1) Other non-recurring (gains) losses primarily relates to expenses incurred related to the Business Combination.

Adjusted EBITDA

We define Adjusted EBITDA as net income (loss) (the most directly comparable GAAP measure) before interest, income taxes, and depreciation and amortization (EBITDA), adjusted to exclude changes in fair value of warrant liabilities, accelerated vesting of incentive plans, gains and losses from asset disposals and certain other non-recurring gains and losses. We caution investors that amounts presented in accordance with our definitions of Adjusted EBITDA may not be comparable to similar measures disclosed by our competitors, because not all companies and analysts calculate Adjusted EBITDA in the same manner. We present Adjusted EBITDA because we consider this metric to be an important supplemental measure of our performance and believe it is frequently used by securities analysts, investors, and other interested parties in the evaluation of companies in our industry. Management believes that investors' understanding of our performance is enhanced by including this non-GAAP financial measure as a reasonable basis for comparing our ongoing results of operations.

Management uses Adjusted EBITDA: as a measurement of operating performance of our business on a consistent basis, as it removes the impact of items not directly resulting from our core operations; for planning purposes, including the preparation of our internal annual operating budget and financial projections; to evaluate the performance and effectiveness of our operational strategies; to evaluate our capacity to expand our business; as a performance factor in measuring performance under our executive compensation plan; and as a preferred predictor of core operating performance, comparisons to prior periods and competitive positioning.

By providing this non-GAAP financial measure, together with a reconciliation to the most directly 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. 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 consolidated financial statements as indicators of financial performance. Some of the limitations are: such measure does not reflect our cash expenditures, or future requirements for capital expenditures, or contractual commitments; such measure does not reflect changes in, or cash requirements for, our working capital needs; such measure does not reflect the interest expense, or the cash requirements necessary to service interest or principal payments on our debt; such measure does not reflect our tax expense or the cash requirements to pay our taxes; and although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future and such measure does not reflect any cash requirements for such replacements; and other companies in our industry may calculate such measures differently than we do, limiting their usefulness as comparative measures.

Due to these limitations, Adjusted EBITDA should not be considered as a measure of discretionary cash available to us to invest in the growth of our business. We compensate for these limitations by relying primarily on our GAAP results and using these non-GAAP measures only supplementarily. Each of the adjustments and other adjustments described in this paragraph and in the reconciliation table help management with a measure of our core operating performance over time by removing items that are not related to day-to-day operations. The table on this page reconciles Adjusted EBITDA to the most directly comparable GAAP measure, which is Net income (loss).

We incurred \$31.0 million and \$17.8 million during the years ended December 31, 2021 and 2020, respectively, for certain pre-revenue costs related to scaling our infrastructure, human resources, occupancy, newly-developed digital platforms and legacy systems to accommodate our alliance with State Farm and other potential distribution partnerships, as well as to staff and develop our recently announced Marketplace transactional platform. These costs were not included in the Adjusted EBITDA reconciliation table above.

Pursuant to a defined set of activities and objectives, these expenses are adding entirely new capabilities for us, integrating our new and legacy policyholder, membership and marketplace systems with State Farm's legacy policy and agent management systems and other third-party platforms. In addition to onboarding a third-party project management related to these initiatives, we leased a new member service center in Dublin, Ohio and added several hundred new employees as of December 31, 2021 to meet the expected transactional volume from these initiatives. These costs commenced in 2020 and are expected to be substantially completed in 2023.

RECONCILIATION OF NON-GAAP METRICS

Operating Income (Loss) to Contribution Margin

| | IN THOUSANDS | | | | | | |
|--------------------------------|------------------|--------------------|------------------|---------------------------|------------------|---------------------------|--|
| | 2019 | % of Total Revenue | 2020 | % of Total Revenue | 2021 | % of Total Revenue | |
| Total Revenue | \$397,274 | 100% | \$499,548 | 100% | \$619,079 | 100% | |
| Less: Total Operating Expense | 386,425 | 97% | 483,702 | 97% | 629,149 | 102% | (1) Hagerty Re's variable cost structure produces a 10% contribution margin, as it becomes a larger portion of total revenue it will draw down Contribution Margin |
| Operating Income (Loss) | 10,849 | 3% | 15,846 | 3% | (10,070) | -2% | |
| Add: Fixed Operating Expenses | 106,413 | 27% | 130,908 | 26% | 169,641 | 27% | (2) Driven by increase in digital marketing spend, roadside servicing costs and additional headcount for scale |
| Contribution Margin | \$117,262 | 30% | \$146,754 | 29% ⁽¹⁾ | \$159,571 | 26% ⁽²⁾ | |

Contribution Margin and Contribution Margin Ratio

We define Contribution Margin as total revenue less operating expense plus our fixed operating expenses such as depreciation and amortization, general and administrative costs and shared service salaries and benefits expenses. We define Contribution Margin Ratio as Contribution Margin divided by total revenue. For the year ended December 31, 2021, our Contribution Margin was \$159.6 million and our Contribution Margin Ratio was 26%.

We present Contribution Margin and Contribution Margin Ratio because we consider them to be important supplemental measures of our performance and believe that these non-GAAP financial measures are useful to investors for period-to-period comparisons of our business and in understanding and evaluating our operating results.

We caution investors that Contribution Margin and Contribution Margin Ratio 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, and that Contribution Margin and Contribution Margin Ratio, as we define them, may be defined or calculated differently by other companies. In addition, both Contribution Margin and Contribution Margin Ratio have limitations as analytical tools because they exclude certain significant recurring expenses of our business.

Management uses Contribution Margin and Contribution Margin Ratio: to analyze the relationship between cost, volume and profit as revenue grows; to measure how much profit is earned for any product or service sold; and to measure how different management actions could affect the Company's total revenue and related cost levels.

The table reconciles Contribution Margin and Contribution Margin Ratio to the most directly comparable GAAP measures, which are Operating income (loss) and Operating margin (Operating income (loss) divided by Total revenue) respectively.

RECONCILIATION OF NON-GAAP METRICS

Earnings Per Share to Adjusted Earnings Per Share

| IN THOUSANDS EXCEPT FOR PER SHARE AMOUNTS | 2021 |
|--|------------|
| Net income (loss) attributable to controlling interest** | (\$46,358) |
| Net income (loss) attributable to non-controlling interest | (398) |
| Net income (loss) attributable to redeemable non-controlling interest | (14,598) |
| Consolidated net income (loss)* | (\$61,354) |
| Weighted average shares of Class A Common Stock** | 82,327 |
| Weighted average shares of Public and Private Warrants | 20,006 |
| Weighted average shares of Class V Common Stock | 251,034 |
| Consolidated fully dilutive shares outstanding* | 353,367 |
| Earnings (loss) per share of Class A Common Stock** | (\$0.56) |
| Adjusted Earnings (loss) per share* | (\$0.17) |
| *inputs for non-GAAP measure - Adjusted EPS **inputs for GAAP measure - EPS | |

Adjusted EPS

We define Adjusted Earnings Per Share (Adjusted EPS) as consolidated net loss that is attributable to both our controlling and non-controlling interest of \$61.4 million divided by the outstanding and potentially dilutive shares of Hagerty, Inc. (353,366,922), which includes (i) all issued and outstanding shares of Class A Common Stock (82,327,466), (ii) all issued and outstanding shares of Class V Common Stock (251,033,906), and (iii) all un-exercised warrants (20,005,550). For the year ended December 31, 2021, our Adjusted EPS was \$(0.17).

The most directly comparable GAAP measure is earnings per share (EPS), which is calculated as net loss attributable to only controlling interest in Hagerty, Inc. of \$46.4 million divided by the number of our outstanding shares representing such controlling interest (82,327,466) which, given the net loss for the year ended December 31, 2021, includes only our Class A Common Stock. For the year ended December 31, 2021, our EPS was \$(0.56).

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 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.

We present Adjusted EPS because we consider it to be an important supplemental measure of our operating performance and believe it is used by investors and securities analysts in evaluating the consolidated performance of other companies in our industry. We also believe that Adjusted EPS, which compares our consolidated net loss (which includes our controlling, non-controlling, and redeemable non-controlling interest) with our outstanding and potentially dilutive shares, provides useful information to investors regarding our performance on a fully consolidated basis. We further believe that investors' understanding of our performance across periods is enhanced by Adjusted EPS as a supplemental measure of our results of operations.

Our management uses Adjusted EPS: as a measurement of operating performance of our business on a fully consolidated basis; to evaluate the performance and effectiveness of our operational strategies; and to evaluate our capacity to expand our business. This table reconciles Adjusted EPS to the most directly comparable GAAP measure, which is EPS.

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