



TWFG
INSURANCE

Q1 2025





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Forward Looking Statements

This Presentation may contain forward-looking statements. In some cases, you can identify these statements by forward-looking words such as "may," "might," "will," "should," "expects," "plans," "anticipates," "believes," "estimates," "predicts," "potential" or "continue," the negative of these terms and other comparable terminology.

You should not rely upon forward-looking statements as predictions of future events. All statements other than statements of historical facts contained in this Presentation, including information concerning our possible or assumed future results of operations and expenses, business strategies and plans, competitive position, business and industry environment and potential growth opportunities, are forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Given these uncertainties, you should not place undue reliance on any forward-looking statements in this Presentation. Except as required by law, we disclaim any obligation to update any forward-looking statements for any reason after the date of this Presentation, or to update the reasons why actual results could differ materially from those anticipated in the forward-looking statements, even if new information becomes available in the future.

Further information on potential factors that could affect the financial results of TWFG Insurance are included in our Registration Statement on Form S-1, as amended (Registration No. 333-280439) and in our other filings with the Securities and Exchange Commission ("SEC"). These documents and others containing important disclosures are available on the SEC Filings section of the Investor Information section of our Web site.

Industry and Market Information

This Presentation includes industry and market data that we obtained from periodic industry publications, third-party studies and surveys, including from Independent Insurance Agents & Brokers of America, Inc. ("Independent Insurance Agents & Brokers of America") and S&P Global Market Intelligence Inc. ("S&P Global Market Intelligence"), as well as from filings of public companies in our industry, insurance carrier-provided information and internal company surveys. These sources include industry sources. Industry publications and surveys generally state that the information contained therein has been obtained from sources believed to be reliable. Although we believe the industry and market data to be reliable as of the date of this Presentation, this information could prove to be inaccurate. Industry and market data could be wrong because of the method by which sources obtained their data and because information cannot always be verified with complete certainty due to the limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties. In addition, we do not know all of the assumptions regarding general economic conditions or growth that were used in preparing the forecasts from the sources relied upon or cited herein.

Unless otherwise indicated, throughout this Presentation we reference our relative market positioning and performance as compared to the U.S. property and casualty insurance industry. The industry group metrics are based on the latest date for which complete financial data are publicly available such as [a 2022 Future One Agency Universe Case Study containing 2022 industry data conducted by the Independent Insurance Agents & Brokers of America (the "Agency Universe Study").]

The information contained in this Presentation is provided as at the date of this Presentation and is subject to change without notice.

Financial Information

This Presentation contains unaudited financial highlights for the first quarter 2025. These results are unaudited and are subject to change.

Non-GAAP Financial Measures

In addition to providing financial information based on accounting principles generally accepted in the United States ("GAAP"), this Presentation includes certain financial measures prepared other than in accordance with GAAP, or non-GAAP financial measures, including Organic Revenue, Organic Revenue Growth, Adjusted Net Income, Adjusted Net Income Margin, Adjusted EBITDA, Adjusted EBITDA Margin, and Adjusted Free Cash Flow. Accordingly, these non-GAAP financial measures should not be considered as a substitute for data prepared and presented in accordance with GAAP and should not be construed as being more important than comparable GAAP measures.

TWFG's management believes these non-GAAP financial measures provide users of our financial statements with additional and useful comparisons of current results of operations with past and future periods. Although we use or have used these non-GAAP financial measures to assess the performance of our business and for other purposes, the use of these non-GAAP financial measures as an analytical tool has limitations, and you should not consider them in isolation, or as a substitute for analysis of our results of operations as reported in accordance with GAAP. In addition, because not all companies use identical calculations, the non-GAAP financial measures included in this Presentation may not be comparable to similarly titled measures disclosed by other companies, including our peers or other companies in our industry. Please see "KPI Information and Non-GAAP Reconciliations" and "Additional Reconciliations" within the Presentation for reconciliations of the non-GAAP financial measures included in the Presentation to our most directly comparable financial measures calculated and presented in accordance with GAAP.

TWFG At a Glance: 20+ Year Track Record of Independence, Innovation, and Growth In Personal and Commercial Insurance

Who We Are

We are a **founder-led**, publicly traded (Nasdaq: TWFG), **high-growth**, independent distribution platform for personal and commercial insurance in the U.S.

What We Do

We **pioneered a distribution and ownership model** that is geared towards flexibility, efficiency, and alignment. We exist to serve our agents and agency principals through our retail and wholesale operations.

How We Do It

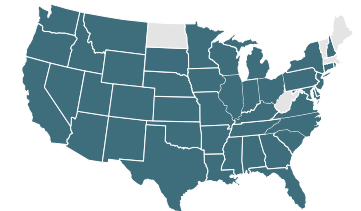
We provide **resources, technology, training, carrier access, and M&A opportunities** to grow and succeed in an increasingly complex market.

Why We Are Different

Developed and led by agents, for agents – we offer a distinctive level of autonomy and entrepreneurial opportunity to our agencies regardless of whether they started with us from scratch or joined us through acquisition.

Market Leader with Rich Heritage and Scaled, National Platform

TWFG
Nasdaq Listed



8th

Largest U.S. Personal Lines Agency ⁽¹⁾



24

Years Of Operating History

520+

TWFG Branches in 32 States ⁽²⁾

27th

Largest Agency Across All Lines ⁽¹⁾

\$370MM+

Total Written Premium ⁽³⁾

2,000+

TWFG MGA Agencies in 40+ States ⁽²⁾

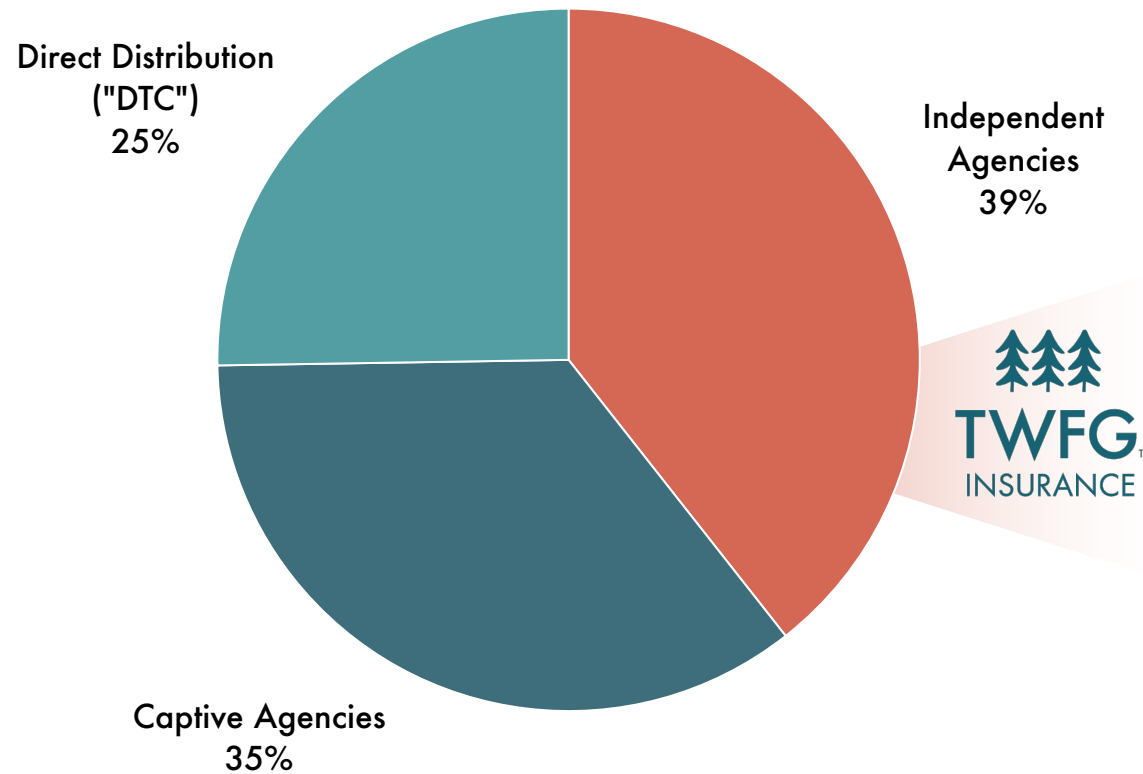
Multi-Line – Retail – Wholesale – Admitted – Non-Admitted

Notes:

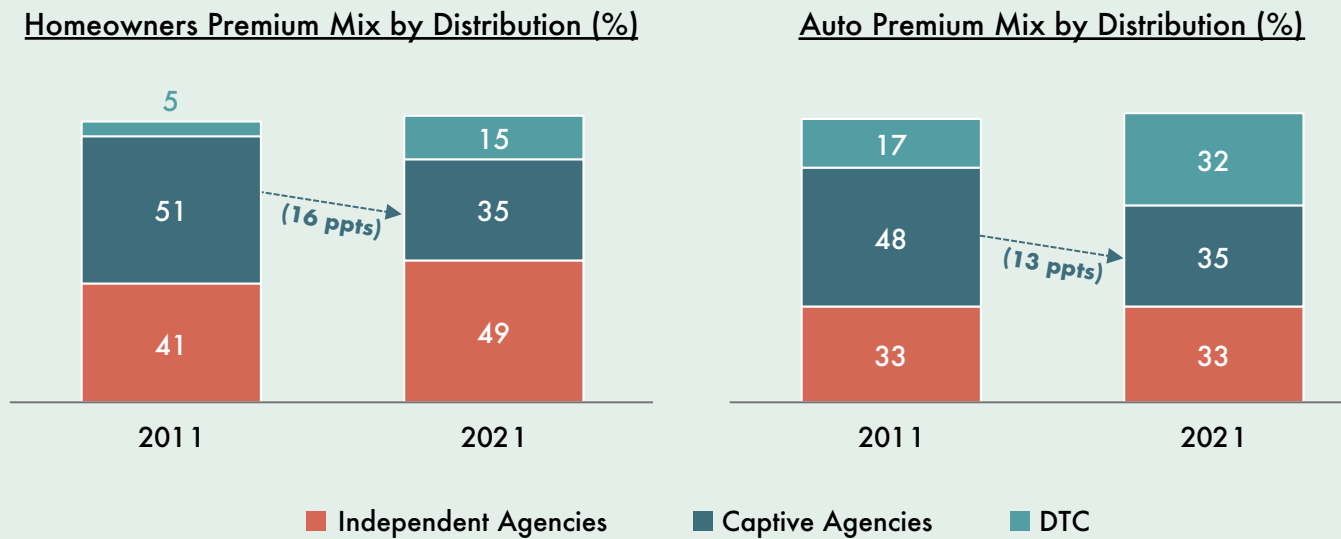
- 1. Rankings based on revenue per Insurance Journal's 2024 Top 100 Property / Casualty Agencies
- 2. As of March 31, 2025
- 3. QTD March 31, 2025 - Results are unaudited

TWFG's Business Model Was Built to Capture a Shift Away from Captive Distribution

Large Share of Personal Lines Distribution Is Captured by the Independent Channel ...



... Reflecting a Decade-Long Shift Away from Captive Distribution



- Accelerating momentum toward the independent channel
- DTC carriers increasingly utilizing independent channel to reach consumers
- Carriers looking to consolidate points of distribution

Source: A.M. Best Company

TWFG Addresses Key Pain Points Experienced By Captive and Independent Agencies

Top Challenges Faced by Agencies

Top Issues



Limited product choice



Access to carriers



Changing commission structures



Back-office inefficiencies



Perpetuation planning

TWFG Solutions

Access to a comprehensive suite of products; high degree of autonomy over the direction of business to best address client needs

Access to 300+ insurance carriers, MGAs and programs across admitted and non-admitted markets

Compelling revenue and work share model; no sales quotas, no forced cross-selling

Agency-in-a-Box turnkey solution delivers tools and technology that streamline back-office services and allow agents to focus on sales

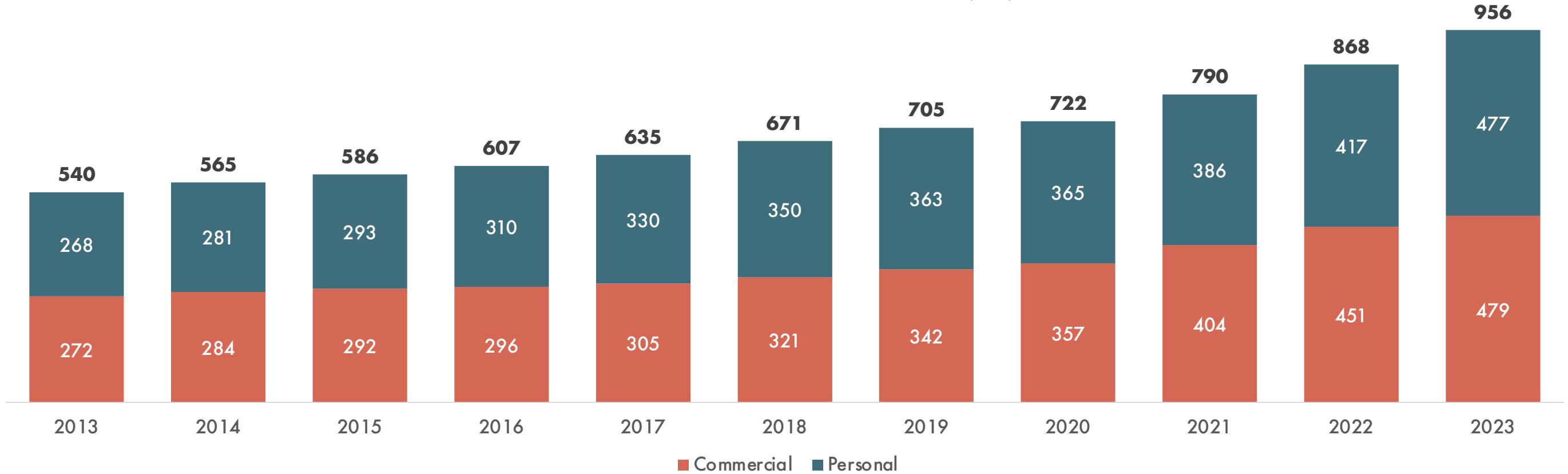
Opportunity to sell or transfer existing books of business enabling a smooth handover of client relationships and a rewarding exit for retiring agents



TWFG Operates in a Large and Growing Addressable Market

P&C Insurance Market Exhibits Consistent Growth

P&C Insurance Direct Written Premium Over Time (\$Bn)



**Premium CAGR
(2013-23):**

**5.9%
Total P&C**

**5.9%
Personal Lines**

**5.8%
Commercial**

Source: S&P Global Market Intelligence

Differentiated Turnkey Solutions that Enhance and Empower Agencies

Agency-in-a-Box



Powerful, Comprehensive and Intuitive AMS

- ✓ Personal lines comparative rater
- ✓ Agency dashboard with dynamic reporting
- ✓ Insurance forms and carrier downloads

Fully Integrated Marketing Solutions

- ✓ Online marketing content and analytics
- ✓ TWFG branded merchandise and collateral
- ✓ Corporate marketing team support

Easy to Use Web and App Based Client Tools

- ✓ Easy communication with the client/agent
- ✓ Full-service App and web portals
- ✓ Apple + Android compatibility

Sales Support

- ✓ Dedicated account executive
- ✓ Optional part-time or full-time service center
- ✓ Ongoing continuing education

Back Office Support

- ✓ Licensing and contracting
- ✓ Agency bill processing and reconciliation
- ✓ Commission processing

Other Services

- ✓ Incentives for top producers
- ✓ TWFG National Convention
- ✓ Succession planning



National Platform



Scaled Network



Strategic Partnerships

Access to 300+ National, Regional and Local Insurance Carriers, MGAs and Programs

Attractive MGA Offering for Agencies Who Wish to Stay Independent

Providing Access to Insurance Carrier Relationships, MGAs and Programs
Serving 2,000+ Agencies Across 40+ States



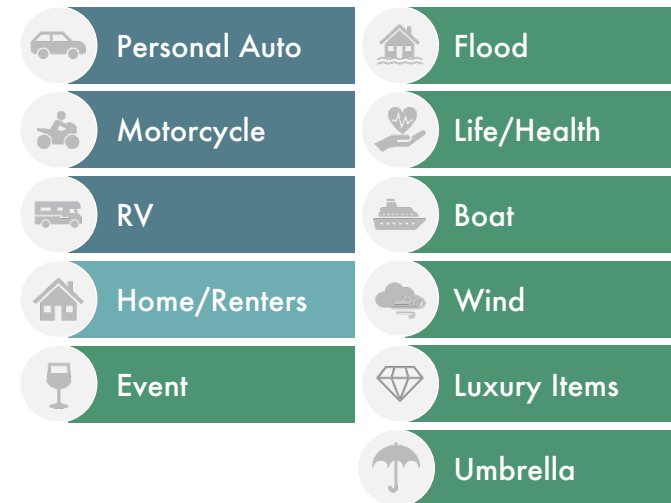
- ✓ Facilitate placement of risks in both the admitted and E&S markets – often inaccessible by small agencies
- ✓ Allows independent agencies to circumvent minimum volume requirements from certain insurance carriers
- ✓ Expansive product offering that broadens TWFG's specialty capabilities
- ✓ Relationship with TWFG creates pathway for independent agencies to eventually transition into TWFG exclusive agencies

Our Product Mix is a Function of Our Opportunistic Approach To Adding Talent. We Do Business In Personal, Commercial, Retail, Wholesale, Programs, Admitted, & Non-Admitted Markets

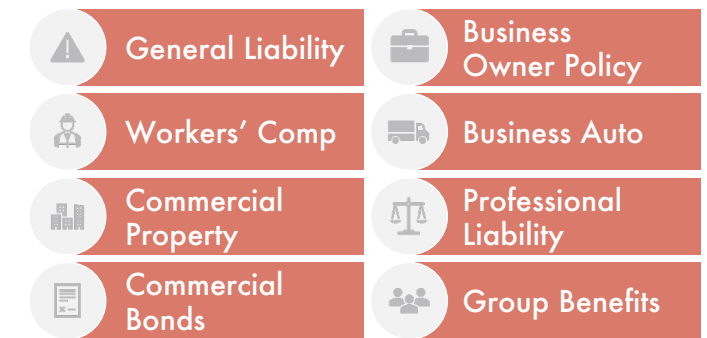
Business mix comprises ~81% Personal Lines and ~19% Commercial Lines (As of 12/31/24)

- Broad product set enabling TWFG agencies to deliver comprehensive coverage for client risks
- Ability to offer in-demand, exclusive programs in certain niches (e.g., catastrophe-exposed property and high value homes)
- Access to admitted and E&S insurance markets through TWFG MGA
- Favorable characteristics of TWFG’s personal and small commercial client base:
 - High demand for insurance protection across all economic cycles
 - Relationships built on long-term trust, resulting in stickiness
 - Evolving risks and increasing complexity require expert guidance

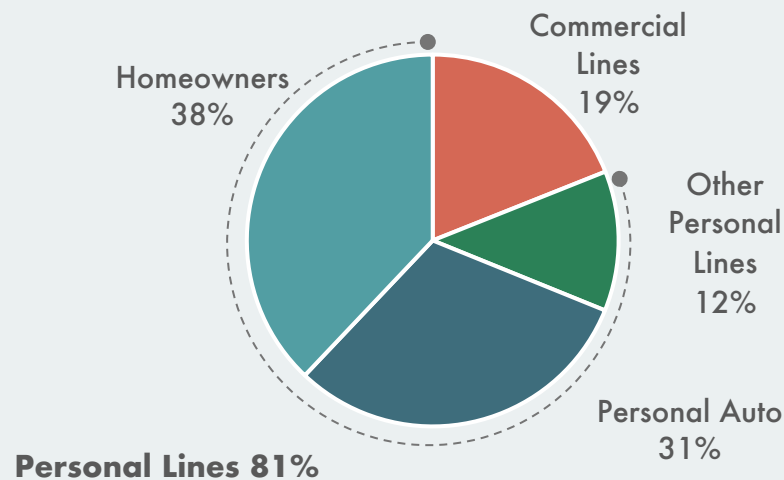
Personal Lines



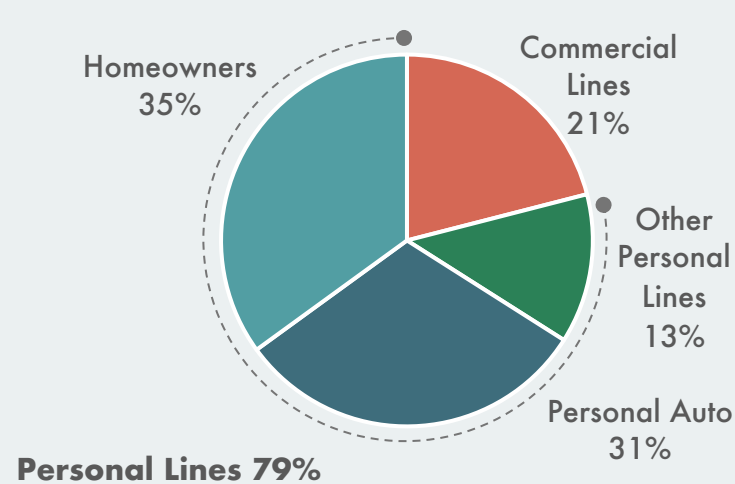
Commercial Lines



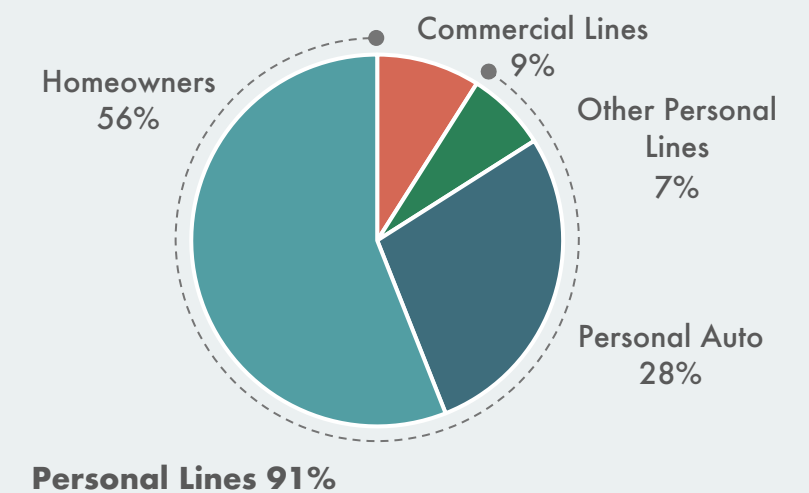
Consolidated Written Premium Mix
By Line of Business (2024)



Insurance Services Premium Mix
By Line of Business (2024)



TWFG MGA Premium Mix
By Line of Business (2024)



Illustrative Overview of Economic Model

Insurance Services ~80% of total TWFG Revenue		MGA ~20% of total TWFG Revenue
Branches Commission Revenue (~80% of Total Carrier Commissions)	Corporate Branches Commission Revenue	MGA Commission Revenue
Agency-in-a-Box Commission Revenue (~20% of Total Carrier Commissions)		Outbound Commission (variable % of Total Carrier Commissions)
+	+	+
Branch & Other Income		MGA Other Fees
+		+
Contingent Income	Contingent Income	Contingent Income
-	-	-
Corporate Salaries & Other Expenses (Corp. S&E)	Branches & Corp. S&E	Corporate Expenses
=	=	=
TWFG Operating Income	TWFG Operating Income	TWFG Operating Income

Two primary service offerings:

Insurance Services

- TWFG recognizes 100% of the commission paid by insurance carriers and remits 80% of the commission revenue to the Branches (retaining 20%)
- Branches are responsible for 100% of their operating expenses and pay a fee to TWFG to cover the costs of technology, E&O coverage and other services provided by TWFG
- TWFG insurance services revenue also includes contingent income and other income (all 100% retained by TWFG)
- For Corporate Branches, TWFG retains 100% of commission revenue and is responsible for 100% of expenses

Managing General Agency (MGA)

- TWFG receives 100% of commission revenue and contingent income earned from wholesale & brokerage and underwriting businesses
- TWFG also receives other fees for providing third-party administration (TPA) and brokerage services including policy and software licensing to carriers
- Depending on the terms of an individual MGA agency agreement, MGA may also include outbound commission expense to MGA Agencies

TWFG does not retain the risks related to any of the underlying insurance contracts placed on behalf of carriers



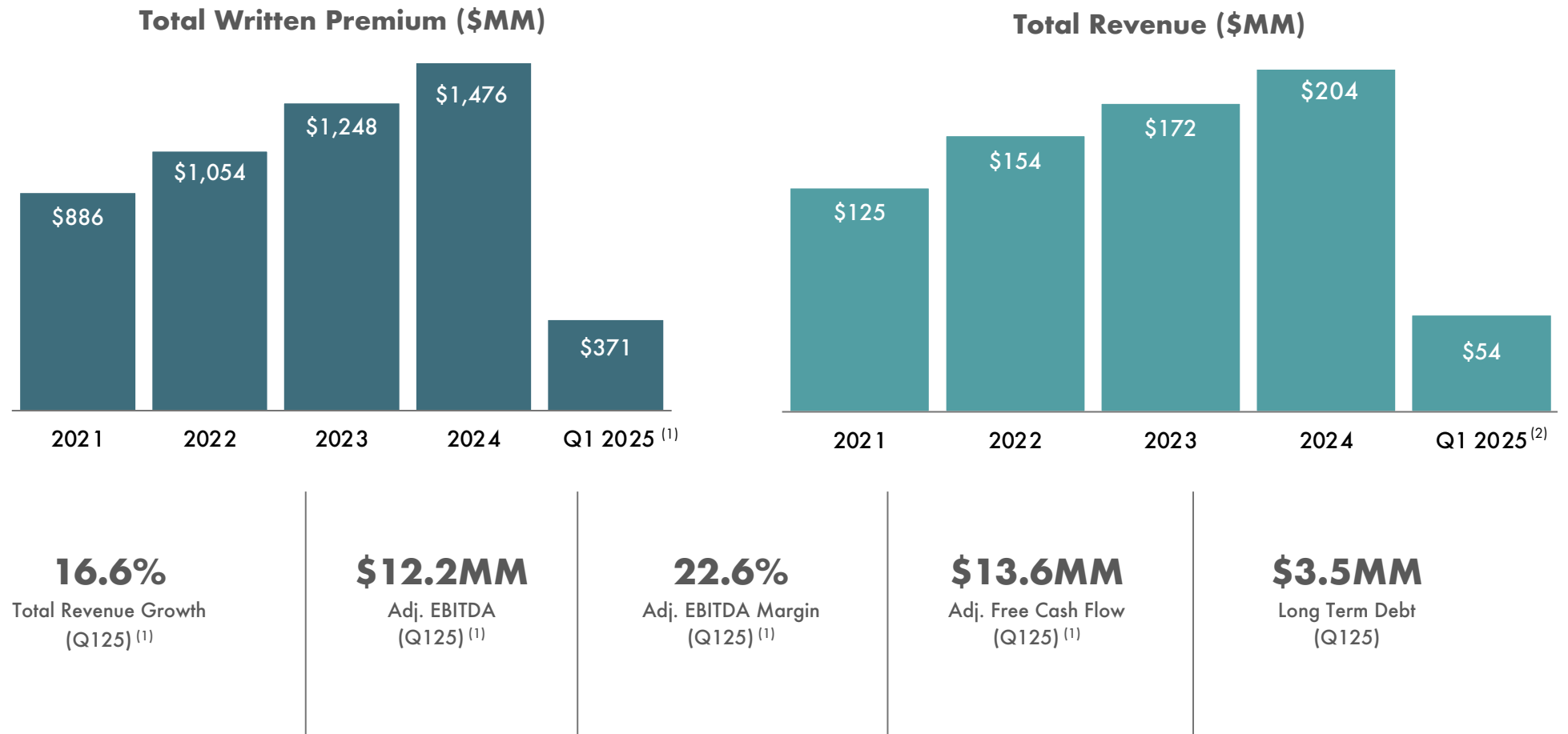
Compelling Financial Profile with Strong Growth and Profitability

Strong annual results and trends



A Growth Story

Compelling Financial Profile

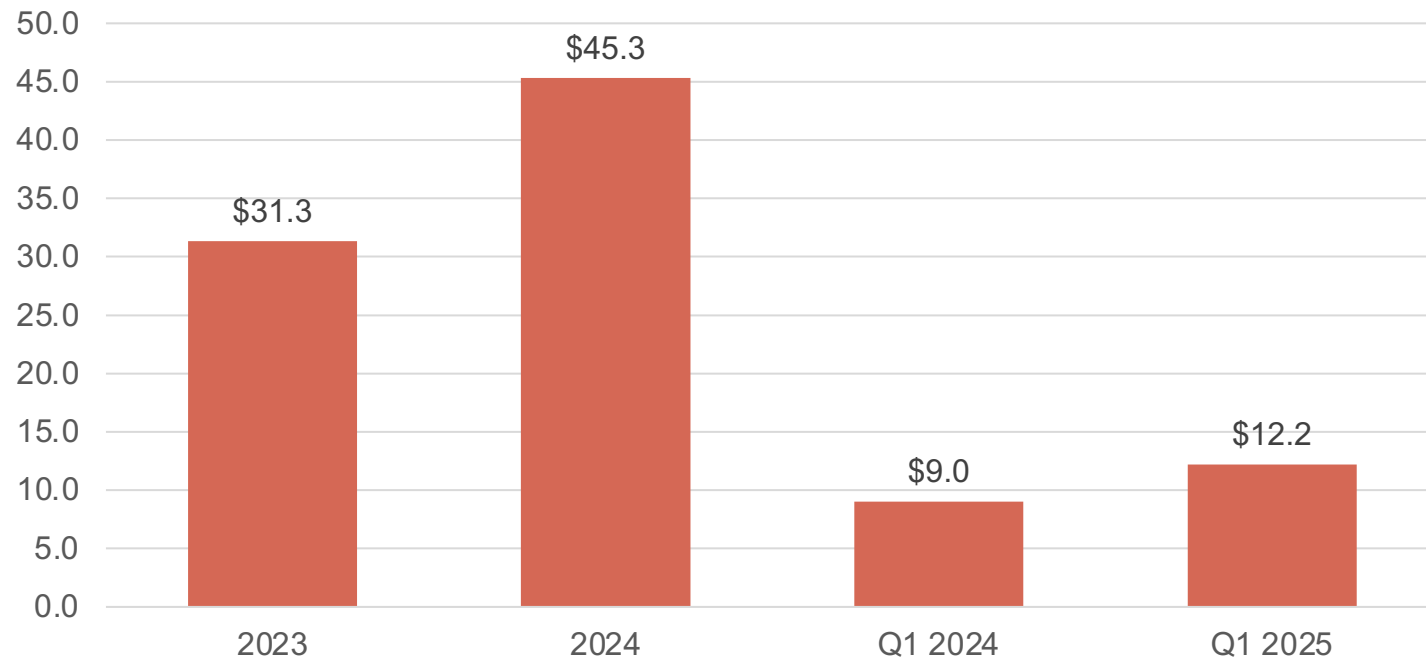


Notes:

- 1. Please see "KPI Information and Non-GAAP Reconciliations" for reconciliations of Adjusted EBITDA, Adjusted EBITDA Margin, and Adjusted Free Cash Flow to their most comparable GAAP measures
- 2. Results are unaudited and are subject to change

Track Record of Adjusted EBITDA Growth and Margin Expansion

Adjusted EBITDA (\$MM) and Adjusted EBITDA Margin ⁽¹⁾



Adjusted EBITDA Margin ⁽¹⁾



Drivers of Margin Trajectory

- ~80/20% revenue share model with TWFG Branches is a key driver of margin for the Insurance Services business
- Steady margin expansion historically reflective of:
 - Benefits of scale within Insurance Services and MGA businesses given continued top-line growth
 - Benefits from legacy investments in technology and associated efficiencies
 - Expense reductions related to home office staff and utilization of Philippines operation
- 2024 margin reflects incremental uplift related to branch conversions, offset by onset of public company costs

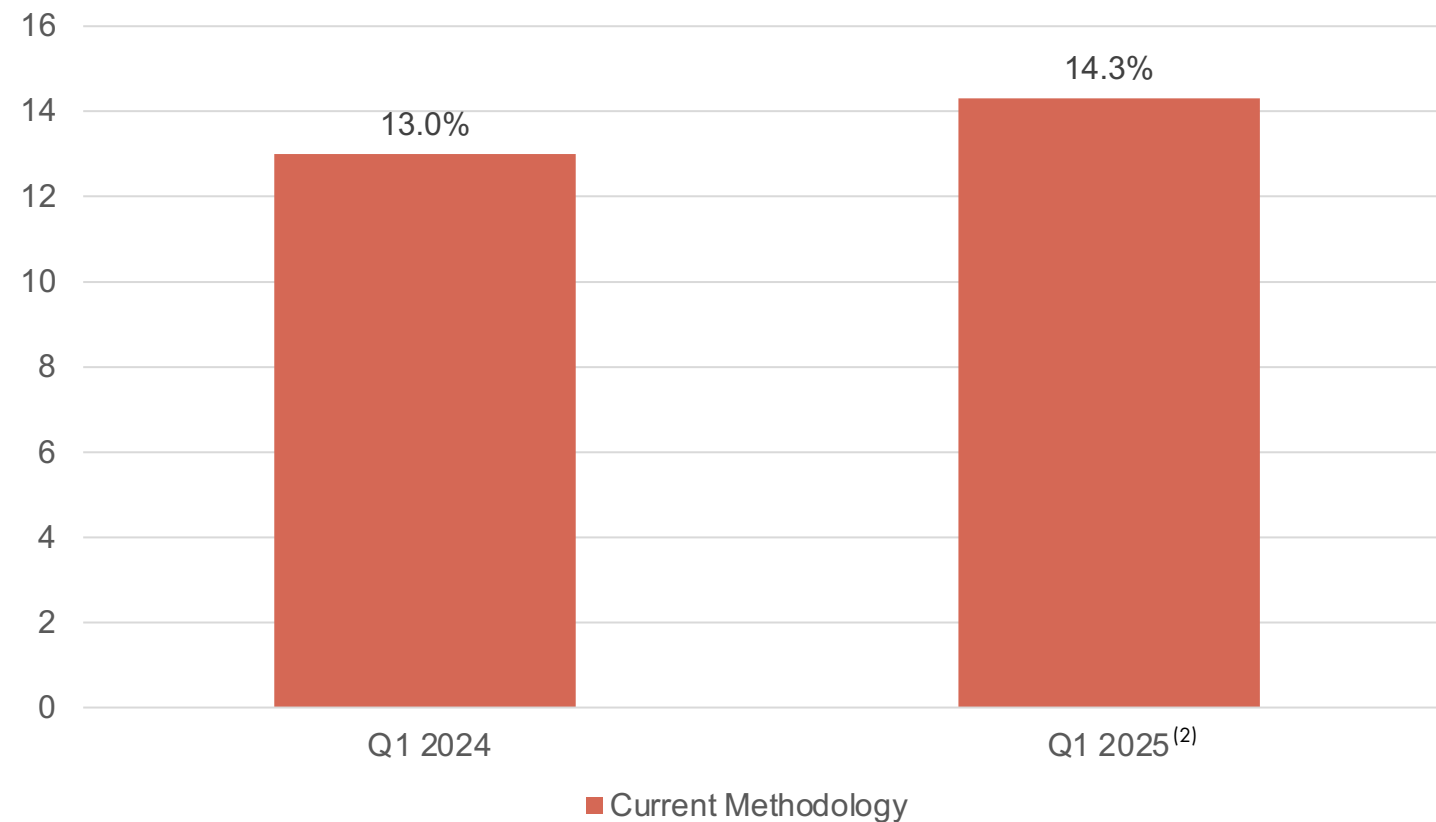
Notes:

1. Please see "KPI Information and Non-GAAP Reconciliations" and "Additional Reconciliations" for reconciliations of Adjusted EBITDA and Adjusted EBITDA Margin to their most comparable GAAP measures.



Consistent Double-Digit Organic Growth over Time

Organic Revenue Growth ⁽¹⁾



Drivers of Sustained, Double-Digit Organic Growth

- ✓ Shift away from captive distribution
- ✓ Client service model led by experienced agents
- ✓ Diversified product offering
- ✓ Agency-in-a-box
- ✓ Tools and technology
- ✓ Differentiated access to carriers
- ✓ Ability to leverage TWFG MGA
- ✓ Innovative carrier partnerships
- ✓ Track record of hiring top industry talent

Culminating in strong and consistent performance across **retention** and **new business**

Organic revenue growth definition based on commission income (including renewal and new business)

Notes:

1. Please see "KPI Information and Non-GAAP Reconciliations" and "Additional Reconciliations" for reconciliations of Organic Revenue and Organic Revenue Growth to their most comparable GAAP measures
2. Results are preliminary unaudited estimates and are subject to change



Fragmented Market Creates Additional Growth Opportunities Going Forward

SIGNIFICANT PORTION OF U.S. AGENCIES COMING TO MARKET



- **Highly fragmented market** with ~40,000 independent agencies and brokerages in the U.S. as of 2022
- **Demographic tailwinds** accelerate deal flow
- **Excessive leverage** in the system creates opportunities for strong balance sheet acquirers

Industry Maintains a Robust Acquisition Pipeline that is Constantly Replenishing

Source: Big I Agency Universe Study 2022



TWFG's Scale, Balance Sheet and Disciplined Approach to Acquisitions Positions Us Well for Future Growth

TWFG Has a Proven Acquisition Track Record

- Successful acquisitions across a **range of specialties and geographies** since inception:
 - Agencies
 - Books of business
 - MGAs
 - Insurance networks
 - Renewal rights
- **Robust acquisition pipeline** with preliminary dialogue across several agencies and potential partners
- **2023 acquisitions:** \$21.8 million of capital deployed
- **2024 acquisitions:** \$48.3 million of capital deployed
- **Q1 2025 acquisitions:** \$11.2 million of capital deployed ⁽¹⁾

Backed By a Strong Balance Sheet and Repeatable Playbook

- **Disciplined and selective** approach to M&A:
 - Cultural compatibility
 - Attractive loss ratios
 - Organic growth
 - EBITDA margin
 - Enhances capabilities
 - Geographic diversification
- Focus on post-acquisition **integration** and **synergies**
- Ability to leverage **TWFG Agency network** as a source of referrals
- Future opportunity to **convert** additional TWFG Agencies into Corporate Branches

Notes:

1. Refers to acquisitions in excess of \$0.5 million in annual revenue



Unique Value Proposition to Agency Owners Looking for a Partner

LONG TERM STABILITY AND INDEPENDENCE

- ✓ Founder led and controlled, yet publicly listed
- ✓ Think in decades, not 3-year “flips”
- ✓ Fiercely independent
- ✓ Low financial leverage
- ✓ Flexible Deal Structures

ENTREPRENEURIAL OPPORTUNITIES

- ✓ Strong alignment – potential for revenue share, referral fees, and further M&A promotes agency performance
- ✓ Support branch owners’ and branch managers’ growth aspirations

ACCESS TO CARRIERS AND MGAS

- ✓ Access to and preferred relationships with 7 of the top 10 US personal lines carriers that write with IA¹
- ✓ Access to and preferred relationships with the 9 of the top 10 US commercial lines carriers
- ✓ Access to over 100 MGAs on the TWFG platform

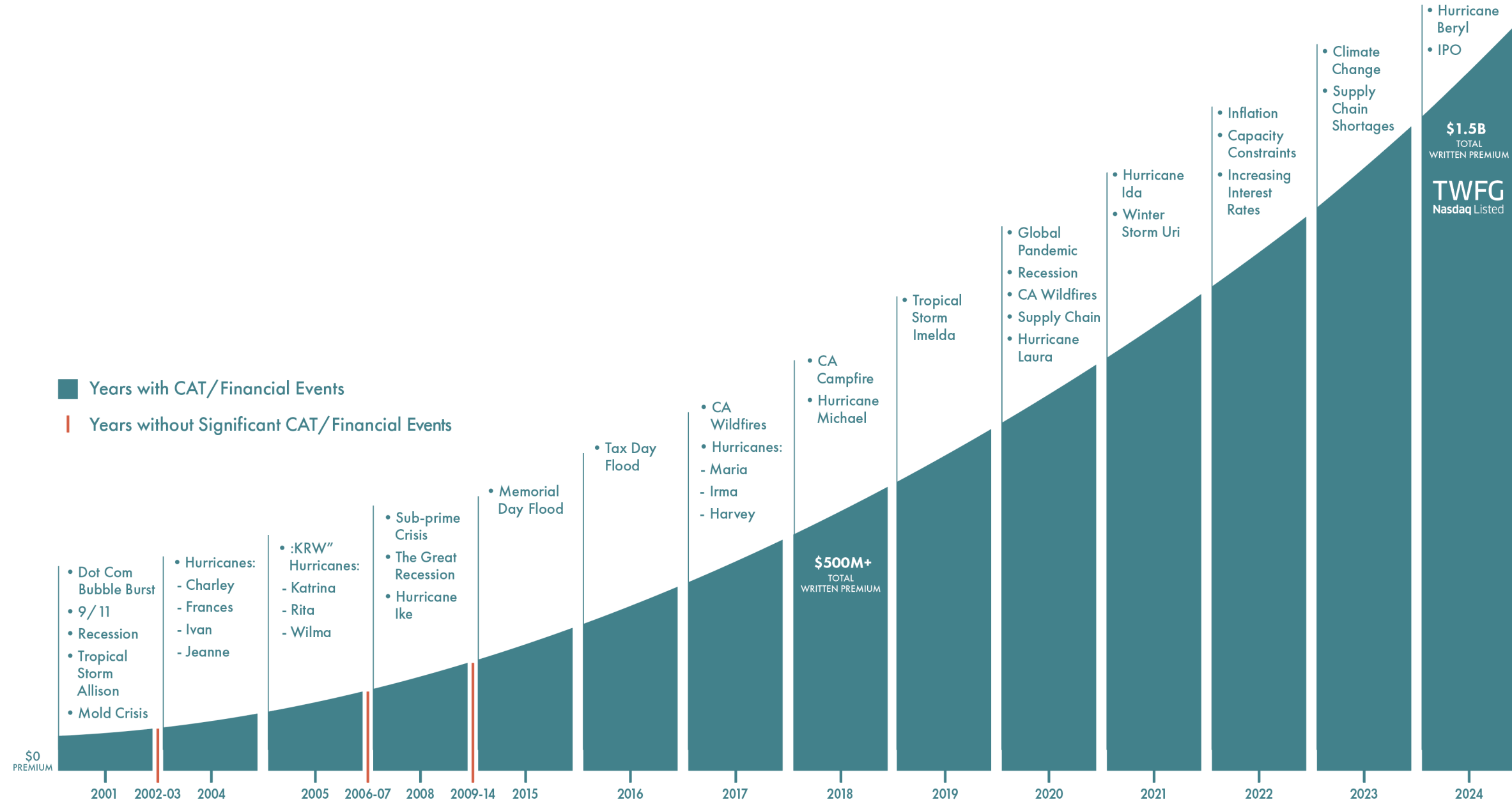
SCALED SERVICES PLATFORM

- ✓ Back-office support allows agent to focus on new sales and customer service
- ✓ Comprehensive training and cross-training available to agents and teams

REPUTATION FOR
FAIR DEALING



History of Resilience & Growth Regardless of Economic and Market Conditions



Source: Company Information

20+ Year Track Record of Sustainable Growth Regardless of Economic and P&C Pricing Cycles

Proven Management Team Well Positioned to Execute on Growth



Richard F. ("Gordy") Bunch III
Founder and CEO



Katherine C. Nolan
Chief Operating Officer



Janice E. Zwinggi, CPA
Chief Financial Officer



Charles Alexander Bunch
Chief Creative and Marketing Officer



Julie E. Benes
General Counsel



Mark Alberto
SVP of Technology



Gene Padgett
Chief Accounting Officer



Proven Ability to Execute on Growth Strategy

✓ Backed by a deep bench of seasoned operators

✓ Collaborative culture focused on teamwork, innovation and driving the best result for clients

✓ Executive management team with an average of 25+ years of insurance industry experience

**20+ Year Track Record of Sustainable Growth
Regardless of Economic and Property and Casualty
Insurance Pricing Cycles**

Key Investment Highlights

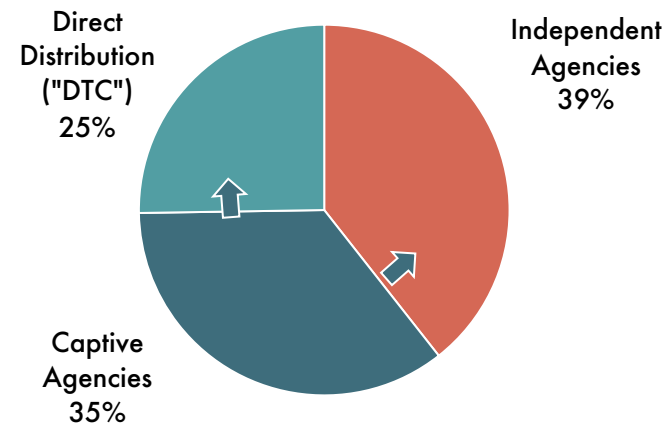


- 1 Differentiated Solutions that Enhance and Empower Agencies
- 2 Trusted Distribution Partner with Track Record of Innovative Solutions
- 3 National Footprint and Scaled Platform Delivering Sustainable Growth
- 4 Attractive Product Mix with Personal Lines Focus
- 5 Compelling Financial Profile with Strong Growth and Profitability
- 6 Proven Management Team Well-Positioned to Execute on Growth

Notes:
 1. As of March 31, 2025
 2. Rankings based on revenue per Insurance Journal's 2024 Top 100 Property / Casualty Agencies

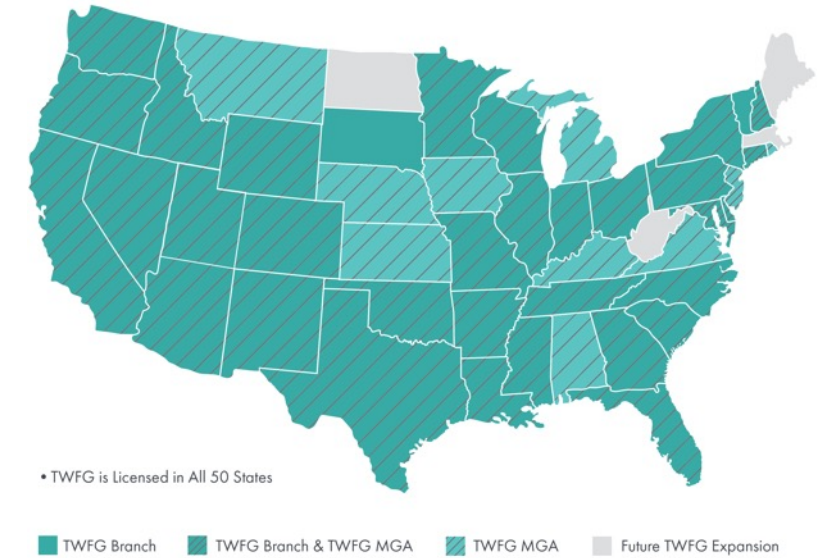
Business Snapshot

TWFG's Business Model Was Built to Capture a Secular Shift from Captive Distribution



Insurance Services	Managing General Agency
~80% of Total TWFG Rev. (2024)	~20% of Total TWFG Rev. (2024)
Revenue Share Model	Commission & Fee Income
<ul style="list-style-type: none"> Turnkey solution for Branches ("Agency-in-a-Box") that promotes growth and facilitates the administrative work of operating an agency 	<ul style="list-style-type: none"> Facilitates the placement of traditional and hard-to-place personal and commercial insurance risks for agencies across the country

National Footprint and Scaled Platform Delivering Sustainable Growth



8th Largest U.S. Personal Lines Agency ⁽²⁾	27th Largest U.S. Agency ⁽²⁾
\$204MM Revenue (2024)	19.2% Revenue CAGR (2019-24)
520+ TWFG Branches in 32 States ⁽¹⁾	2,000+ TWFG MGA Agencies in 40+ States ⁽¹⁾

Source: Independent Insurance Agents & Brokers of America

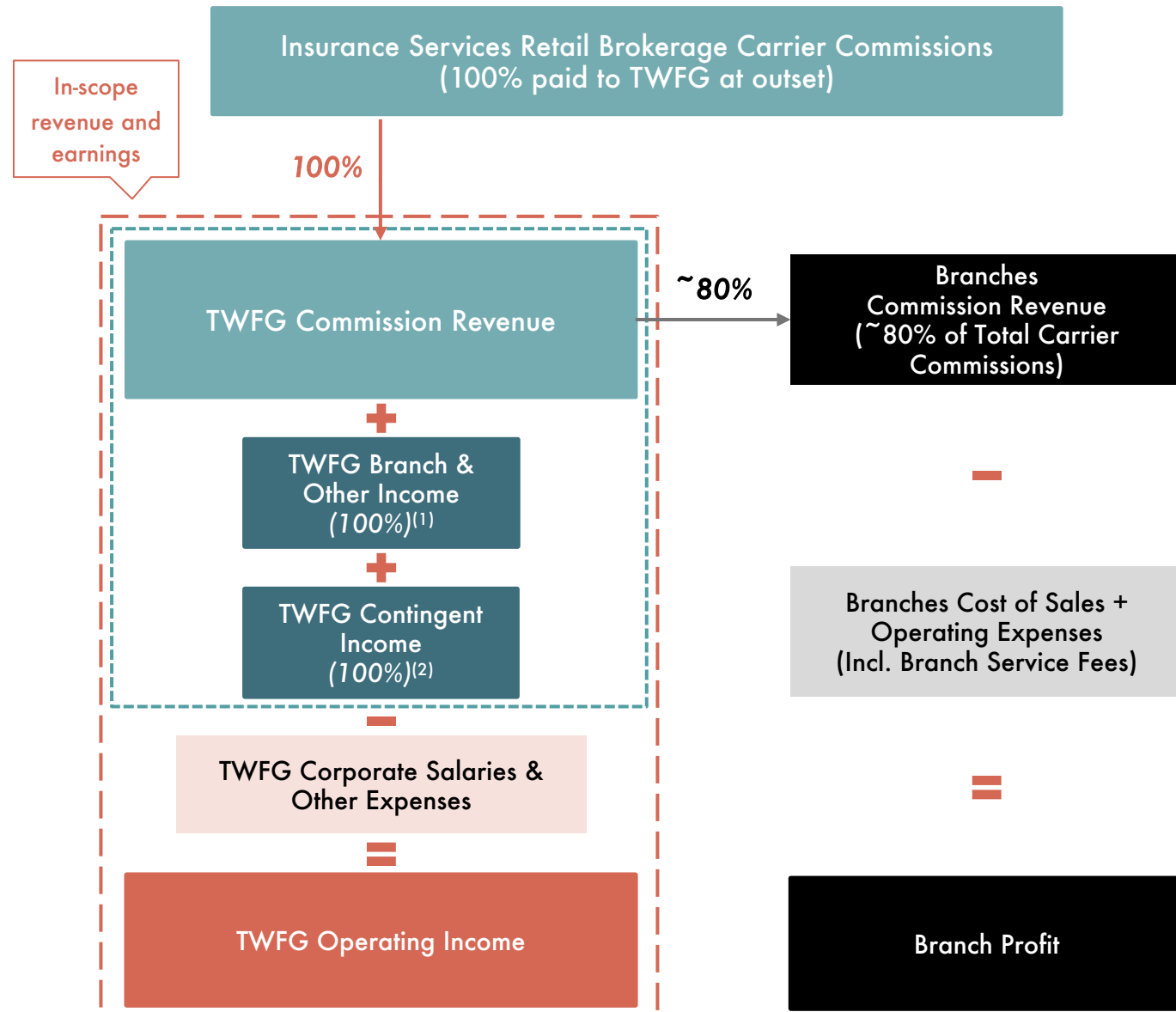


APPENDIX

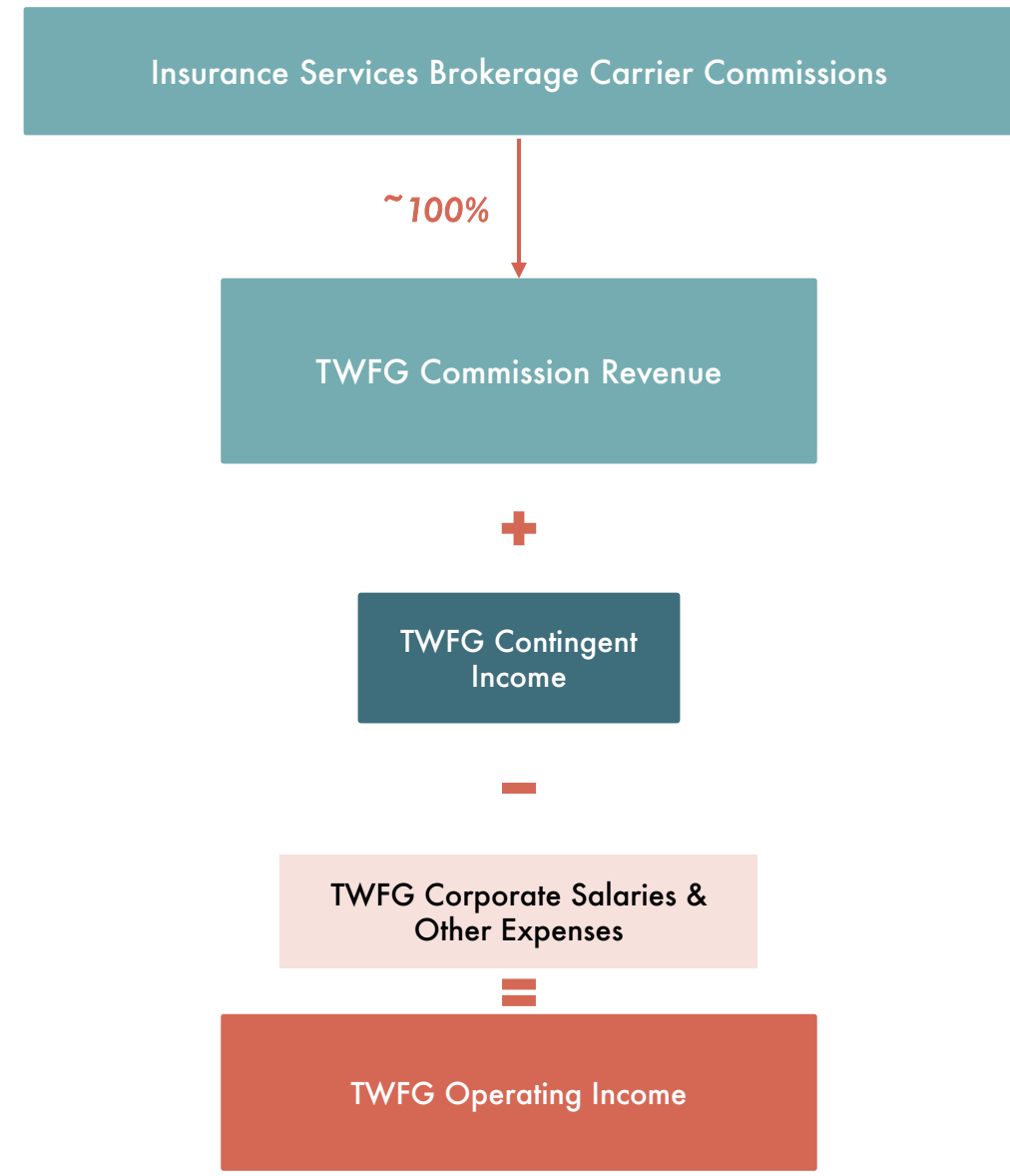


Illustrative Overview of Economic Model: Insurance Services

Simplified Branch Economics (Revenue Share Model)



Simplified Corporate Branch Economics



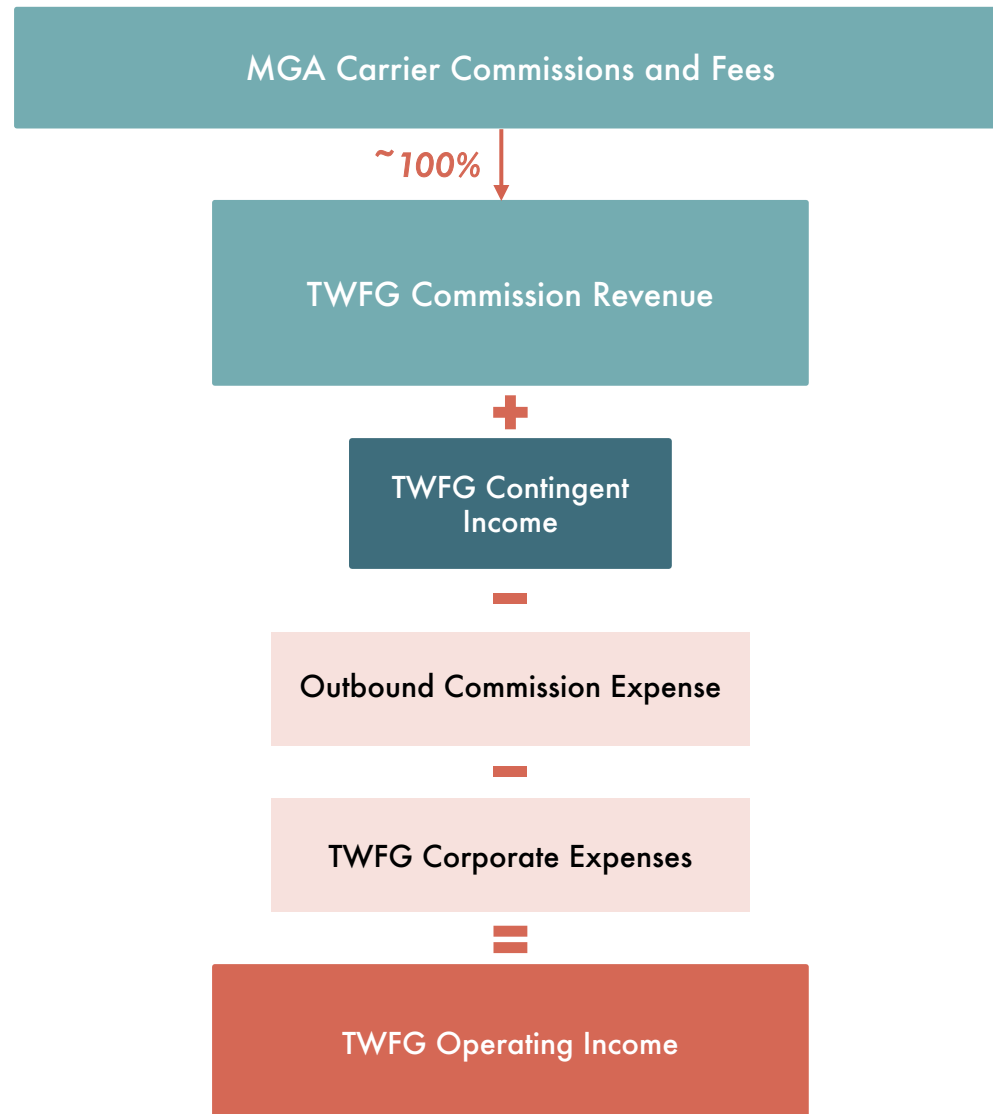
Components of TWFG Revenue

TWFG does not retain the risks related to any of the underlying insurance contracts placed on behalf of carriers

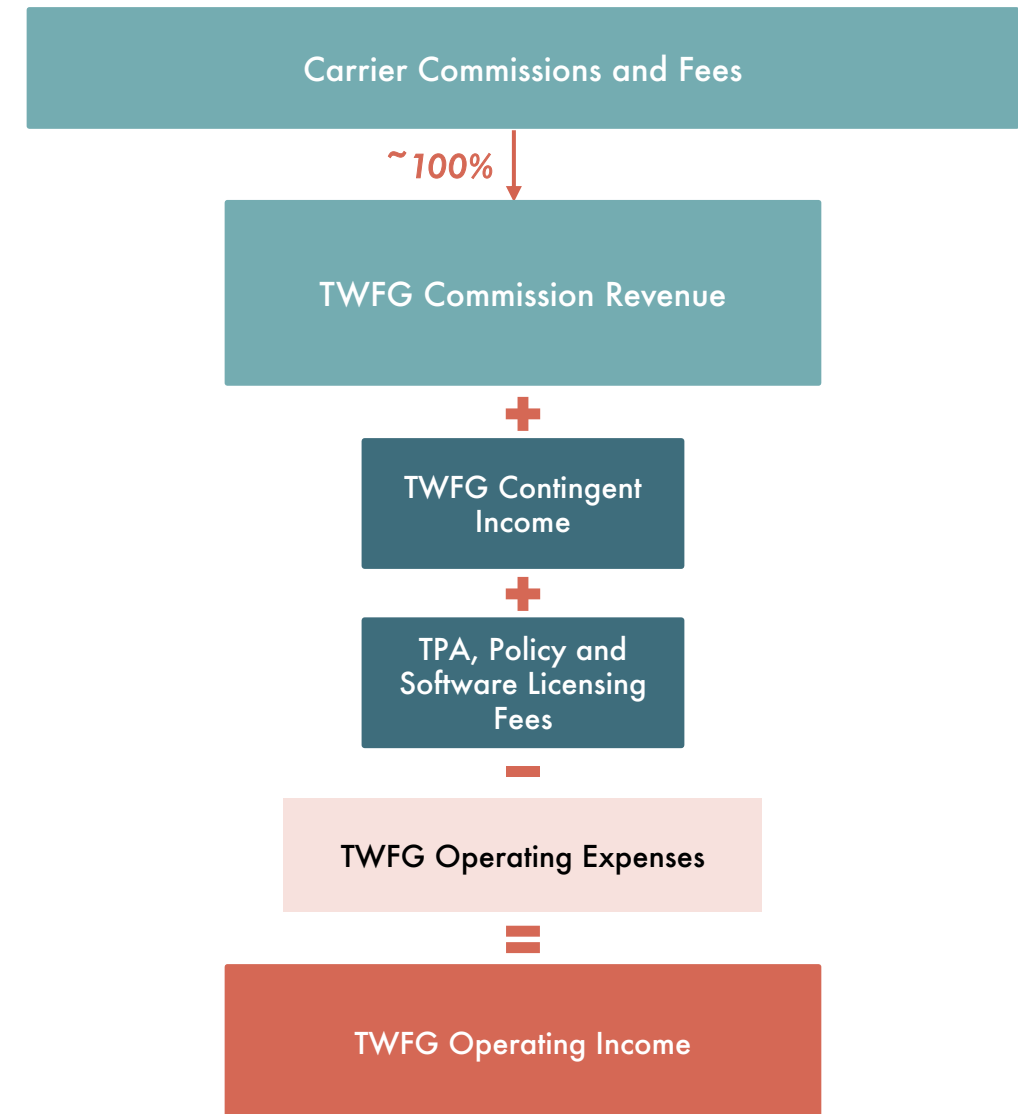


Illustrative Overview of Economic Model: MGA

Simplified Wholesale and Brokering Economics



Simplified Underwriting Economics



TWFG does not retain the risks related to any of the underlying insurance contracts placed on behalf of carriers

KPI Information and Non-GAAP Reconciliations – FY 2024 vs FY 2023

Written Premium

	Three Months Ended December 31,				Twelve Months Ended December 31,			
	2024		2023		2024		2023	
	Amount	% of Total	Amount	% of Total	Amount	% of Total	Amount	% of Total
Offerings:								
Insurance Services								
Agency-in-a-Box	\$ 246,116	68 %	\$ 237,678	79 %	\$ 982,815	66 %	\$ 998,938	80 %
Corporate Branches	61,642	17	18,806	6	275,331	19	53,963	4
Total Insurance Services	307,758	85	256,484	85	1,258,146	85	1,052,901	84
TWFG MGA	53,602	15	44,961	15	218,214	15	195,194	16
Total written premium	\$ 361,360	100 %	\$ 301,445	100 %	\$1,476,360	100 %	\$1,248,095	100 %
Business Mix:								
Insurance Services								
Renewal business	\$ 236,033	65 %	\$ 203,338	67 %	\$ 975,657	66 %	\$ 827,112	66 %
New business	71,725	20	53,146	18	282,489	19	225,789	18
Total Insurance Services	307,758	85	256,484	85	1,258,146	85	1,052,901	84
TWFG MGA								
Renewal business	37,741	10	37,797	13	163,105	11	165,348	13
New business	15,861	5	7,164	2	55,109	4	29,846	3
Total TWFG MGA	53,602	15	44,961	15	218,214	15	195,194	16
Total written premium	\$ 361,360	100 %	\$ 301,445	100 %	\$1,476,360	100 %	\$1,248,095	100 %
Written Premium Retention:								
Insurance Services		92 %		92 %		93 %		95 %
TWFG MGA		84		88		84		89
Consolidated		91		91		91		94
Line of Business:								
Personal lines	\$ 292,750	81 %	\$ 239,134	79 %	\$1,197,122	81 %	\$ 997,431	80 %
Commercial lines	68,610	19	62,311	21	279,238	19	250,664	20
Total written premium	\$ 361,360	100 %	\$ 301,445	100 %	\$1,476,360	100 %	\$1,248,095	100 %

Reconciliation of Organic Revenue and Organic Revenue Growth to Revenue

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2024	2023	2024	2023
Total revenues	\$ 51,743	\$ 39,571	\$ 203,760	\$ 172,043
Acquisition adjustments ⁽¹⁾	(105)	(1,405)	(3,687)	(4,052)
Contingent income	(5,005)	(1,062)	(8,722)	(4,085)
Fee income	(2,751)	(1,968)	(10,562)	(8,311)
Other income	(276)	(313)	(1,318)	(968)
Organic Revenue	\$ 43,606	\$ 34,823	\$ 179,471	\$ 154,627
Organic Revenue Growth ⁽²⁾	\$ 7,429	\$ 2,527	\$ 22,746	\$ 15,514
Total Revenue Growth Rate ⁽³⁾	30.8 %	7.3 %	18.4 %	11.8 %
Organic Revenue Growth Rate ⁽²⁾	20.5 %	7.8 %	14.5 %	11.2 %

- (1) Represents revenues generated from the acquired businesses during the first 12 months following an acquisition.
- (2) Organic Revenue for the three months ended December 31, 2023 and 2022, and for the twelve months ended December 31, 2023 and 2022, used to calculate Organic Revenue Growth for the three months ended December 31, 2024 and 2023, and for the twelve months ended December 31, 2024 and 2023, was \$36.2 million, \$32.3 million, \$156.7 million and \$139.1 million, respectively, which is adjusted to reflect revenues from acquired businesses with over \$0.5 million in annualized revenue that reached the twelve-month owned mark during the year ended December 31, 2024 and 2023, respectively. Organic Revenue Growth Rate represents the period-to-period change in Organic Revenue divided by the total adjusted Organic Revenue in the prior period.
- (3) Represents the period-to-period change in total revenues divided by the total revenues in the prior period.

KPI Information and Non-GAAP Reconciliations – FY 2024 vs FY 2023

Reconciliations of Adjusted EBITDA and Adjusted EBITDA Margin to Net Income and Net Income Margin

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2024	2023	2024	2023
Total revenues	\$ 51,743	\$ 39,571	\$ 203,760	\$ 172,043
Net income	\$ 8,153	\$ 5,215	\$ 28,592	\$ 26,096
Interest expense	98	450	2,223	1,003
Interest income ⁽²⁾	2,174	421	4,376	891
Depreciation and amortization	3,054	1,522	12,020	4,862
Income tax expense	1,057	—	1,495	—
EBITDA	10,188	6,766	39,954	31,070
Acquisition-related expenses	20	36	20	204
Restructuring and related expenses	—	—	—	17
Equity-based compensation	1,207	—	2,219	—
Interest income ⁽²⁾	2,174	421	4,376	891
Discontinued operation income	—	—	—	(834)
Other non-recurring items ⁽¹⁾	257	—	(1,220)	—
Adjusted EBITDA	\$ 13,846	\$ 7,223	\$ 45,349	\$ 31,348
Net Income Margin	15.8 %	13.2 %	14.0 %	15.2 %
Adjusted EBITDA Margin	26.8 %	18.3 %	22.3 %	18.2 %

- (1) Represents a one-time adjustment reducing commission expense, which resulted from the branch conversions. In January 2024, nine of our Branches converted to Corporate Branches. Upon conversion, agents of the newly converted Corporate Branches became employees and received salaries, employee benefits, and bonuses for services rendered instead of commissions. As a result, we released a portion of the unpaid commissions related to the converted branches that we no longer are required to settle.
- (2) Interest income reflects interest and other earnings on cash balances held by the Company. This income is included in Adjusted EBITDA as we view our total interest and investment income as an integral part of our business model and earnings stream until deployed.

Reconciliation of Adjusted Free Cash Flow to Cash Flow from Operating Activities

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2024	2023	2024	2023
Cash Flow from Operating Activities	\$ 11,600	\$ 6,051	\$ 40,479	\$ 30,154
Purchase of property and equipment	(2,921)	(43)	(3,201)	(260)
Tax distribution to members ⁽¹⁾	(3,002)	—	(9,106)	(9,526)
Acquisition-related expenses	—	36	20	204
Net cash flow provided by operating activities from discontinued operation	—	—	—	(839)
Adjusted Free Cash Flow	\$ 5,677	\$ 6,044	\$ 28,192	\$ 19,733

- (1) Tax distributions to members represents the amount distributed to the members of TWFG Holding Company, LLC in respect of their income tax liability related to the net income of TWFG Holding Company, LLC allocated to its members.

Income Statement and Balance Sheet Snapshot – FY 2024 vs FY 2023

Income Statement

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2024	2023	2024	2023
Revenues				
Commission income ⁽¹⁾	\$ 43,711	\$ 36,228	\$ 183,158	\$ 158,679
Contingent income	5,005	1,062	8,722	4,085
Fee income ⁽²⁾	2,751	1,968	10,562	8,311
Other income	276	313	1,318	968
Total revenues	51,743	39,571	203,760	172,043
Expenses				
Commission expense	28,915	25,994	118,086	116,847
Salaries and employee benefits	7,663	3,874	29,064	13,970
Other administrative expenses ⁽³⁾	4,978	2,930	16,665	10,973
Depreciation and amortization	3,054	1,522	12,020	4,862
Total operating expenses	44,610	34,320	175,835	146,652
Operating income	7,133	5,251	27,925	25,391
Interest expense	98	450	2,223	1,003
Interest income	2,174	421	4,376	891
Other non-operating income (expense), net	1	(7)	9	(17)
Income before tax	9,210	5,215	30,087	25,262
Income tax expense	1,057	—	1,495	—
Net income from continuing operations	8,153	5,215	28,592	25,262
Net income from discontinued operation, net of tax	—	—	—	834
Net income	8,153	5,215	28,592	26,096
Less: net income attributable to noncontrolling interests	6,561	5,215	25,847	26,096
Net income attributable to TWFG, Inc.	\$ 1,592	\$ —	\$ 2,745	\$ —

Weighted average shares of common stock outstanding:

Basic	14,811,874	14,772,115
Diluted	15,056,430	14,982,409
Earnings per share:		
Basic	\$ 0.11	\$ 0.19
Diluted	\$ 0.11	\$ 0.19

- (1) Commission income - related party of \$3,562 and \$1,139 for the three months ended and \$9,609 and \$4,203 for the twelve months ended December 31, 2024 and 2023, respectively
- (2) Fee income - related party of \$905 and \$335 for the three months ended and \$2,704 and \$1,593 for the twelve months ended December 31, 2024 and 2023, respectively
- (3) Other administrative expenses - related party of \$326 and \$145 for the three months ended and \$1,478 and \$415 for the twelve months ended December 31, 2024 and 2023, respectively

Balance Sheet

	December 31, 2024	December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	\$ 195,772	\$ 39,297
Restricted cash	9,551	7,171
Commissions receivable, net	27,067	19,082
Accounts receivable	7,839	5,982
Deferred offering costs	—	2,025
Other current assets	1,619	1,551
Total current assets	241,848	75,108
Non-current assets		
Intangible assets, net	72,978	36,436
Property and equipment, net	3,499	597
Lease right-of-use assets, net	4,493	2,459
Other non-current assets	610	837
Total assets	\$ 323,428	\$ 115,437
Liabilities and Equity		
Current liabilities		
Commissions payable	\$ 13,848	\$ 12,487
Carrier liabilities	12,392	8,731
Operating lease liabilities, current	1,013	882
Short-term bank debt	1,912	2,437
Deferred acquisition payable, current	601	5,369
Other current liabilities	9,851	5,006
Total current liabilities	39,617	34,912
Non-current liabilities		
Operating lease liabilities, net of current portion	3,372	1,518
Long-term bank debt	4,007	46,919
Deferred acquisition payable, non-current	1,122	1,037
Other non-current liabilities	24	—
Total liabilities	48,142	84,386
Commitment and contingencies		
Stockholders'/Members' Equity		
Members' Equity (631,750 common units issued and outstanding at December 31, 2023)	—	632
Class A common stock (\$0.01 par value per share - 300,000,000 authorized, 14,811,874 shares issued and outstanding at December 31, 2024)	148	—
Class B common stock (\$0.00001 par value per share - 100,000,000 authorized, 7,277,651 shares issued and outstanding at December 31, 2024)	—	—
Class C common stock (\$0.00001 par value per share - 100,000,000 authorized, 33,893,810 shares issued and outstanding at December 31, 2024)	—	—
Additional paid-in capital	58,365	25,114
Retained earnings	15,288	4,805
Accumulated other comprehensive income	83	500
Total stockholders' equity attributable to TWFG, Inc. /members' equity	73,884	31,051
Noncontrolling interests	201,402	—
Total stockholders'/members' equity	275,286	31,051
Total liabilities and equity	\$ 323,428	\$ 115,437

KPI Information and Non-GAAP Reconciliations – Q1 2025 vs Q1 2024

Reconciliation of Organic Revenue and Organic Revenue Growth to Revenue

Legacy Calculation Methodology Applied to Current Period

	Three Months Ended March 31,	
	2025	2024
Total revenues	\$ 53,823	\$ 46,143
Acquisition adjustments ⁽¹⁾	(610)	(1,467)
Contingent income	(1,663)	(1,076)
Fee income	(3,011)	(2,232)
Other income	(364)	(290)
Organic Revenue	\$ 48,175	\$ 41,078
Organic Revenue Growth ⁽²⁾	\$ 5,630	\$ 4,822
Total Revenue Growth Rate ⁽³⁾	16.6%	15.8%
Organic Revenue Growth Rate ⁽²⁾	13.2%	13.3%

(1) Represents revenues generated from the acquired businesses during the first 12 months following an acquisition.

(2) Organic Revenue for the three months ended March 31, 2024 and 2023, used to calculate Organic Revenue Growth for the three months ended March 31, 2025 and 2024, was \$42.5 million and \$36.3 million, respectively, which is adjusted to reflect revenues from acquired businesses with over \$0.5 million in annualized revenue that reached the twelve-month owned mark during the three months ended March 31, 2025 and 2024, respectively. Organic Revenue Growth Rate represents the period-to-period change in Organic Revenue divided by the total adjusted Organic Revenue in the prior period.

(3) Represents the period-to-period change in total revenues divided by the total revenues in the prior period.

Reconciliation of Organic Revenue and Organic Revenue Growth to Revenue

Revised Calculation Methodology Applied to Current Period

	Three Months Ended March 31,	
	2025	2024
Total revenues	\$ 53,823	\$ 46,143
Acquisition adjustments ⁽¹⁾	(610)	(1,467)
Contingent income	(1,663)	(1,076)
Fee income	(3,011)	(2,232)
Policy fee income	1,051	513
Other income	(364)	(290)
Organic Revenue	\$ 49,226	\$ 41,591
Organic Revenue Growth ⁽²⁾	\$ 6,169	\$ 4,780
Total Revenue Growth Rate ⁽³⁾	16.6 %	15.8 %
Organic Revenue Growth Rate ⁽²⁾	14.3 %	13.0 %

(1) Represents revenues generated from the acquired businesses during the first 12 months following an acquisition.

(2) Revised Organic Revenue for the three months ended March 31, 2024 and 2023, used to calculate Organic Revenue Growth for the three months ended March 31, 2025 and 2024, was \$43.1 million and \$36.8 million, respectively, which is adjusted to reflect revenues from acquired businesses with over \$0.5 million in annualized revenue that reached the twelve-month owned mark during the three months ended March 31, 2025 and 2024, respectively. Organic Revenue Growth Rate represents the period-to-period change in Organic Revenue divided by the total adjusted Organic Revenue in the prior period.

(3) Represents the period-to-period change in total revenues divided by the total revenues in the prior period.

KPI Information and Non-GAAP Reconciliations – Q1 2025 vs Q1 2024

Written Premium				
	Three Months Ended March 31,			
	2025		2024	
	Amount	% of Total	Amount	% of Total
Offerings:				
Insurance Services				
Agency-in-a-Box	\$ 249,475	68 %	\$ 218,936	68 %
Corporate Branches	68,098	18	57,884	18
Total Insurance Services	317,573	86	276,820	86
TWFG MGA	53,389	14	44,446	14
Total written premium	<u>\$ 370,962</u>	<u>100 %</u>	<u>\$ 321,266</u>	<u>100 %</u>
Business Mix:				
Insurance Services				
Renewal business	\$ 244,845	66 %	214,477	67 %
New business	72,728	20	62,343	19
Total Insurance Services	317,573	86	276,820	86
TWFG MGA				
Renewal business	36,375	9	35,464	11
New business	17,014	5	8,982	3
Total TWFG MGA	53,389	14	44,446	14
Total written premium	<u>\$ 370,962</u>	<u>100 %</u>	<u>\$ 321,266</u>	<u>100 %</u>
Written Premium Retention:				
Insurance Services		88 %		97 %
TWFG MGA		82		81
Consolidated		88		94
Line of Business:				
Personal lines	\$ 298,289	80 %	\$ 254,864	79 %
Commercial lines	72,673	20	66,402	21
Total written premium	<u>\$ 370,962</u>	<u>100 %</u>	<u>\$ 321,266</u>	<u>100 %</u>

KPI Information and Non-GAAP Reconciliations – Q1 2025 vs Q1 2024

Reconciliations of Adjusted EBITDA and Adjusted EBITDA Margin to Net Income and Net Income Margin

	Three Months Ended March 31,	
	2025	2024
Total revenues	\$ 53,823	\$ 46,143
Net income	\$ 6,853	\$ 6,629
Interest expense	83	842
Interest income	(1,863)	(170)
Depreciation and amortization	3,359	3,013
Income tax expense	656	—
EBITDA	9,088	10,314
Acquisition-related expenses	33	—
Equity-based compensation	1,204	—
Interest income	1,863	170
Other non-recurring items ⁽¹⁾	—	(1,477)
Adjusted EBITDA	\$ 12,188	\$ 9,007
Net Income Margin	12.7%	14.4%
Adjusted EBITDA Margin	22.6%	19.5%

(1) Represents a one-time adjustment reducing commission expense, which resulted from the branch conversions. In January 2024, nine of our Branches converted to Corporate Branches. Upon conversion, agents of the newly converted Corporate Branches became employees and received salaries, employee benefits, and bonuses for services rendered instead of commissions. As a result, we released a portion of the unpaid commissions related to the converted branches that we no longer are required to settle.

Reconciliation of Adjusted Free Cash Flow to Cash Flow from Operating Activities

	Three Months Ended March 31,	
	2025	2024
Cash Flow from Operating Activities	\$ 15,645	\$ 9,754
Purchase of property and equipment	(15)	(8)
Tax distribution to members ⁽¹⁾	(2,024)	(2,420)
Acquisition-related expenses	33	—
Adjusted Free Cash Flow	\$ 13,639	\$ 7,326

(1) Tax distributions to members represents the amount distributed to the members of TWFG Holding Company, LLC in respect of their income tax liability related to the net income of TWFG Holding Company, LLC allocated to its members.

Income Statement and Balance Sheet Snapshot – Q1 2025 vs Q1 2024

Income Statement

	Three Months Ended March 31,	
	2025	2024
Revenues		
Commission income ⁽¹⁾	\$ 48,785	\$ 42,545
Contingent income	1,663	1,076
Fee income ⁽²⁾	3,011	2,232
Other income	364	290
Total revenues	53,823	46,143
Expenses		
Commission expense	31,814	26,443
Salaries and employee benefits	8,196	6,254
Other administrative expenses ⁽³⁾	4,724	3,130
Depreciation and amortization	3,359	3,013
Total operating expenses	48,093	38,840
Operating income	5,730	7,303
Interest expense	83	842
Interest income	1,863	170
Other non-operating expense	1	2
Income before tax	7,509	6,629
Income tax expense	656	—
Net income	6,853	6,629
Less: net income attributable to noncontrolling interests	5,515	6,629
Net income attributable to TWFG, Inc.	1,338	—
Weighted average shares of common stock outstanding:		
Basic	14,889,739	
Diluted	15,055,553	
Earnings per share:		
Basic	\$ 0.09	
Diluted	\$ 0.09	

(1) Commission income - related party of \$3,135 and \$1,109 for the three months ended March 31, 2025 and 2024, respectively

(2) Fee income - related party of \$834 and \$354 for the three months ended March 31, 2025 and 2024, respectively

(3) Other administrative expenses - related party of \$770 and \$401 for the three months ended March 31, 2025 and 2024, respectively

Balance Sheet

	March 31, 2025	December 31, 2024
Assets		
Current assets		
Cash and cash equivalents	\$ 196,424	\$ 195,772
Restricted cash	11,853	9,551
Commissions receivable, net	23,575	27,067
Accounts receivable	8,053	7,839
Other current assets, net	1,500	1,619
Total current assets	241,405	241,848
Non-current assets		
Intangible assets, net	80,919	72,978
Property and equipment, net	3,364	3,499
Lease right-of-use assets, net	4,307	4,493
Other non-current assets	535	610
Total assets	\$ 330,530	\$ 323,428
Liabilities and Equity		
Current liabilities		
Commissions payable	\$ 16,303	\$ 13,848
Carrier liabilities	14,710	12,392
Operating lease liabilities, current	1,124	1,013
Short-term bank debt	1,927	1,912
Deferred acquisition payable, current	1,956	601
Other current liabilities	6,842	9,851
Total current liabilities	42,862	39,617
Non-current liabilities		
Operating lease liabilities, net of current portion	3,119	3,372
Long-term bank debt	3,519	4,007
Deferred acquisition payable, non-current	973	1,122
Other non-current liabilities	—	24
Total liabilities	50,473	48,142
Commitment and contingencies (see Note 14)		
Stockholders'/Members' Equity		
Class A common stock (\$0.01 par value per share - 300,000,000 authorized, 14,904,083 and 14,811,874 shares issued and outstanding at March 31, 2025 and December 31, 2024, respectively)	149	148
Class B common stock (\$0.00001 par value per share - 100,000,000 authorized, 7,277,651 shares issued and outstanding at March 31, 2025 and December 31, 2024)	—	—
Class C common stock (\$0.00001 par value per share - 100,000,000 authorized, 33,893,810 shares issued and outstanding at March 31, 2025 and December 31, 2024)	—	—
Additional paid-in capital	58,374	58,365
Retained earnings	16,626	15,288
Accumulated other comprehensive income	65	83
Total stockholders' equity attributable to TWFG, Inc.	75,214	73,884
Noncontrolling interests	204,843	201,402
Total stockholders' equity	280,057	275,286
Total liabilities and equity	\$ 330,530	\$ 323,428