

TiptreeInc.

Company Overview

May 2020

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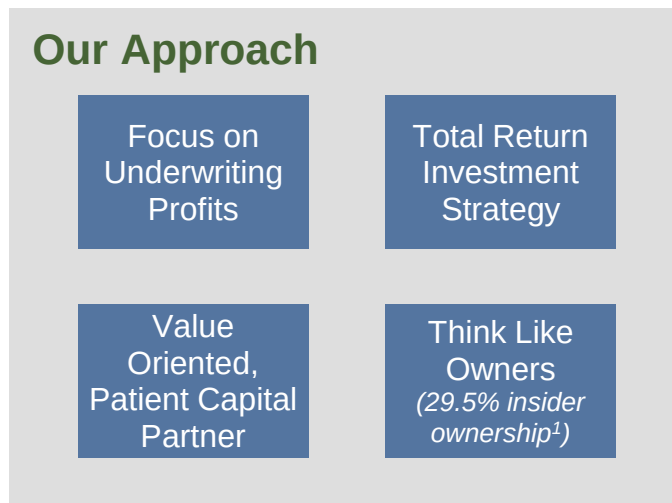
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NON-GAAP MEASURES

In this document, financial measures derived from consolidated financial data are sometimes used but not presented in the financial statements prepared in accordance with U.S. generally accepted accounting principles (GAAP). Certain of these data are considered "non-GAAP financial measures" under the SEC rules. These non-GAAP financial measures supplement GAAP disclosures and should not be considered an alternative to the GAAP measure. Management's reasons for using these non-GAAP financial measures and the reconciliations to their most directly comparable GAAP financial measures are posted in the Appendix.

Tiptree Overview

(\$ in millions)



- ① Tiptree Insurance is the “core asset” of our operating strategy
- ② Long-term focus on generating consistent earnings and growth in book value per share
- ③ Strong track record of returning capital to shareholders

	Insurance fee and underwriting	Insurance Investments	Tiptree Capital
	$\begin{aligned} &\text{Fee Revenue} \\ &\times \\ &\text{Underwriting Margin} \\ &+ \\ &\text{Net Earned Premiums} \\ &\times \\ &\text{Underwriting Margin} \end{aligned}$	$\begin{aligned} &\text{Investment Income} \\ &+ \\ &\text{Dividends} \\ &+ \\ &\text{Capital gains} \end{aligned}$	$\begin{aligned} &\text{Real Assets} \\ &+ \\ &\text{Credit Investments} \\ &+ \\ &\text{Specialty Finance} \end{aligned}$
Metrics ²	\$323m invested capital \$50m Op EBITDA	\$529m portfolio \$14m Op EBITDA	\$149m invested capital \$24m Op EBITDA
	Stable & predictable loss exposures Fee-based income Technology enabled B2B programs Consistent profitability	Unearned premium reserves & deferred fee revenues Fixed income Equities Select alternatives	Investments in operating companies Select opportunistic investments

Combines specialty insurance with investment management to drive attractive risk-adjusted returns

Positioned for Continued Growth

(\$ in millions)

Q1'20 financials by component

Business Lines	Tiptree Equity	Total Capital ^{1,2}	Operating EBITDA ¹
	Q1'20	Q1'20	Q1'20 LTM
Tiptree Insurance	\$268.1	\$531.4	\$64.0
- Underwriting	Reduced by \$51.1m of acquisition purchase price amortization (or \$1.49 per share after-tax)		\$49.9
- Investments			\$14.1
Tiptree Capital	\$149.0	\$149.0	\$24.2
Corporate	\$(83.2)	\$41.8	\$(21.3)
- Corporate expenses			\$(15.7)
- Corporate incentive comp expense			\$(5.6)
Total Tiptree	\$333.9	\$722.2	\$66.9
- Corporate interest expense ²			\$(20.0)
- Total shares outstanding			34.3

Q1'20 Last Twelve Month Highlights

Operating EBITDA of \$66.9m, up 14.2% from Q1 2019

- Return on average total capital (ROATC%) of 9.7%

Tiptree Insurance: 13.2% ROATC%

- Growth in insurance underwriting income and fee revenue
- Continued growth in unearned premiums and deferred revenue (an indicator of future revenues)

Tiptree Capital: 13.4% ROATC%

- \$2.5m of dividends received from Invesque
- Positive contribution from all investments

Recent transactions – Q1'20

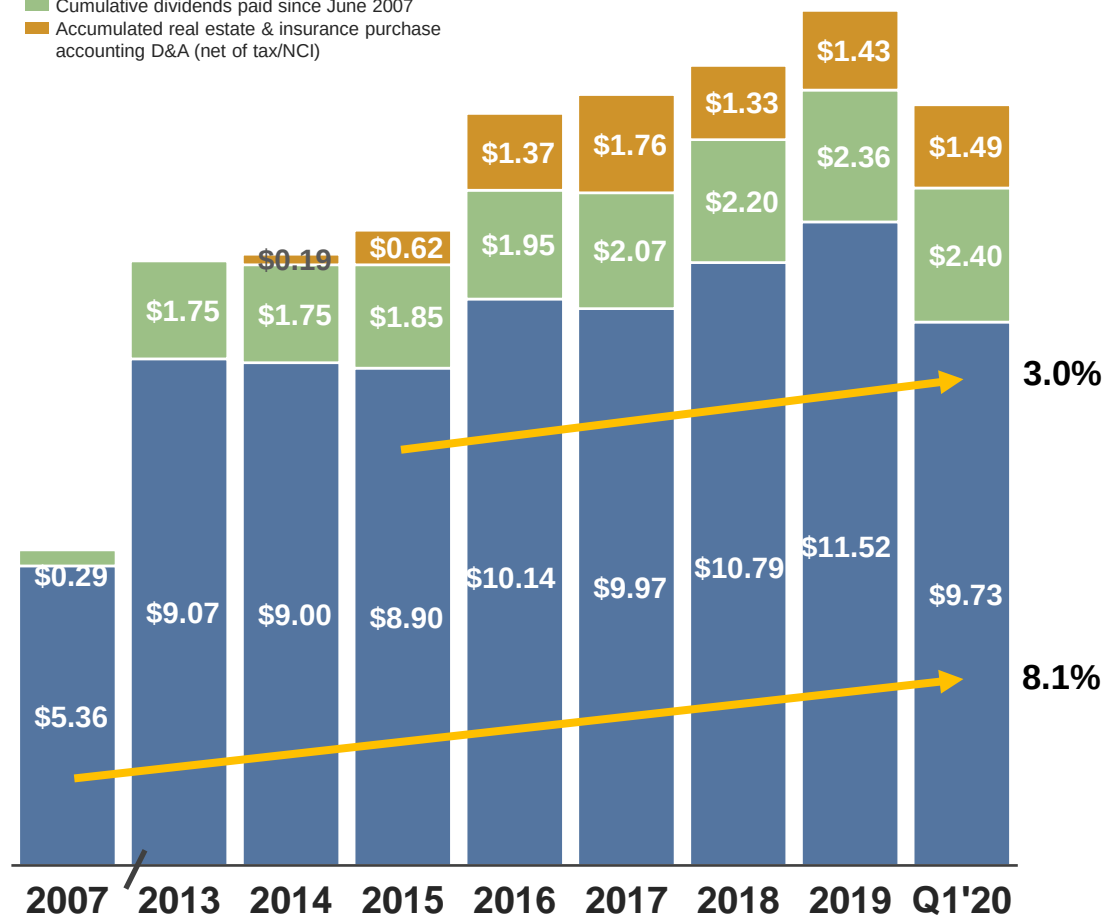
- Acquired Smart AutoCare – Enterprise valuation of \$160m, representing a multiple of 8.3x adjusted cash EBITDA (ex. anticipated revenue and expense synergies)
- Increased corporate debt facility to \$125m

Growing Value for Shareholders

(\$ in millions, except per share information)

Book Value per share¹ plus dividends paid

■ Book value per share¹
■ Cumulative dividends paid since June 2007
■ Accumulated real estate & insurance purchase accounting D&A (net of tax/NCI)



Growth rates

	Inception ² 2007-Q1'20	5 Years Q1'15-Q1'20
Tiptree book value per share ¹	8.1%	3.0%
Tiptree BVPS ¹ + amortization ³	9.2%	4.8%
S&P 500	6.6%	6.7%
Russell 2000	4.1%	(0.2)%

Management philosophy

- **Disciplined investor**, with a long-term view on returns
- **Management alignment**, with 29.5% insider ownership
- **Share buybacks**, ~12.6 million shares repurchased since 2014 at average 36% discount to book
- **Growth** in Operating EBITDA and cash earnings

¹ See the appendix for a reconciliation of book value per share.

² Total annualized return from June 12, 2007 to March 31, 2020 to original investors of Tiptree Financial Partners, L.P. defined as total dividends per share plus growth in book value per share as of March 31, 2020.

³ Accumulated real estate depreciation and intangible amortization from Insurance and Care (discops), net of NCI and tax. For Q1 2020, \$1.49 impact to BVPS from accumulated amortization of \$74.4 million. Assumes 35% tax rate for 2017 and prior, and 21% tax rate for 2018 through 2020.

TiptreeInsurance

Tiptree Insurance Overview

(\$ in millions)

Business overview

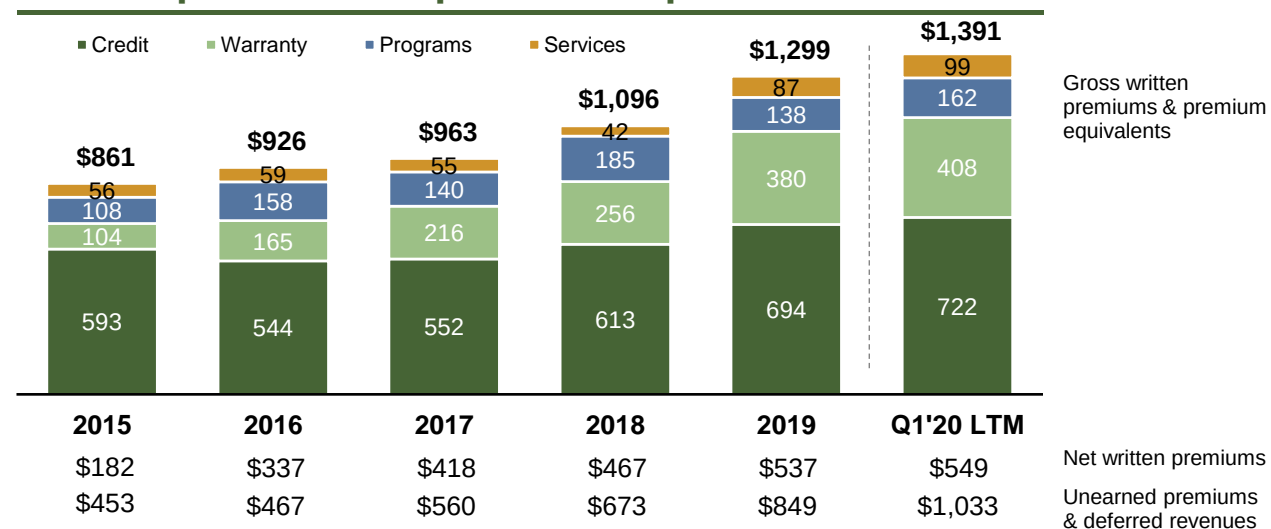
Underwriter and administrator of specialty insurance and related consumer products

- Specialty insurer underwriting and administering program business
- National and international footprint
- Rated “A-” by A.M. Best
- Consistent underwriting results and fee-based revenues

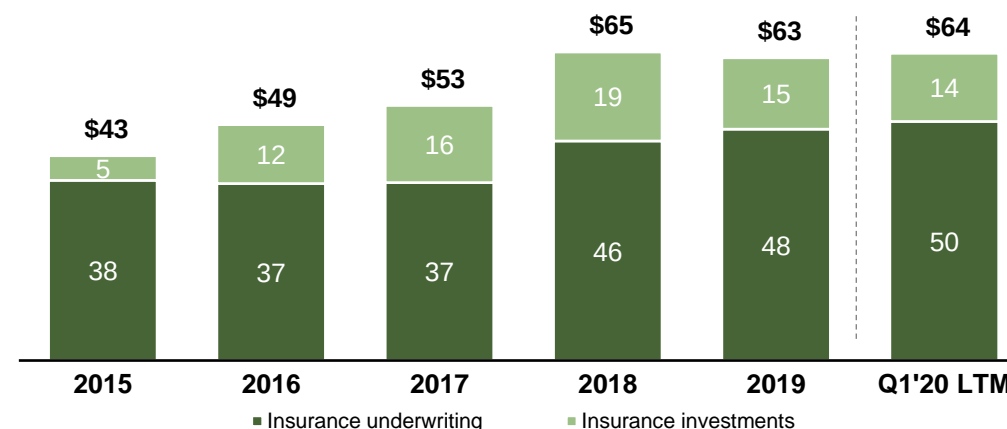
Strategy

- Program business with limited underwriting authority delegated to agents
- Focus on small premium-per-risk underwriting opportunities
- Technology linked to execution and operating efficiency gains
- Avoid aggregations and CAT exposed lines
- Consistent underwriting results and multi-year products creates attractive float
- Insist upon alignment of interests with agents through commission and reinsurance structures

Written premiums & premium equivalents



Operating EBITDA¹

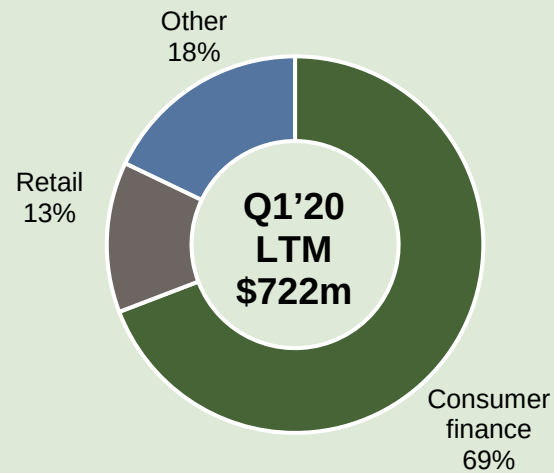


Largest Insurance and Fee Based Programs

(\$ in millions)

Credit Life and Disability

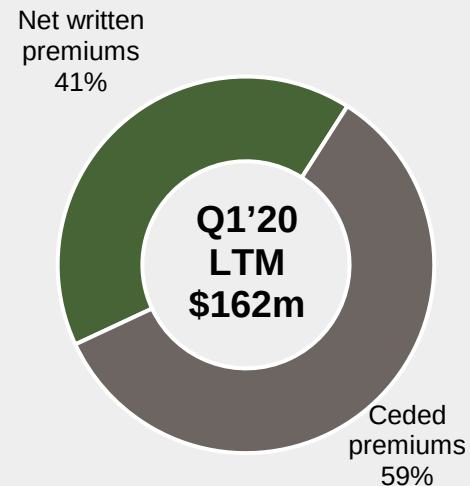
- A leading provider of credit insurance products¹ in the U.S.
- Products include life, disability, unemployment, and AD&D coverage
- Positioned to underwrite and service high volume, small premium policies



Net / Gross Premiums: 52%

Light Commercial

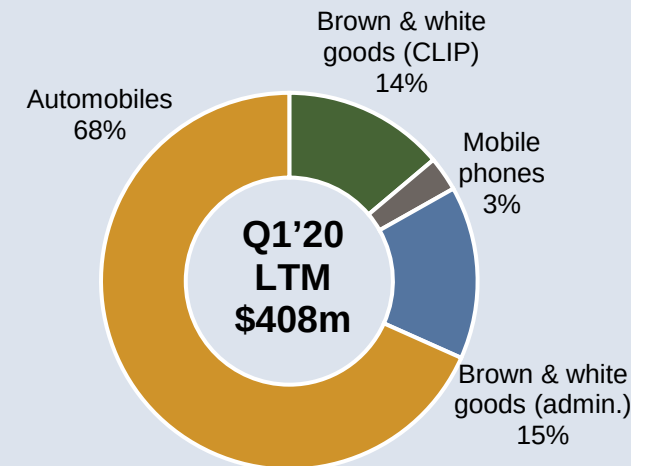
- Provides niche commercial and personal lines insurance coverage
- Generally sold through MGAs and other program managers
- Significant portion of premium is ceded to highly rated, well capitalized third-party reinsurers



Net / Gross Premiums: 41%

Warranty

- Provides consumers extended coverage on automobiles, mobile devices, consumer electronics, appliances and furniture
- Vertically integrated, common distribution channels
- ~45%² of revenue is service fees captured in non-regulated subsidiaries



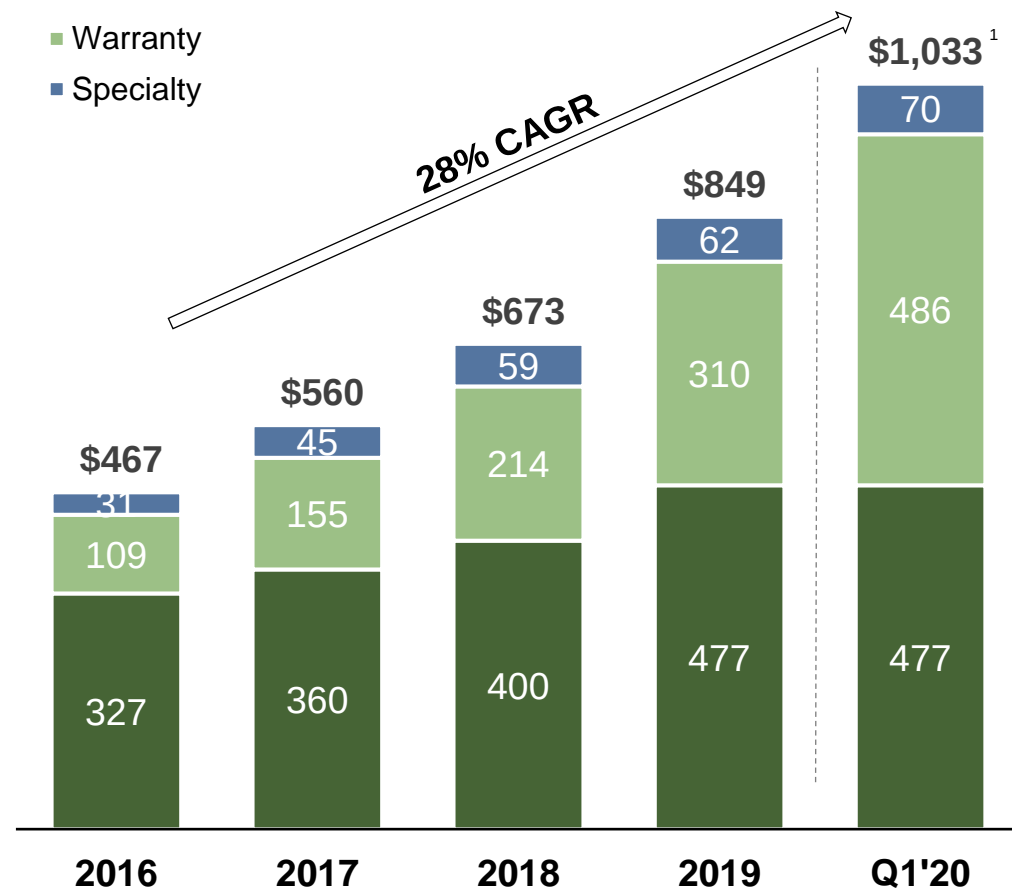
Net / Gross Premiums: 51%

Growing Unearned Premiums and Deferred Revenues

(\$ in millions)

UEPR & Deferred Revenues by product

- Credit Protection
- Warranty
- Specialty

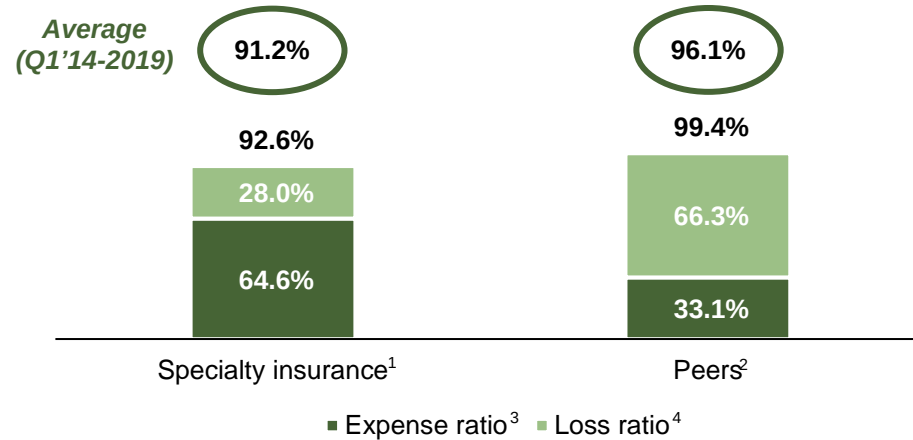


Highlights

- Growth of 53.5% from 2018 reflecting continued volume growth in single premium multi-year programs such as credit insurance and warranty
- Unearned premium reserves and deferred revenues have substantial embedded future earnings
- High client persistency supports stable profitability – since mid 2000's client retention rate of ~96.5%
- Warranty and Light Commercial represent 54% of total in 2019 compared to 30% in 2016

Strong and Consistent Underwriting Track Record

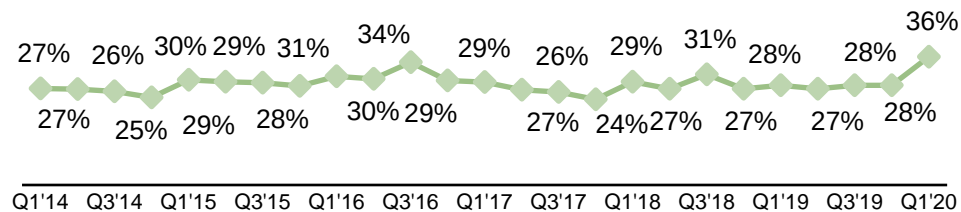
2019 Adj. combined ratio | vs. peers



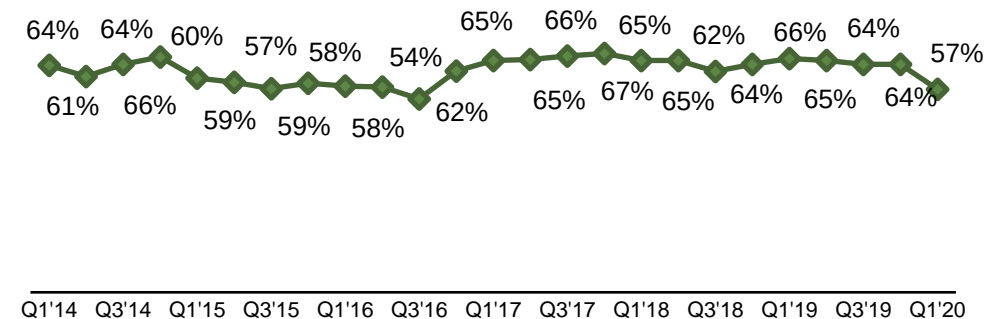
Highlights

- Consistent loss ratio is a function of product mix, alignment of interests and limited CAT exposure
- Combined ratio performance driven by efficiency through technology
- Agent participation in risk through reinsurance and swing rated commission structures contributes to consistent underwriting performance

Historical loss ratio⁴



Historical expense ratio³



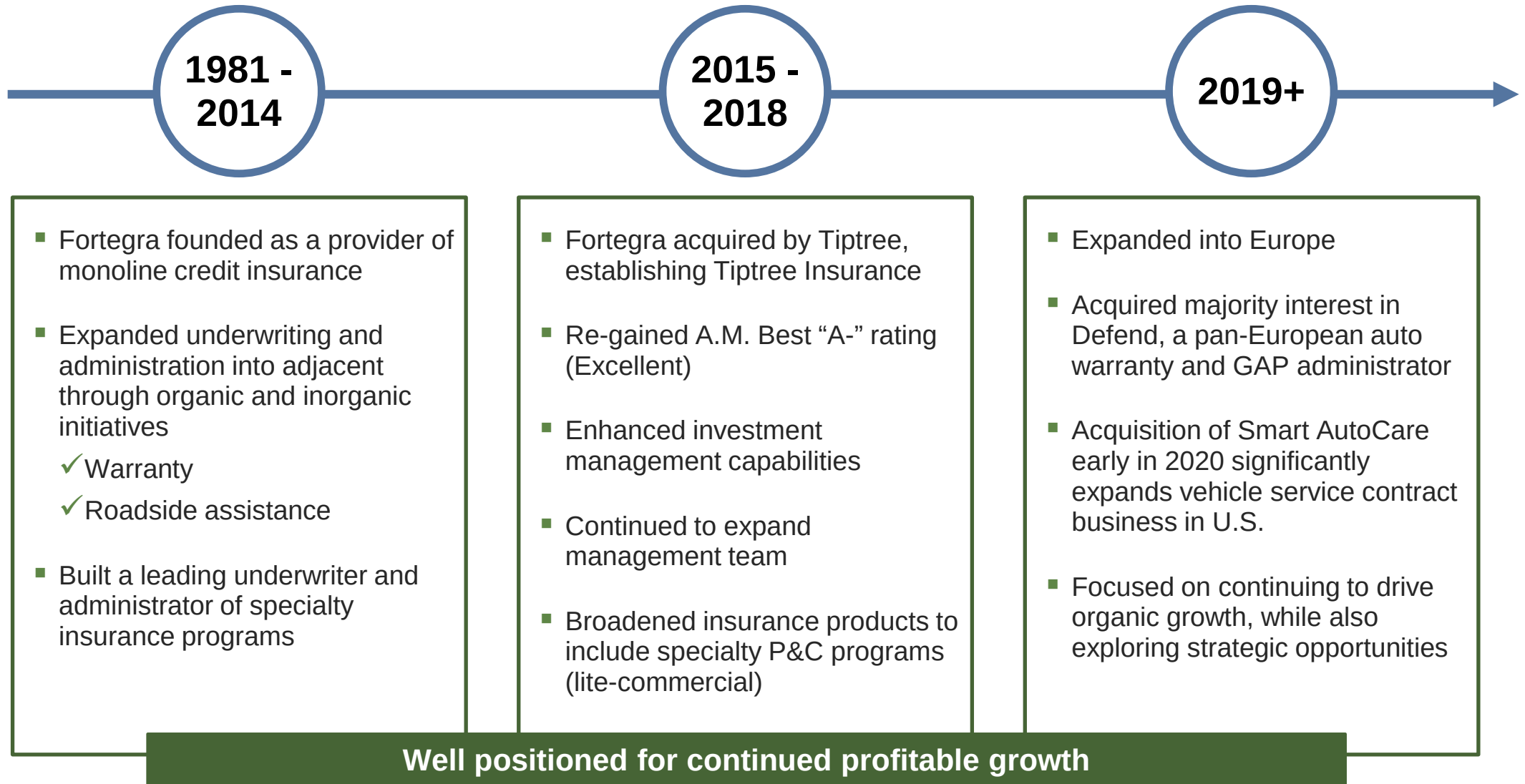
¹ Combined ratio represents 2019 and average includes 2014-2019. Represents net loss / benefit claims, commissions, employee compensation and benefits, and other expenses minus ceding commissions divided by net earned premiums, service and administrative fees and other income

² Source: S&P Capital - SNL. Peers include CNFR, GBLI, JRVR, KNSL, MKL, PRA, PTVCB, RLI and WRB.

³ Expense ratio is calculated as commissions expense plus employee compensation and benefits less stock based compensation plus other expenses minus ceding commissions divided by revenues, excluding ceding commissions, investment income and gains/losses divided by net earned premiums, service and administrative fee, and other income

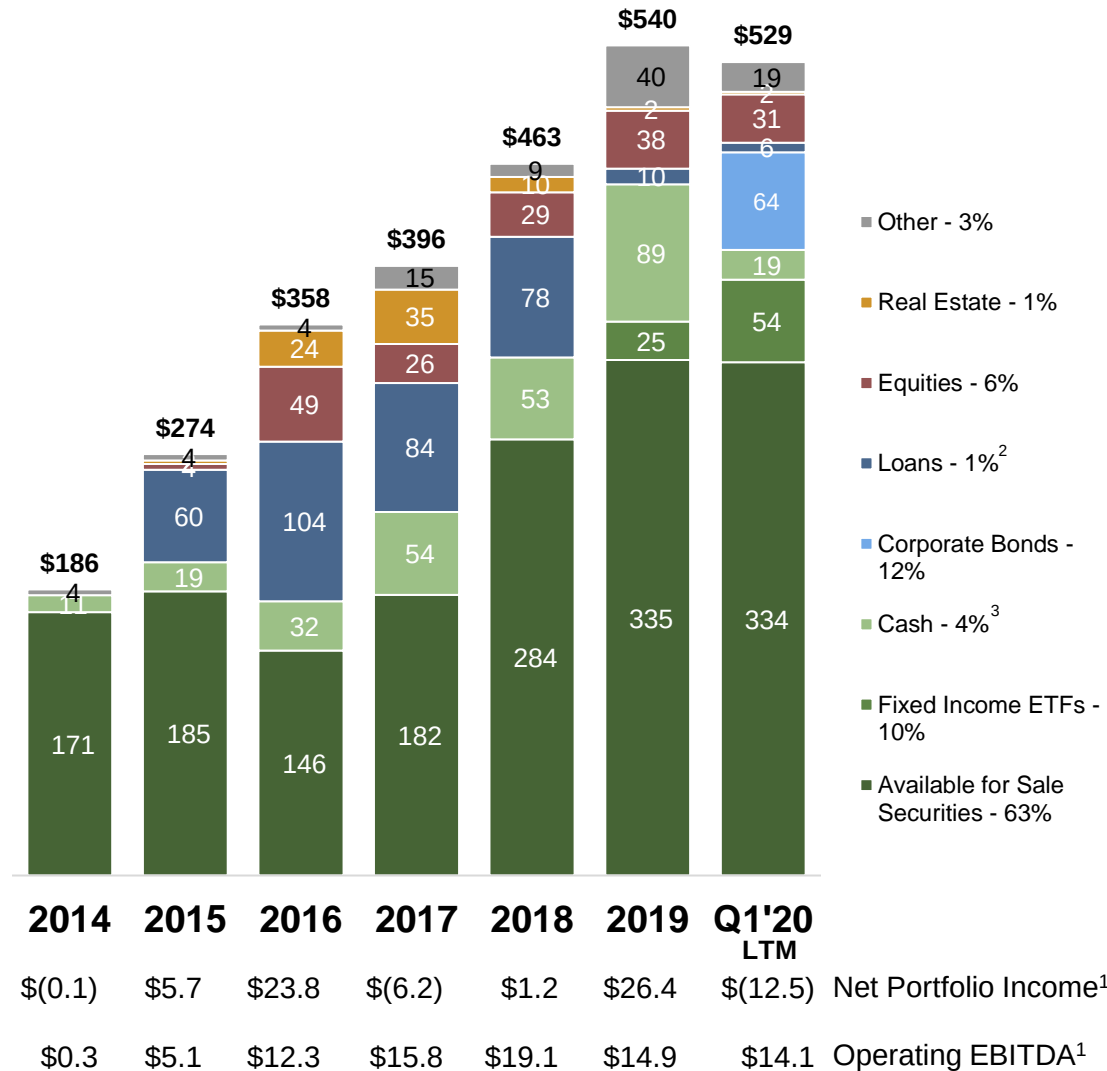
⁴ Loss ratio is calculated as net losses & member benefit claims divided by revenues, excl. ceding commissions, investment income & gains/losses divided by net earned premiums, service & admin fees, & other income

Building on the Fortegra Foundation



Insurance Investment Portfolio

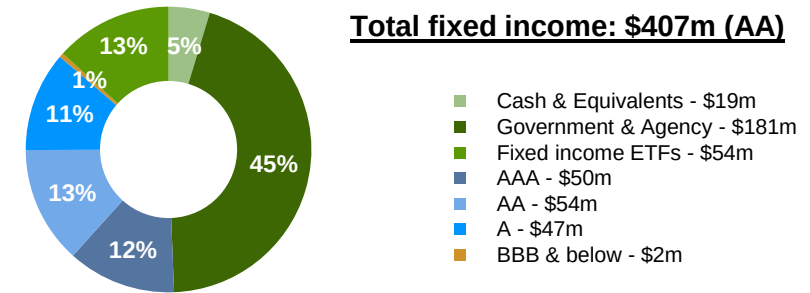
(\$ in millions)



Investment approach

We actively manage our investment portfolio to achieve a balance of two primary objectives:

- Short-term liquidity to cover current obligations
- Select alternatives to enhance risk-adjusted returns



Financial highlights

Available for sale securities (\$334 million)

- U.S. Treasury & agency securities (59%), Municipal bonds (12%), Corporate bonds (17%), Other securities (12%)

Fixed Income ETFs (\$54 million)

- Short maturity, investment grade corporate bonds

Common stocks (\$31 million)

- Concentrated positions with a total return investment thesis
- Invesque represents \$10 million

¹ See the appendix for a reconciliation of Net Investments and Net Portfolio Income

² Net of non-recourse asset based financing of \$80.0, \$111.5, \$146.5 and \$54.0 million for 2018, 2017, 2016, and 2015, respectively.

³ Cash and cash equivalents, plus restricted cash, net of due to/due from brokers and borrowings under the revolving line of credit. See appendix for reconciliation to GAAP financials.

TiptreeCapital

Tiptree Capital Overview

(\$ in millions)

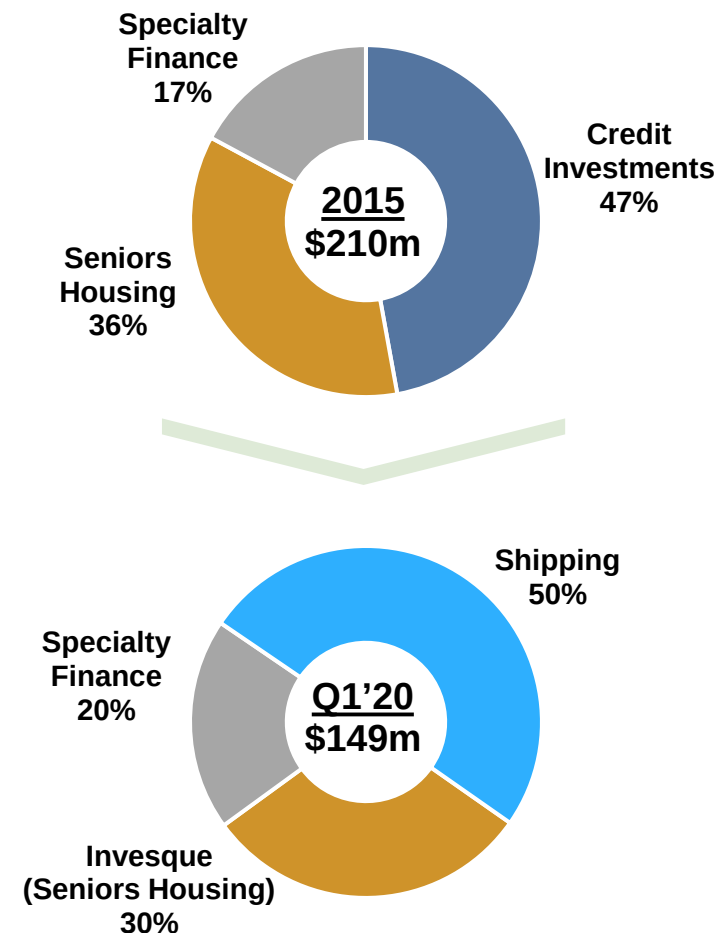
Overview

- Currently includes all of our non-insurance operations and investments
- Acquire or invest in diverse companies outside the insurance industry with our balance sheet capital
- Experienced management team with proven ability to source attractive investment opportunities

Strategy

- Managed on a total return basis balancing cash flowing investments and value appreciation
- Invest in businesses that meet the following criteria:
 - ✓ Strong and experienced management teams
 - ✓ Attractive and stable cash returns
 - ✓ Compliment existing businesses or strategies
 - ✓ Scalable business models with upside potential

Capital allocation – 2015 to Q1'20



Track record of investment across a range of opportunities with realized gross IRRs in excess of 20%

Over a Decade of Investment Experience

(\$ in millions)

Asset Management

Credit ▪ Alternatives



\$164.7m Realized Investment ▪ 27.9% IRR ▪
No Q1'20 Invested Capital¹

Financials

Insurance ▪ Specialty Finance



\$167.8m Realized Investment ▪ 22.3% IRR ▪
\$28.5m Q1'20 Invested Capital¹

TiptreeCapital

Real Assets

Real Estate ▪ Infrastructure



\$288.1m Realized Investment ▪ 21.5% IRR ▪
\$119.9m Q1'20 Invested Capital¹

Credit Investments

Structured ▪ Opportunistic ▪ Distressed ▪
Special situations

\$265.5m Realized Investment ▪ 28.5% IRR ▪
\$0.6m Q1'20 Invested Capital¹

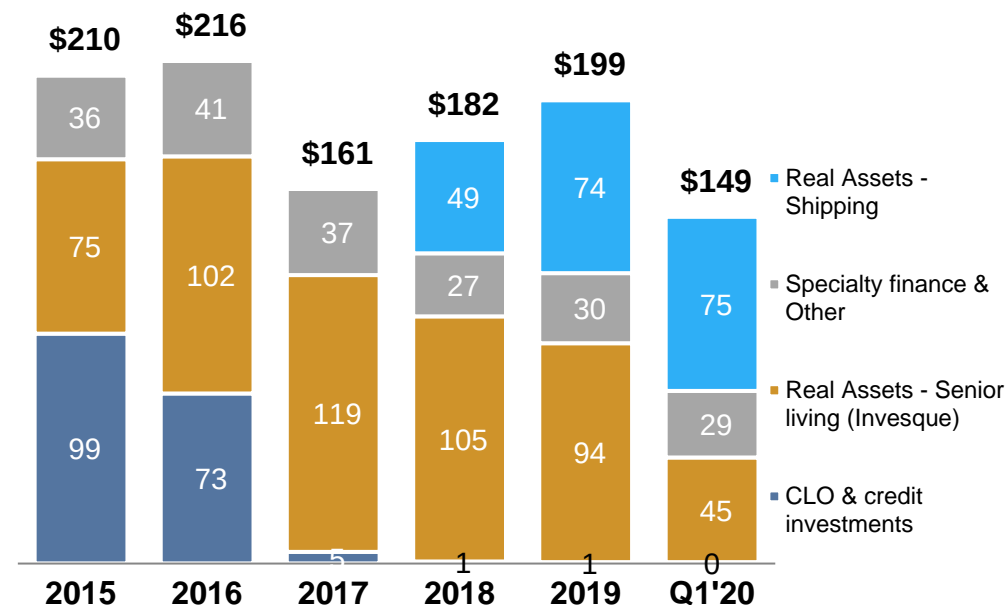
IRR presented gross before corporate taxes and corporate expenses. IRR represents the internal rate of return on invested capital based on the realized proceeds of cash or marketable securities and including the timing of contributions and distributions. Our IRR calculation reflects the impact of asset specific leverage and may differ from those used by others. Past performance is not indicative of future results. Realized Investment represents total realized proceeds including cash distributions and cash or marketable securities received upon realization event.

¹ See appendix for a reconciliation of Invested Capital.

Tiptree Capital Today

(\$ in millions)

Invested Capital¹



Operating EBITDA¹ drivers

2015	2016	2017	2018	2019	Q1'20 LTM	
\$4.6	\$4.8	\$3.5	\$2.1	\$0.0	0.0	Asset mgmt fees, net
17.8	17.9	6.8	0.8	0.6	0.6	Credit investments
5.9	9.1	9.2	9.0	14.7	16.1	Real Assets ^{2,3}
4.5	9.8	10.3	1.8	7.5	8.0	Specialty finance / Other
\$32.7	\$41.5	\$29.8	\$13.7	\$22.8	\$24.2	Total

Additional details on strategies

Senior living - Invesque publicly traded shares³

- 16.6m shares of Invesque, a seniors housing focused investment platform, received in Feb'18 from our sale of Care
- Favorable long-term demographics

Maritime transportation

- Investments of \$75 million deployed into shipping, which we believe is at a favorable entry point in the cycle

Specialty finance & other

- Residential mortgage origination company licensed to sell and service with Fannie/Ginnie
- Scalable mortgage platform

CLO & credit investments

- Sold CLO asset manager in Apr'19
- In 2017, we exited our remaining interests in CLO sub-notes

¹ See the appendix for a reconciliation of Invested Capital and Operating EBITDA.

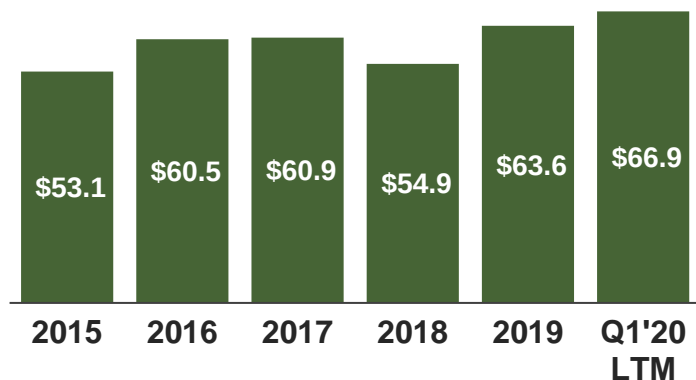
² Includes discontinued operations related to Care. For more information, see "--- FN 3 Dispositions, Assets Held for Sale and Discontinued Operations."

³ 16.6m of Invesque common shares, 2.9m shares held in the insurance company investment portfolio. On balance sheet at fair value - \$53.2 million, \$44.0 million in Tiptree Capital plus \$0.5m receivable from contingent asset sales.

Well Positioned to Deliver on Long-Term Objectives

(\$ in millions, except per share information)

Operating EBITDA¹

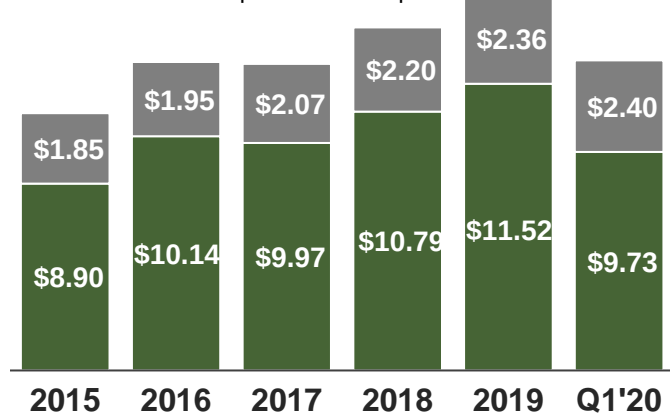


- ☑ Grow insurance business
 - ✓ Grow written premiums while maintaining underwriting standards
 - ✓ Expand Internationally
 - ✓ Integrate and grow warranty businesses
 - ✓ Continue to pursue bolt-on acquisition opportunities

Book value per share¹

plus dividends paid

Cumulative dividends paid since Jul'07



- ☑ Focus on growing and improving long-term investment returns

TiptreeInsurance + TiptreeCapital = TiptreeInc.

Appendix

Non-GAAP Metrics

Operating EBITDA and Adjusted EBITDA

Management uses Operating EBITDA, Adjusted EBITDA and book value per share as measurements of operating performance which are non-GAAP measures. Management believes the use of Operating EBITDA and Adjusted EBITDA provides supplemental information useful to investors as it is frequently used by the financial community to analyze financial performance, and to analyze a company's ability to service its debt and to facilitate comparison among companies. Management uses Operating EBITDA as part of its capital allocation process and to assess comparative returns on invested capital amongst our businesses and investments. Adjusted EBITDA is also used in determining incentive compensation for the Company's executive officers. The Company defines EBITDA as GAAP net income of the Company adjusted to add consolidated interest expense, consolidated income taxes and consolidated depreciation and amortization expense as presented in its financial statements. Adjusted EBITDA represents EBITDA adjusted to (i) subtract interest expense on asset-specific debt incurred in the ordinary course of its subsidiaries' business operations, (ii) adjust for the effect of purchase accounting, (iii) adjust for certain non-cash fair value adjustments, and (iv) any significant non-recurring expenses. Operating EBITDA represents Adjusted EBITDA plus stock based compensation expense, less realized and unrealized gains and losses and less third party non-controlling interests. Operating EBITDA and Adjusted EBITDA are not measurements of financial performance or liquidity under GAAP and should not be considered as an alternative or substitute for GAAP net income.

Book value per share

Management believes the use of book value per share provides supplemental information useful to investors as it is frequently used by the financial community to analyze company growth on a relative per share basis.

Invested Capital and Total Capital

Management evaluates the return on Invested Capital and Total Capital, which are non-GAAP financial measures, when making capital investment decisions. Invested Capital represents its total equity investment, including any re-investment of earnings, and acquisition costs, net of tax. Total Capital represents Invested Capital plus Corporate Debt. Management believes the use of these financial measures provide supplemental information useful to investors as they are frequently used by the financial community to analyze how the Company has allocated capital over-time and provide a basis for determining the return on capital to shareholders. Management uses both of these measures when making capital investment decisions, including reinvesting cash, and evaluating the relative performance of its businesses and investments.

Insurance - Underwriting Margin

We generally limit the underwriting risk we assume through the use of both reinsurance (e.g., quota share and excess of loss) and retrospective commission agreements with our partners (e.g., commissions paid adjust based on the actual underlying losses incurred), which manage and mitigate our risk. Period-over-period comparisons of revenues are often impacted by the PORCs and clients' choice as to whether to retain risk, specifically with respect to the relationship between service and administration expenses and ceding commissions, both components of revenue, and the offsetting policy and contract benefits and commissions paid to our partners and reinsurers. Generally, when losses are incurred, the risk which is retained by our partners and reinsurers is reflected in a reduction in commissions paid. In order to better explain to investors the net financial impact of the risk retained by the Company of the insurance contracts written and the impact on profitability, we use the Non-GAAP metric - Underwriting Margin.

Insurance - Combined Ratio

Expressed as a percentage, the combined ratio represents the relationship of policy and contract benefits, commission expense (net of ceding commissions), employee compensation and benefits, and other expenses to net earned premiums, service and administrative fees, and other income. Investors use this ratio to evaluate our ability to profitably underwrite the risks we assume over time and manage our operating costs. As such, we believe that presenting underwriting margin and the combined ratio provides useful information to investors and aligns more closely to how management measures the underwriting performance of the business.

Insurance Investment Portfolio - Net Investments and Net Portfolio Income

In managing our investment portfolio we analyze net investments and net portfolio income, which are non-GAAP measures. Our presentation of net investments equals total investments plus cash and cash equivalents minus asset based financing of investments. Our presentation of net portfolio income equals net investment income plus realized and unrealized gains and losses and minus interest expense associated with asset based financing of investments. Net investments and net portfolio income are used to calculate average annualized yield, which management uses to analyze the profitability of our investment portfolio. Management believes this information is useful since it allows investors to evaluate the performance of our investment portfolio based on the capital at risk and on a non-consolidated basis. Our calculation of net investments and net portfolio income may differ from similarly titled non-GAAP financial measures used by other companies. Net investments and net portfolio income are not measures of financial performance or liquidity under GAAP and should not be considered a substitute for total investments or net investment income.

Non-GAAP Reconciliations – Adjusted and Operating EBITDA

(\$ in millions)

	Q1'20 LTM	Year Ended December 31,				
		2019	2018	2017	2016	2015
Net income (loss) attributable to Common Stockholders	\$(45.5)	\$18.4	\$23.9	\$3.6	\$25.3	\$5.8
Add: net (loss) income attributable to noncontrolling interests	0.7	1.7	6.0	1.6	7.0	3.0
Less: net income from discontinued operations	—	—	43.8	(4.0)	(4.3)	11.0
Income (loss) from continuing operations	\$(44.8)	\$20.1	\$(13.9)	\$9.2	\$36.6	\$(2.2)
Corporate Debt related interest expense ⁽¹⁾	20.0	19.7	18.2	12.8	10.5	11.6
Consolidated income tax expense (benefit)	(13.0)	9.0	(5.9)	(12.6)	12.5	(0.8)
Depreciation and amortization expense ⁽²⁾	13.8	13.1	11.6	12.4	9.2	6.4
Non-cash fair value adjustments ⁽³⁾	(3.3)	(3.1)	(0.4)	3.5	1.3	(1.3)
Non-recurring expenses ⁽⁴⁾	4.8	4.2	2.4	1.9	(1.7)	5.5
Adjusted EBITDA from continuing operations	\$(22.5)	\$63.0	\$12.0	\$27.4	\$68.4	\$19.3
Add: Stock-based compensation expense	6.8	6.4	6.7	6.6	2.6	0.4
Add: Vessel depreciation, net of capital expenditures	3.4	2.9	0.9	—	—	—
Less: Realized and unrealized gain (loss) ⁽⁵⁾	(79.3)	8.6	(34.7)	(18.6)	18.1	(29.1)
Less: Third party non-controlling interests ⁽⁶⁾	0.1	0.1	—	0.9	1.4	1.6
Operating EBITDA from continuing operations	\$66.9	\$63.6	\$54.3	\$51.7	\$51.5	\$47.2
Income (loss) from discontinued operations	—	—	43.8	(4.0)	(4.3)	11.0
Corporate Debt related interest expense ⁽¹⁾	—	—	—	—	—	5.2
Consolidated income tax expense (benefit)	—	—	13.7	(2.2)	(1.5)	5.9
Consolidated depreciation and amortization expense ⁽²⁾	—	—	—	15.6	14.2	15.4
Non-cash fair value adjustments ⁽³⁾	—	—	(40.7)	—	—	—
Non-recurring expenses ⁽⁴⁾	—	—	—	1.2	2.1	1.6
Adjusted EBITDA from discontinued operations	\$—	\$—	\$16.8	\$10.6	\$10.5	\$39.1
Less: Realized and unrealized gain (loss) ⁽⁵⁾	—	—	16.2	—	—	32.3
Less: Third party non-controlling interests ⁽⁶⁾	—	—	—	1.4	1.4	0.9
Operating EBITDA from discontinued operations	\$—	\$—	\$0.6	\$9.2	\$9.1	\$5.9
Total Adjusted EBITDA	\$(22.5)	\$63.0	\$28.8	\$38.0	\$78.9	\$58.4
Total Operating EBITDA	\$66.9	\$63.6	\$54.9	\$60.9	\$60.5	\$53.1

- (1) Corporate Debt interest expense includes Secured corporate credit agreements, junior subordinated notes and preferred trust securities. Interest expense associated with asset-specific debt in Tiptree Insurance and Tiptree Capital is not added-back for Adjusted EBITDA and Operating EBITDA.
- (2) Represents total depreciation and amortization expense less purchase accounting amortization related adjustments at the Insurance Company. Following the purchase accounting adjustments, current period expenses associated with deferred costs were more favorably stated and current period income associated with deferred revenues were less favorably stated. Thus, the purchase accounting effect related to our Insurance company increased EBITDA above what the historical basis of accounting would have generated.
- (3) For our insurance operations, depreciation and amortization on senior living real estate that is within net investment income is added back to Adjusted EBITDA. For Care (Discontinued Operations), the reduction in EBITDA is related to accumulated depreciation and amortization, and certain operating expenses, which were previously included in Adjusted EBITDA in prior periods. For our maritime transportation operations, depreciation and amortization is deducted as a reduction in the value of the vessel.
- (4) Acquisition, start-up and disposition costs including debt extinguishment, legal, taxes, banker fees and other costs.
- (5) Adjustment excludes Mortgage realized and unrealized gains and losses - Performing and NPLs, as those are recurring in nature and align with those business models.
- (6) Removes the Operating EBITDA associated with third party non-controlling interests. Does not remove the non-controlling interests related to employee based shares.

Non-GAAP Reconciliations – Adjusted and Operating EBITDA

(\$ in millions)

	Twelve Months Ended March 31, 2020				Year Ended December 31, 2019				Year Ended December 31, 2018			
	Tiptree Insurance	Tiptree Capital	Corporate Expenses	Total	Tiptree Insurance	Tiptree Capital	Corporate Expenses	Total	Tiptree Insurance	Tiptree Capital ⁽¹⁾	Corporate Expenses	Total
Pre-tax income/(loss) from continuing operations	\$5.8	\$(31.2)	\$(32.4)	\$(57.8)	\$41.0	\$21.0	\$(32.9)	\$29.1	\$18.6	\$(7.8)	\$(30.6)	\$(19.8)
Pre-tax income/(loss) from discontinued operations	—	—	—	—	—	—	—	—	—	57.5	—	57.5
Adjustments:												
Corporate Debt related interest expense ⁽²⁾	13.3	—	6.7	20.0	13.4	—	6.3	19.7	13.2	—	5.0	18.2
Depreciation and amortization expenses ⁽³⁾	8.6	4.4	0.8	13.8	8.6	3.8	0.7	13.1	9.8	1.6	0.2	11.6
Non-cash fair value adjustments ⁽⁴⁾	—	(3.3)	—	(3.3)	—	(3.1)	—	(3.1)	—	(41.1)	—	(41.1)
Non-recurring expenses ⁽⁵⁾	4.6	0.2	—	4.8	3.7	0.2	0.3	4.2	3.1	—	(0.7)	2.4
Adjusted EBITDA	\$32.3	\$(29.9)	\$(24.9)	\$(22.5)	\$66.7	\$21.9	\$(25.6)	\$63.0	\$44.7	\$10.2	\$(26.1)	\$28.8
Add: Stock-based compensation expense	2.9	0.3	3.6	6.8	3.1	0.2	3.1	6.4	3.8	0.1	2.8	6.7
Add: Vessel depreciation, net of capital expenditures	—	3.4	—	3.4	—	2.9	—	2.9	—	0.9	—	0.9
Less: Realized and unrealized gain (loss) ⁽⁶⁾	(28.8)	(50.5)	—	(79.3)	6.5	2.1	—	8.6	(16.0)	(2.5)	—	(18.5)
Less: Third party non-controlling interests ⁽⁷⁾	—	0.1	—	0.1	—	0.1	—	0.1	—	—	—	—
Operating EBITDA	\$64.0	\$24.2	\$(21.3)	\$66.9	\$63.3	\$22.8	\$(22.5)	\$63.6	\$64.5	\$13.7	\$(23.3)	\$54.9

	Year Ended December 31, 2017				Year Ended December 31, 2016				Year Ended December 31, 2015			
	Tiptree Insurance	Tiptree Capital ⁽¹⁾	Corporate Expenses	Total	Tiptree Insurance	Tiptree Capital ⁽¹⁾	Corporate Expenses	Total	Tiptree Insurance	Tiptree Capital ⁽¹⁾	Corporate Expenses	Total
Pre-tax income/(loss) from continuing operations	\$5.4	\$20.3	\$(29.1)	\$(3.3)	\$46.8	\$37.1	\$(34.8)	\$49.1	\$32.0	\$(0.8)	\$(34.1)	\$(2.9)
Pre-tax income/(loss) from discontinued operations	—	(6.2)	—	(6.2)	—	(5.8)	—	(5.8)	—	(9.5)	—	(9.5)
Adjustments:												
Corporate Debt related interest expense ⁽²⁾	8.0	—	4.8	12.8	5.6	0.2	4.7	10.5	5.8	0.2	5.6	11.6
Depreciation and amortization expenses ⁽³⁾	11.4	16.4	0.2	28.1	8.1	15.0	0.2	23.4	5.5	15.3	0.1	21.0
Non-cash fair value adjustments ⁽⁴⁾	0.5	3.0	—	3.5	—	2.7	—	2.7	—	(1.3)	—	(1.3)
Non-recurring expenses ⁽⁵⁾	1.7	1.8	(0.4)	3.1	—	0.7	(1.7)	(1.0)	—	1.6	5.5	7.1
Adjusted EBITDA	\$27.0	\$35.4	\$(24.4)	\$38.0	\$60.5	\$50.0	\$(31.6)	\$78.9	\$43.3	\$5.4	\$(22.8)	\$25.9
Add: Stock-based compensation expense	3.9	0.5	2.2	6.6	1.1	0.2	1.3	2.6	—	—	0.4	0.4
Less: Realized and unrealized gain (loss) ⁽⁶⁾	(22.4)	3.8	—	(18.6)	12.3	5.8	—	18.1	0.5	(29.8)	—	(29.3)
Less: Third party non-controlling interests ⁽⁷⁾	—	2.3	—	2.3	—	2.8	—	2.8	—	2.5	—	2.5
Operating EBITDA	\$53.3	\$29.8	\$(22.2)	\$60.9	\$49.3	\$41.5	\$(30.3)	\$60.5	\$42.8	\$32.7	\$(22.4)	\$53.1

- (1) Includes discontinued operations related to Care. For more information, see Note (3) - Acquisitions.
- (2) Corporate Debt interest expense includes secured corporate credit agreements, junior subordinated notes and preferred trust securities. Interest expense associated with asset-specific debt in Tiptree Insurance and Tiptree Capital is not added-back for Adjusted EBITDA and Operating EBITDA.
- (3) Represents total depreciation and amortization expense less purchase accounting amortization related adjustments at our insurance companies. Following the purchase accounting adjustments, current period expenses associated with deferred costs were more favorably stated and current period income associated with deferred revenues were less favorably stated. Thus, the purchase accounting effect related to our Insurance company increased EBITDA above what the historical basis of accounting would have generated.
- (4) For our insurance operations, depreciation and amortization on senior living real estate that is within net investment income is added back to Adjusted EBITDA. For Care (Discontinued Operations), the reduction in EBITDA is related to accumulated depreciation and amortization, and certain operating expenses, which were previously included in Adjusted EBITDA in prior periods. For our maritime transportation operations, depreciation and amortization is deducted as a reduction in the value of the vessel.
- (5) Acquisition, start-up and disposition costs including debt extinguishment, legal, taxes, banker fees and other costs.
- (6) Adjustment excludes Mortgage realized and unrealized gains and losses - Performing and NPLs as those are recurring in nature and align with those business models.
- (7) Removes the Operating EBITDA associated with third party non-controlling interests. Does not remove the non-controlling interests related to employee based shares.

Non-GAAP Reconciliations – Book Value per Share, Invested Capital, Total Capital

(\$ in millions, except per share information)

	As of December 31,					
	Q1'20	2019	2018	2017	2016	2015
Total stockholders' equity	\$344.4	\$411.5	\$399.3	\$396.8	\$390.1	\$397.7
Less non-controlling interest - other	10.5	13.4	12.2	19.2	20.6	15.6
Total stockholders' equity, net of non-controlling interests - other	\$333.9	\$398.1	\$387.1	\$377.6	\$369.5	\$382.1
Total Common shares outstanding	34.3	34.6	35.9	29.8	28.4	34.9
Total Class B shares outstanding	—	—	—	8.0	8.0	8.0
Total shares outstanding	34.3	34.6	35.9	37.9	36.4	42.9
Book value per share ⁽¹⁾	\$9.73	\$11.52	\$10.79	\$9.97	\$10.14	\$8.90

	As of December 31,					
	Q1'20	2019	2018	2017	2016	2015
Total stockholders' equity	\$344.4	\$411.5	\$399.3	\$396.8	\$390.1	\$397.7
Less non-controlling interest - other	10.5	13.4	12.2	19.2	20.6	15.6
Total stockholders' equity, net of non-controlling interests - other	\$333.9	\$398.1	\$387.1	\$377.6	\$369.5	\$382.1
Plus Tiptree Insurance accum. depreciation and amortization, net of tax ⁽²⁾	51.1	49.3	43.2	36.1	28.5	21.0
Plus Care accum. depreciation and amortization - Disc. Ops, net of tax and NCI	—	—	—	30.5	21.5	13.5
Plus acquisition costs ⁽³⁾	4.0	4.2	4.2	8.4	7.3	6.4
Invested Capital	\$389.0	\$451.6	\$434.5	\$452.6	\$426.8	\$423.1
Plus corporate debt ⁽⁴⁾	333.2	253.2	232.1	188.5	199.0	175.0
Total Capital	\$722.2	\$704.8	\$666.6	\$641.1	\$625.8	\$598.1

	Year Ended December 31,					
	Q1'20	2019	2018	2017	2016	2015
Total Investments	\$509.7	\$450.7	\$490.0	\$454.0	\$472.8	\$309.0
Investment portfolio debt ⁽⁵⁾	(48.2)	(25.0)	(80.0)	(111.5)	(146.5)	(54.0)
Securities sold, not yet purchased	(32.5)	—	—	—	—	—
Cash and cash equivalents	78.5	115.3	50.6	38.1	26.0	13.9
Restricted cash ⁽⁶⁾	33.1	—	2.9	24.2	12.1	2.2
Receivable due from brokers ⁽⁷⁾	—	—	0.3	0.3	2.0	3.1
Liability due to brokers ⁽⁷⁾	(11.6)	(1.1)	(0.5)	(8.7)	(8.5)	—
Net investments - Non-GAAP	\$529.0	\$539.9	\$463.3	\$396.4	\$358.0	\$274.1

	Year Ended December 31,					
	Q1'20 LTM	2019	2018	2017	2016	2015
Net investment income	\$13.2	\$14.0	\$19.2	\$16.3	\$13.0	\$5.5
Other income	0.9	1.1	0.5	0.2	0.0	0.0
Realized gains (losses)	(12.5)	4.7	5.6	5.8	4.7	(0.6)
Unrealized gains (losses)	(16.3)	2.2	(17.3)	(22.3)	10.0	1.6
Unrealized gains (losses) on AFS securities	2.2	5.0	(2.1)	0.4	(0.7)	(0.0)
Interest expense	—	(0.6)	(4.7)	(6.6)	(3.2)	(0.8)
Net portfolio income (loss)	(12.5)	26.4	\$1.2	\$(6.2)	\$23.8	\$5.7
Average Annualized Yield % ⁽⁸⁾	(2.5)%	5.4%	0.3%	(1.7)%	7.7%	2.5%

Management uses Book value per share, which is a non-GAAP financial measure. Management believes the use of this financial measure provides supplemental information useful to investors as it is frequently used by the financial community to analyze company growth on a relative per share basis. Tiptree's book value per share was \$9.73 as of March 31, 2020 compared with \$11.12 as of March 31, 2019. Total stockholders' equity, net of other non-controlling interests for the Company was \$333.9 million as of March 31, 2020, which comprised total stockholders' equity of \$344.4 million adjusted for \$10.5 million attributable to non-controlling interest at certain operating subsidiaries that are not wholly owned by the Company, such as Luxury and management interests in subsidiaries. Total stockholders' equity, net of other non-controlling interests for the Company was \$383.6 million as of March 31, 2019, which comprised total stockholders' equity of \$394.6 million adjusted for \$11.0 million attributable to non-controlling interest at subsidiaries that are not wholly owned by the Company.

Management evaluates the return on Invested Capital and Total Capital, which are non-GAAP financial measures, when making capital investment decisions. Invested capital represents its total cash investment, including any re-investment of earnings, and acquisition costs, net of tax. Total Capital represents Invested Capital plus Corporate Debt. Management believes the use of these financial measures provide supplemental information useful to investors as they are frequently used by the financial community to analyze how the Company has allocated capital over-time and provide a basis for determining the return on capital to shareholders. Management uses both of these measures when making capital investment decisions, including reinvesting distributable cash flow, and evaluating the relative performance of its businesses and investments.

- (1) For periods prior to April 10, 2018, book value per share assumes full exchange of the limited partners units of TFP for Common Stock.
- (2) As of March 31, add-back of \$74.4 million of accumulated intangible amortization at our insurance companies.
- (3) Add-back acquisition costs associated with acquiring Fortegra, Care senior living properties and Reliance net of Care NCI (86.6% ownership) and 35% tax rate.
- (4) Corporate debt consists of Secured Corporate Credit Agreements, plus preferred trust securities.

The insurance investment portfolio consists of insurance premiums written, cash generated from operations, and assets contributed by Tiptree. The investment portfolio of our regulated insurance companies, captive reinsurance company and warranty business are subject to different regulatory considerations, including with respect to types of assets, concentration limits, affiliate transactions and the use of leverage. Our investment strategy is designed to achieve attractive risk-adjusted returns across select asset classes, sectors and geographies while maintaining adequate liquidity to meet our claims payment obligations.

- (5) For 2019 and 2020, consists of borrowings under the revolving line of credit at our insurance company. For the 2018 and earlier periods, consists of asset-based financing on loans, at fair value including certain credit investments, net of deferred financing costs, see Note (11) - Debt, net for further details.
- (6) Restricted cash available to invest within certain credit investment funds which are consolidated under GAAP.
- (7) Receivable due from and Liability due to brokers for unsettled trades within certain credit investment funds which are consolidated under GAAP.
- (8) Average Annualized Yield % represents the ratio of annualized net investment income, other income, realized and unrealized gains (losses) less investment portfolio interest expense to the average of the prior five quarters total investments less investment portfolio debt plus cash.

Non-GAAP Reconciliations – Insurance Combined Ratio, Underwriting Revenues & Margin

(\$ in millions)

	Q1'20 LTM	Year Ended December 31,				
		2019	2018	2017	2016	2015
Revenues:						
Net earned premiums	\$501.4	\$499.1	\$427.8	\$371.7	\$229.4	\$166.3
Service and administrative fees	124.0	106.2	102.3	95.2	109.3	106.5
Ceding commissions	13.6	9.6	9.7	8.8	24.8	43.2
Other Income	5.7	4.6	2.6	3.6	2.9	8.4
Underwriting Revenues - Non-GAAP	\$644.7	\$619.5	\$542.4	\$479.2	\$366.4	\$324.4
Less underwriting expenses:						
Policy and contract benefits	190.8	170.7	152.1	124.0	106.8	86.3
Commission expense	298.6	303.1	262.5	241.8	147.3	105.8
Underwriting Margin - Non-GAAP	\$155.3	\$145.7	\$127.8	\$113.4	\$112.4	\$132.3
Less operating expenses:						
Employee compensation and benefits	55.0	50.0	45.8	41.3	37.9	38.8
Other expenses (excluding non-recurring expenses)	53.4	50.5	41.5	38.6	33.0	31.4
Combined Ratio	92.5%	92.6%	92.5%	92.9%	87.9%	77.9%
Plus investment revenues:						
Net investment income	13.2	14.0	19.2	16.3	13.0	5.5
Net realized and unrealized gains	(28.8)	6.9	(11.7)	(16.5)	14.8	1.1
Less other expenses:						
Interest expense	14.3	14.8	18.2	15.1	9.2	7.0
Non-recurring expenses	2.2	1.2	0.4	—	—	—
Depreciation and amortization expenses	9.1	9.1	10.8	12.8	13.2	29.7
Pre-tax income (loss)	\$5.8	\$41.0	\$18.6	\$5.4	\$46.8	\$32.0

The following table provides a reconciliation between underwriting margin and pre-tax income. We generally limit the underwriting risk we assume through the use of both reinsurance (e.g., quota share and excess of loss) and retrospective commission agreements with our partners (e.g., commissions paid adjust based on the actual underlying losses incurred), which manage and mitigate our risk. Period-over-period comparisons of revenues are often impacted by the PORCs and clients' choice as to whether to retain risk, specifically with respect to the relationship between service and administration expenses and ceding commissions, both components of revenue, and the offsetting policy and contract benefits and commissions paid to our partners and reinsurers. Generally, when losses are incurred, the risk which is retained by our partners and reinsurers is reflected in a reduction in commissions paid. In order to better explain to investors the net financial impact of the risk retained by the Company of the insurance contracts written and the impact on profitability, we use the Non-GAAP metric - Underwriting Margin.

Expressed as a percentage, the combined ratio represents the relationship of policy and contract benefits, commission expense (net of ceding commissions), employee compensation and benefits, and other expenses to net earned premiums, service and administrative fees, and other income. Investors use this ratio to evaluate our ability to profitably underwrite the risks we assume over time and manage our operating costs. As such, we believe that presenting underwriting margin and the combined ratio provides useful information to investors and aligns more closely to how management measures the underwriting performance of the business.

Tiptree Capital – Realized Investment IRR %

(\$ in millions)

<u>Category</u>	<u>Investments</u>	<u>Invested Capital</u>	<u>Realized Investment</u>	<u>MOIC</u>	<u>IRR %</u>
Asset Management	Realized: MFCA	\$ 69.2	\$ 164.7	2.4x	27.9%
	Unrealized: Telos	-	-	-	-
Specialty Finance	Realized: PFG, Siena, Luxury	72.9	167.8	2.3x	22.3%
	Unrealized: Reliance	28.5	-	-	-
Real Assets	Realized: Star Asia, Care	179.8	288.1	1.6x	21.5%
	Unrealized: Invesque, Swiftbulk	119.9	-	-	-
Credit Investments	Realized: CLO sub-notes, hedges	162.9	265.5	1.6x	28.5%
	Unrealized: Credit investment	0.6	-	-	-
Tiptree Capital	Realized	\$ 484.7	\$ 886.1	1.8x	22.6%
	Unrealized	\$ 149.0	-	-	-

All Figures above presented before corporate taxes and corporate expenses.

Invested Capital: Represents initial purchase consideration plus subsequent contributions (if applicable).

Realized Investment: Represents total realized proceeds including cash distributions and cash or marketable securities received upon realization event.

MOIC: Represents multiple on Invested Capital which is the ratio of Realized Investment to Invested Capital.

IRR %: Represents the internal rate of return on invested capital based on the realized proceeds of cash or marketable securities and including the timing of contributions and distributions. Our IRR calculation may differ from those used by others. Past performance is not indicative of future results.

TiptreeInc.