Heritage Announces Strategic InsurTech Partnership with Slide

Nov 26, 2021

CLEARWATER, Fla., Nov. 26, 2021 /PRNewswire/ -- Heritage Insurance Holdings, Inc. (NYSE: HRTG) ("Heritage" or the "Company"), a super-regional property and casualty insurance holding company, announced today that it has entered into a strategic partnership with Slide, a startup InsurTech P&C carrier led by Bruce Lucas, Heritage's former Chairman and CEO, providing it with enhanced technological capabilities and allowing it to participate in the InsurTech sector's upside.



Partnership provides Heritage with the opportunity to:

- Leverage Slide's InsurTech capabilities to improve underwriting and rating decisions.
- Further capitalize on strong agency relationships by generating commission income on policies that don't meet Heritage's underwriting criteria (e.g., due to geographic concentration).
- Participate in the InsurTech sector without potentially significant capital requirements to develop similar capabilities internally.
- Based on current publicly traded InsurTech valuations, potential to generate a meaningful capital gain, which, if realized, could provide additional funds for share buybacks or debt retirement.

Terms of the partnership

Heritage will receive:

- Approximately 6% equity stake in Slide, an InsurTech P&C carrier with an estimated $250 million post-money valuation, and warrants allowing it to purchase an additional equity interest at Slide's pre-money valuation.
- Perpetual, royalty free license to certain aspects of Slide's software.

Heritage will:

- Transfer ownership of Pawtucket, a dormant P&C carrier licensed in Rhode Island.
- Transfer ownership of First Access Insurance Group, a Florida-licensed MGA with minimal earnings.
- Provide access to historical claims and underwriting data.

Ernie Garateix, Heritage's CEO, said, "We're excited to partner with Slide and our former colleague on this win-win opportunity. We believe this partnership will significantly accelerate development of our InsurTech capabilities, while providing us with an equity stake in an impressive startup that is developing cutting edge technology."

Financial information, including material announcements about Heritage, is routinely posted on investors.heritagepci.com.

About Heritage
Heritage Insurance Holdings, Inc. is a super-regional property and casualty insurance holding company. Through its insurance subsidiaries and a large network of experienced agents, the Company writes approximately $1.2 billion of gross personal and commercial residential premiums across its multi-state footprint.

Forward-Looking Statements
Statements in this press release that are not historical facts are forward-looking statements that are subject to certain risks and uncertainties that could cause actual events and results to differ materially from those discussed herein. Without limiting the generality of the foregoing, words such as "may," "will," "expect," "believe," "anticipate," "intend," "could," "would," "estimate," "or "continue" or the other negative variations thereof or comparable terminology are

intended to identify forward-looking statements. Forward-looking statements in this press release include statements regarding the opportunities provided to Heritage through the transaction with Slide, including whether Heritage will be able to leverage Slide's InsurTech capabilities to improve underwriting and rating decisions, further capitalize on strong agency relationships, participate in the InsurTech sector with minimal capital outlays, generate a capital gain allowing for share buybacks or debt retirement and whether Slide's InsurTech technology will be completed or delivered to Heritage when expected, and whether the transaction or relationship with Slide will accelerate Heritage's development of InsurTech capabilities. The risks and uncertainties that could cause our actual results to differ from those expressed or implied herein include, the matters described from time to time by the Company in its filings with the Securities and Exchange Commission, including, but not limited to, the Company's Annual Report on Form 10-K for the year ended December 31, 2020 filed with the Securities and Exchange Commission on March 9, 2021. Risks also include Slide's inability to develop the expected InsurTech technology or to be successful in growing its business or the value of Heritage's equity stake in Slide is less than expected. The Company undertakes no obligations to update, change or revise any forward-looking statement, whether as a result of new information, additional or subsequent developments or otherwise.

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