Tiptree Inc.

NASDAQ: TIPT

COMPANY OVERVIEW

March 2019

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This document contains "forward-looking statements" which involve risks, uncertainties and contingencies, many of which are beyond Tiptree's control, which may cause actual results, performance, or achievements to differ materially from anticipated results, performance, or achievements. All statements contained herein that are not clearly historical in nature are forward-looking, and the words "anticipate," "believe," "estimate," "expect,“ “intend,” “may,” “might,” "plan," “project,” “should,” "target,“ “will,” or similar expressions are intended to identify forward-looking statements. Such forward-looking statements include, but are not limited to, statements about Tiptree's plans, objectives, expectations and intentions. The forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and other factors, many of which are beyond the company’s control, are difficult to predict and could cause actual results to differ materially from those expressed or forecast in the forward-looking statements. Actual results could differ materially from those anticipated in these forward-looking statements as a result of various factors, including, but not limited to those described in the section entitled “Risk Factors” in Tiptree’s Annual Report on Form 10-K, and as described in the Tiptree’s other filings with the SEC. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as to the date of this release. The factors described therein are not necessarily all of the important factors that could cause actual results or developments to differ materially from those expressed in any of the forward-looking statements. Other unknown or unpredictable factors also could affect the forward-looking statements provided. Consequently, actual performance could be materially different from the results described or anticipated by the forward-looking statements. Given these uncertainties, one should not place undue reliance on these forward-looking statements. Except as required by the federal securities laws, Tiptree Inc. undertakes no obligation to update any forward-looking statements.

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MARKET AND INDUSTRY DATA

Certain market data and industry data used in this presentation were obtained from reports of governmental agencies and industry publications and surveys. Tiptree Inc. believes the data from third-party sources to be reliable based upon management’s knowledge of the industry, but have not independently verified such data and as such, make no guarantees as to its accuracy, completeness or timeliness.

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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.

INVESTMENT HIGHLIGHTS

- Differentiated business model that combines specialty insurance with investment management expertise
  - Focused on increasing scale of our insurance operations while maintaining underwriting discipline and profitability
  - Target growth through product and geographic expansion
  - Continue to use asset allocation to generate enhanced returns on investable assets

- Long-term focus on growing Operating EBITDA and shareholder total return, defined as book value per share plus dividends paid
  - 2018 net income of $29.9m, with Operating EBITDA[2] of $54.9m
  - Q4'18 Book value per share increased to $10.79[2], which including dividends represents a 9.6%[1] annualized total return since inception in 2007

- Strong track record of returning capital to shareholders
  - 12.0 million shares repurchased since 2014 at an average 37% discount to book value per share
  - Steady and growing dividends

- Experienced management with 30+ years across multiple industry sectors
  - 26.9% insider ownership[3]

- Recently simplified our corporate structure and reduced our debt to equity leverage from 2.2x to 0.9x

[1] Total annualized return from June 12, 2007 to December 31, 2018 to original investors of TFP, L.P. and is defined as total dividends received per share plus growth in book value per share as of December 31, 2018.
[2] See appendix for reconciliation of non-GAAP measures.
[3] As of March 1, 2019.

OUR BUSINESS MODEL

Differentiated Business Model =

Insurance Platform *Disciplined Underwriting & Administration*	Investment Management and Capital Allocation *Diverse Sources of Capital*
Specialty Insurance Underwriting +	**Insurance Investments** + **Balance Sheet** + **Third Party Capital**

Insurance Platform

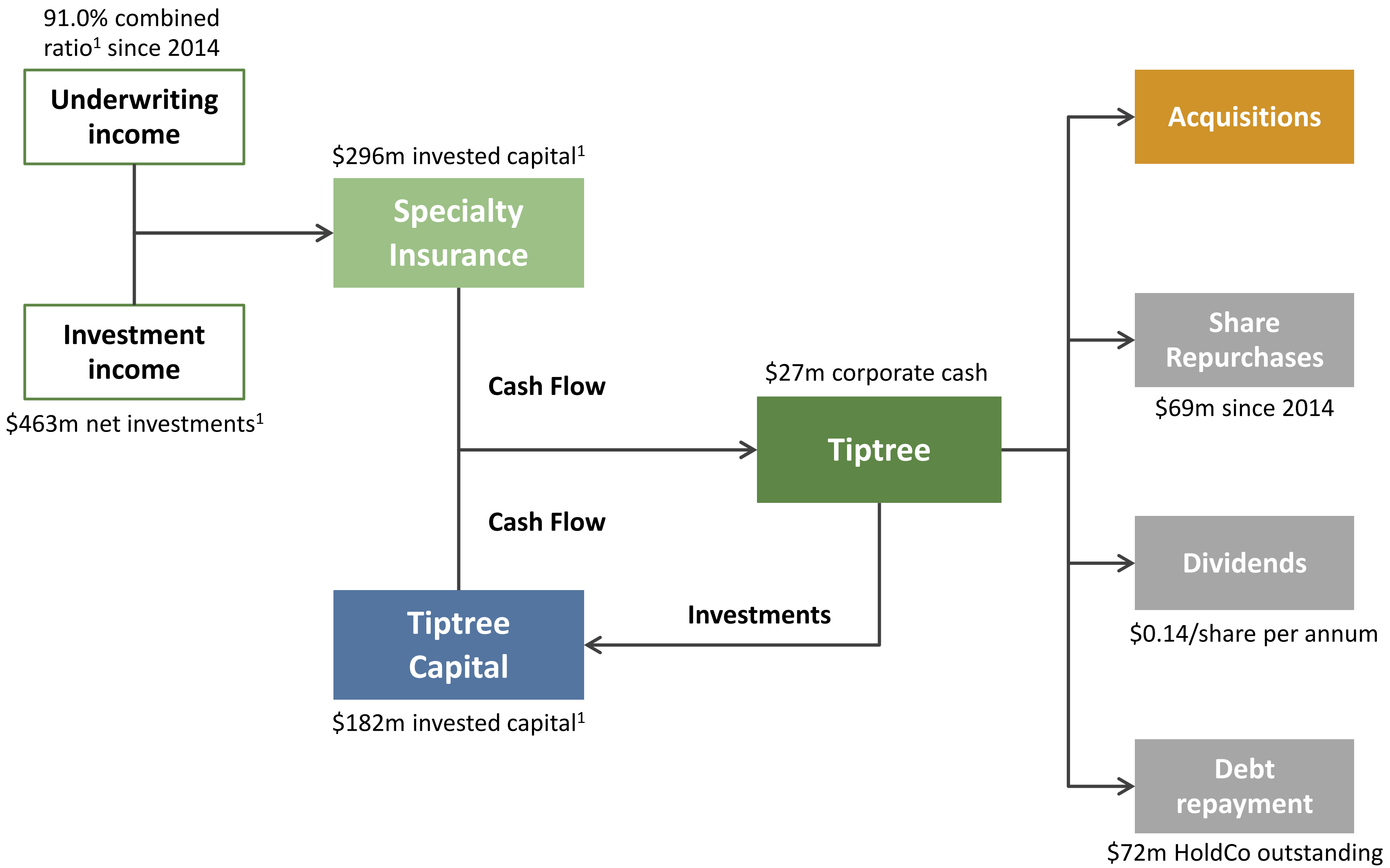
- **Specialty underwriter** - specializes in insurance and consumer product programs
- **Consistent profitability** - lines underwritten are generally frequency exposed with a focus on short-tail, low volatility risks
- **Broad service delivery expertise** - provide multiple products & services to distribution partners, leveraging their brand & customer base
- **Blend of underwriting and fee-based revenues** - value-add services provided to clients generate diversified and recurring fee-based earnings
- **Proprietary technology** - delivers low cost, automated services to clients, while allowing for scalable growth opportunities

Investment Management and Capital Allocation

- **Diversified strategy** - allocation of capital across broad sectors, geographies, businesses and asset types, including fixed income, equity investments, and control acquisitions
- **Patient capital partner** - long-term perspective provides flexibility to focus on strategy and profitability through multiple market cycles
- **Value oriented** - focus on investment opportunities that provide sustainable cash flow and upside potential
- **Experienced management** - senior leadership with experience across multiple industry sectors

Combines a specialty insurance platform with investment management expertise to drive risk-adjusted cash returns

OUR CAPITAL ALLOCATION MODEL



Cash flow generation through insurance operations, capital allocation and total return investing

[1] See appendix for reconciliation of non-GAAP measures.

TIPTREE TODAY

($ in millions)

Business Lines	Tiptree Equity 2018	BVPS[1] 2018	Total Capital[1] 2018	Operating EBITDA[1] 2018
Specialty Insurance[2]	$ 249.1	$ 6.94	$ 456.3	$ 64.5
- Underwriting	Reduced by $64.5m of acquisition purchase price amortization (or $1.21 per share after-tax)			45.9
- Investments				18.6
Tiptree Capital	$ 182.0	$ 5.07	$ 182.0	$ 13.7
- Asset mgmt fees, net ($1.6B AUM)	—	—	—	2.1
- Real Assets (incl. Invesque)	154.0	4.29	154.0	9.0
- Other investments	28.0	0.78	28.0	2.6
Corporate[2,4]	$ (44.1)	$ (1.23)	$ 28.2	$ (23.3)
- Corporate expenses				(16.6)
- Corporate incentive comp expense[5]				(6.7)
Total Tiptree	$ 387.1	$ 10.79	$ 666.5	$ 54.9
- Total shares outstanding				35.9

2018 Highlights

Operating EBITDA return on avg total capital of 8.4%

- Specialty Insurance: 14.4%
- Tiptree Capital: 8.0%

Specialty Insurance:

- Insurance Operating EBITDA of $64.5m, up 21.0% from growth across all product lines
- Improved net investment income as the Insurance portfolio grows

Tiptree Capital:

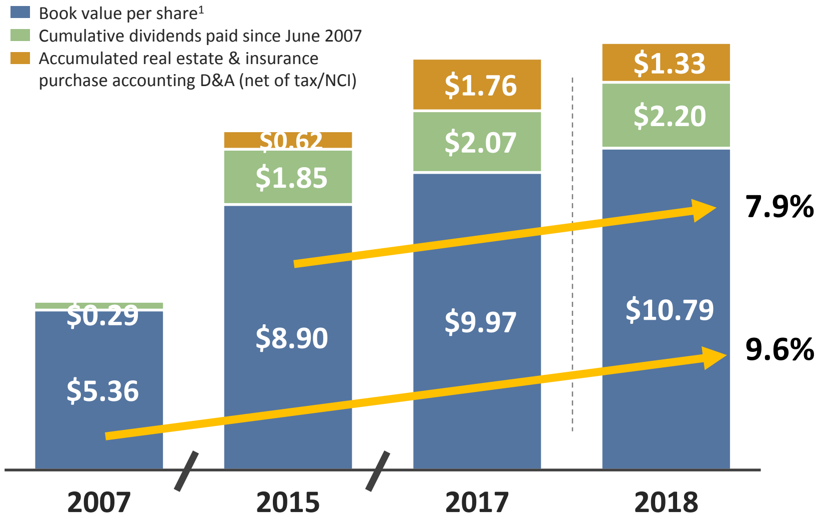
- Reduced Operating EBITDA associated with divested assets (primarily distributions from credit investments)
- Declines in mortgage origination volumes and margins as interest rates rise
- Investment of $50m into shipping in the second half of 2018

1 See the appendix for a reconciliation of Non-GAAP metrics including Book value per share (BVPS), Total Capital and Operating EBITDA.
2 Total Capital adds-back $160m Corporate Debt at Insurance Company ($13.1m interest expense in 2018) and $72m Corporate Debt at Corporate ($5.0m interest expense in 2018)
3 Includes Operating EBITDA from Siena Capital, Luxury Mortgage and CLO subordinated note investments which were sold in 2017.
4 Includes $27.7m cash at HoldCo which does not include available liquidity at subsidiaries.
5 Corporate incentive comp expense includes final payment of $1.7m pursuant to a separation agreement dated November 10, 2015.

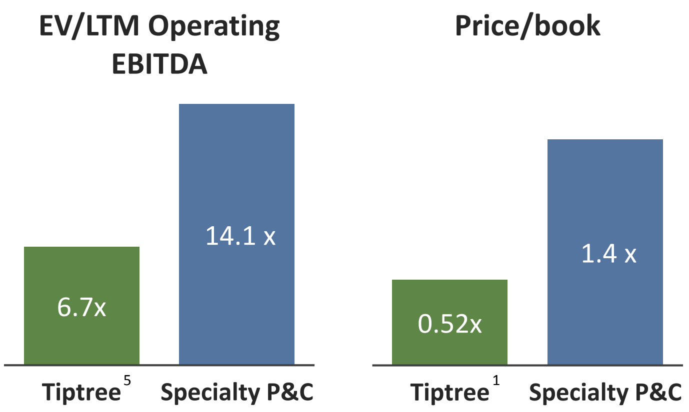
GROWING VALUE FOR SHAREHOLDERS

($ in millions, except per share information)

Book Value per share[1] plus dividends paid



Peer multiple comparisons[4]



Growth rates

	Inception[2] 2007-2018	3 Years 2015-2018	1 Year 2017-2018
Tiptree BVPS[1]	9.6%	7.9%	9.6%
Tiptree BVPS[1] + amortization[3]	10.7%	9.6%	8.5%
S&P 500	6.8%	9.2%	(4.4)%
Russell 2000	5.8%	7.4%	(11.0)%

Management philosophy

- **Disciplined investor**, with a long-term view on returns
- **Management alignment**, with 26.9% insider ownership
- **Share buybacks**, approximately 12.0 million shares repurchased since 2014 at average 37% 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 December 31, 2018 to original investors of Tiptree Financial Partners, L.P. defined as total dividends per share plus growth in book value per share as of December 31, 2018.
[3] Accumulated real estate depreciation and intangible amortization from Insurance and Care (discops), net of NCI and tax. For Q4'18, $1.33 impact to BVPS from accumulated amortization of $64.5 million ($1.21 per share) within Fortegra and $5.7 million ($0.12 per share) discount applied to Invesque common shares for transfer restrictions. Assumes 35% tax rate for 2017 and prior, and 21% tax rate for 2018.
[4] Source: S&P Capital - SNL. Peers include AFH, AIZ, CNFR, GBLI, HALL, JRVR, KNSL, MKL, NAVG, PRA, PTVCB, RLI and WRB. Figures for AIZ included on a statutory basis
[5] Market Enterprise Value = December 31, 2018 closing price multiplied by total shares, plus Corporate Debt, less cash (net of cash at regulated insurance co's). See appendix for a reconciliation of Operating EBITDA.

SPECIALTY INSURANCE

SPECIALTY INSURANCE OVERVIEW

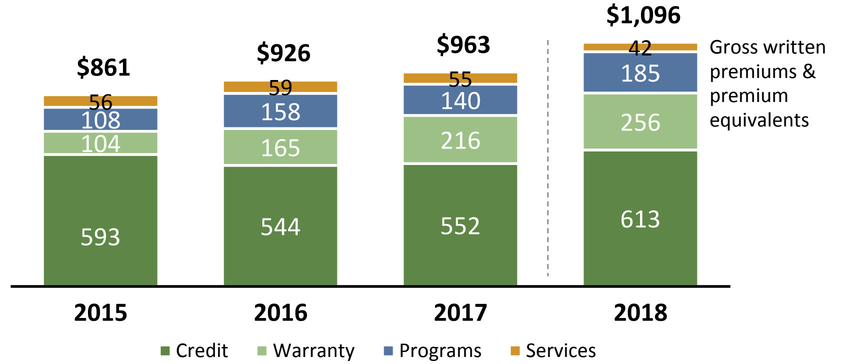
($ in millions)

Business overview

Underwriter and administrator of specialty insurance and related consumer products

- National presence and expanding international footprint
- Leading underwriter of consumer credit insurance and asset protection products and services
- Rated “A-” by A.M. Best
- Consistent underwriting profits and substantial fee-based revenues

Written premiums & premium equivalents

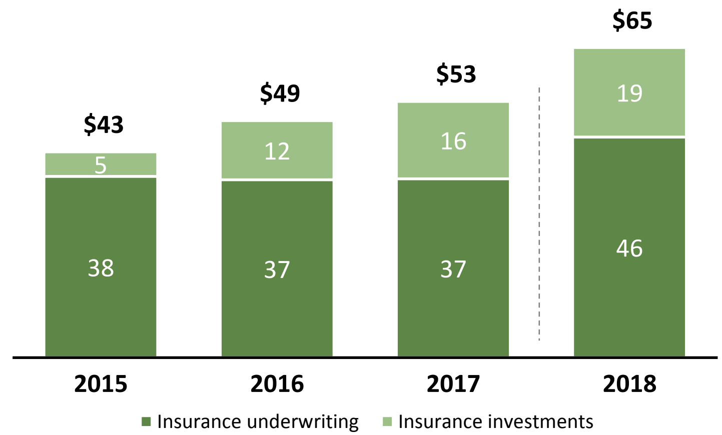


	2015	2016	2017	2018
Net written premiums	$182	$337	$418	$467
Unearned premiums & deferred revenues	$453	$467	$560	$673

Strategy

- Focus on small premium-per-risk policies with low volatility and short-tail loss experience (frequency exposed, low severity products)
- Diversified revenue streams with underwriting, fee and investment income across multiple distribution channels
- Commission and reinsurance structures contribute to earnings stability
- Technology enabled platform allows for efficient processing of higher volume, smaller premium policies

Operating EBITDA[1]



	2015	2016	2017	2018
Adjusted EBITDA[1]	$43.3	$60.5	$27.0	$44.3

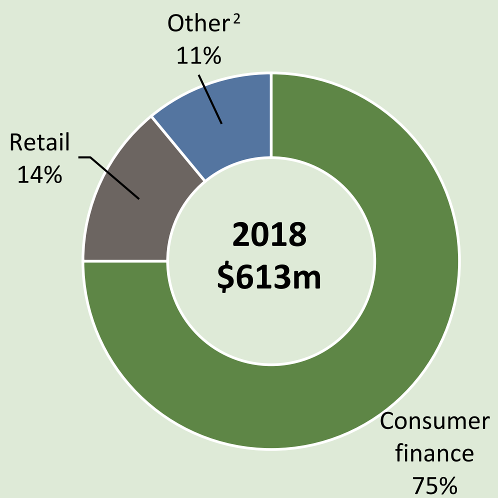
[1] See appendix for a reconciliation of Operating EBITDA and Adjusted EBITDA.

THREE CORE PRODUCT OFFERINGS

($ in millions)

Credit protection

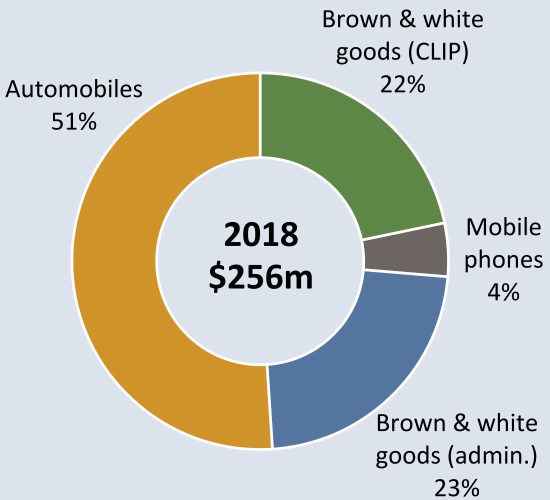
- A leading provider of consumer credit insurance protection products[1] in the U.S.
- Products include credit life, credit disability, credit property, unemployment, and AD&D
- Positioned to underwrite and service high volume, small premium policies



Net retention: 64%

Warranty

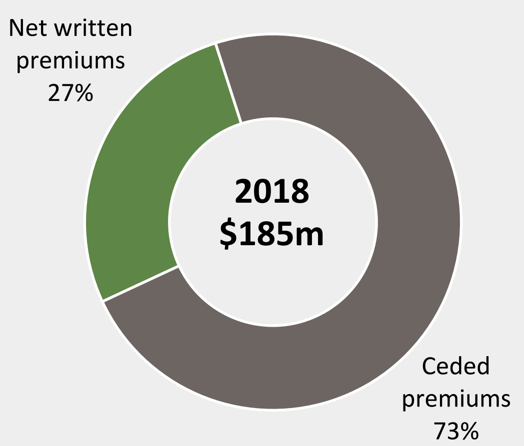
- Provides coverage on automobiles, mobile devices, consumer electronics, appliances and furniture
- Vertically integrated, common distribution channels with the credit protection business
- ~45% of revenue is service fees captured in non-regulated subsidiaries



Net retention: 50%

Other specialty programs

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

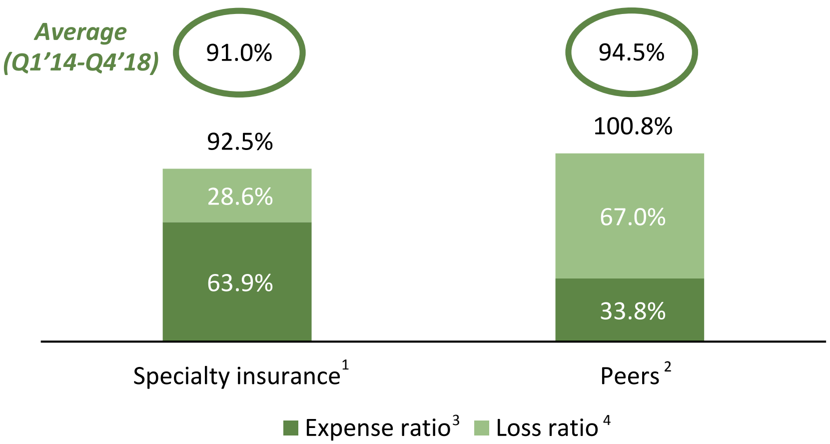


Net retention: 27%

[1] Approximately 20% market share according to the Consumer Credit Industry Association.
[2] Includes vacation ownership developers, auto dealers, community banks, regional banks and specialty distribution channels.

STRONG AND CONSISTENT UNDERWRITING TRACK RECORD

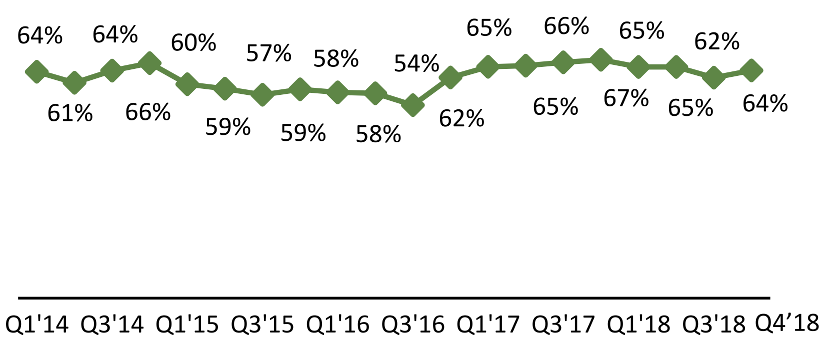
2018 Adj. combined ratio | specialty insurance vs. peers



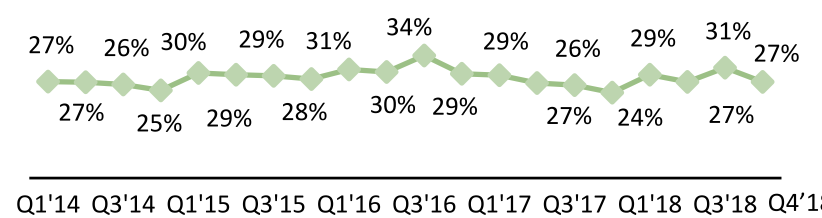
Highlights

- Limited cat exposure has resulted in a lower combined ratio than specialty peers'
- Emphasize low volatility products with predictable, short-tail loss experience
- Product diversity with a focus on frequency oriented (vs. severity) risks
- Use of reinsurance and variable commission structures have contributed to a consistent combined ratio

Historical expense ratio[3]



Historical loss ratio[4]

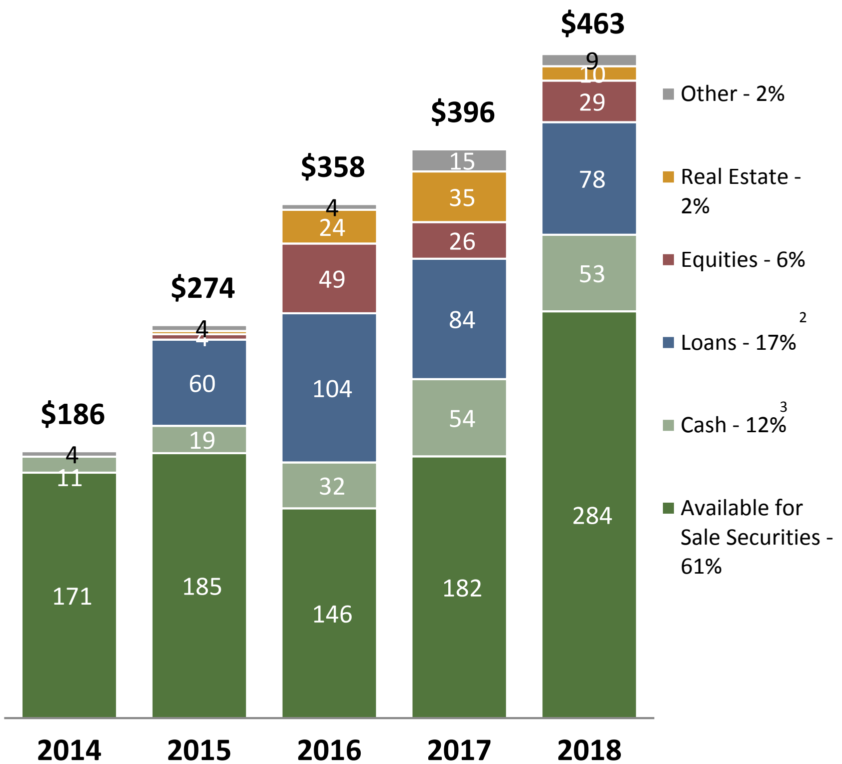


[1] Specialty insurance's combined ratio represents 2018 and average includes 2014-2018. Represents net loss / benefit claims, commissions, employee compensation and benefits, and other expenses minus ceding commissions divided by net earned premiums, service and administrative fees and other income
[2] Source: S&P Capital - SNL. Peers include AFH, AIZ, CNFR, GBLI, HALL, JRVR, KNSL, MKL, NAVG, PRA, PTVCB, RLI and WRB. Figures for AIZ included on a statutory basis
[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, excluding ceding commissions, investment income and gains/losses divided by net earned premiums, service and administrative fee, and other income

INSURANCE INVESTMENT PORTFOLIO

($ in millions)

Net investments[1]



2014	2015	2016	2017	2018	
$0.0	$1.0	$14.7	($16.5)	($12.1)	Realized & Unrealized gains (losses)
0.3	5.5	13.0	16.3	19.2	Net investment income
-	(0.8)	(3.2)	(6.6)	(4.7)	Interest expense
$0.3	**$5.7**	**$24.6**	**$(6.8)**	**$2.4**	**Net Portfolio Income[(1)]**
$0.3	***$5.1***	***$12.3***	***$15.6***	***$18.6***	***Operating EBITDA***
-	*$0.3*	*$7.3*	*($23.8)*	*($9.8)*	*Equity gains (losses)*

Investment approach

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

- Short-term liquidity to cover current claim obligations
- Select alternative investments to enhance risk-adjusted returns

Additional details on selected asset classes

Available for sale securities ($284 million)

- U.S. Treasury securities (25%), Municipal bonds (24%), Corporate bonds (34%), Asset-backed & other securities (17%)

Loans ($78 million)

- Senior secured corporate credit
- NPL and re-performing residential mortgage loans (purchased at average ~56% discount to UPB)

Common stocks ($29 million)

- Concentrated positions with an investment thesis focused on total return
- Invesque represents $20 million

Real estate ($10 million)

- Single family residential properties converted from NPL mortgages

[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 See appendix for reconciliation to GAAP financials.

TIPTREE CAPITAL

TIPTREE CAPITAL

($ in millions)

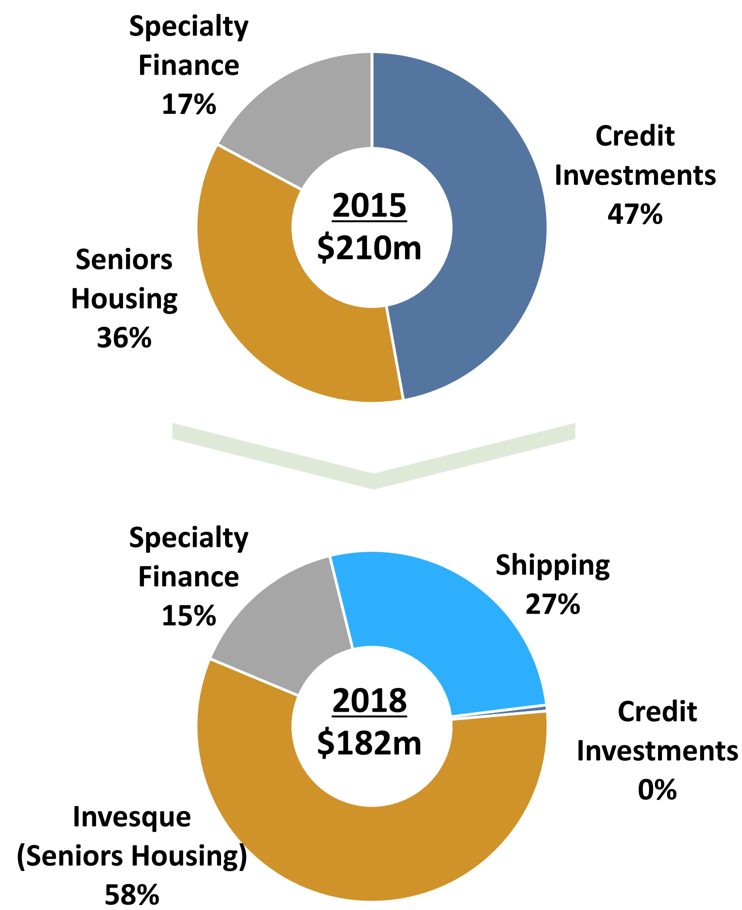
Overview

- 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 deep relationships and 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 management teams that operate in a decentralized, quasi-autonomous structure
  - ✓ Profitable businesses with good returns on capital
  - ✓ Reinvestment opportunities
  - ✓ Fair price

Capital allocation – 2015 to 2018



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

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.

OVER A DECADE OF INVESTMENT EXPERIENCE

($ in millions)

Asset Management

Credit ▪ Alternatives

MFCA Muni Funding Company of America
2009-2016

TELOS Asset Management
Unrealized – 6 years

$124m Realized Investment ▪ 25.2% IRR ▪
$0m Q4'18 Invested Capital[1]

Financials

Insurance ▪ Specialty Finance

PHILADELPHIA FINANCIAL
STRATEGIC INSURANCE FOR PRIVATE WEALTH
2009-2015

LuxuryMortgage
2013-2017

SIENA LENDING GROUP
2013-2018

Reliance FIRST CAPITAL LLC
Unrealized – 3 years

$174m Realized Investment ▪ 21.6% IRR ▪
$27m Q4'18 Invested Capital[1]

TiptreeCapital

Real Assets

Real Estate ▪ Infrastructure

Care Investment Trust
A PLATFORM FOR GROWTH
2010-2018

Invesque
Unrealized – 1 year

STAR ASIA
2009-2016

SwiftBulk
Unrealized – 1 year

$288m Realized Investment ▪ 21.6% IRR ▪
$154m Q4'18 Invested Capital[1]

Credit Investments

Structured ▪ Opportunistic ▪ Distressed ▪
Special situations

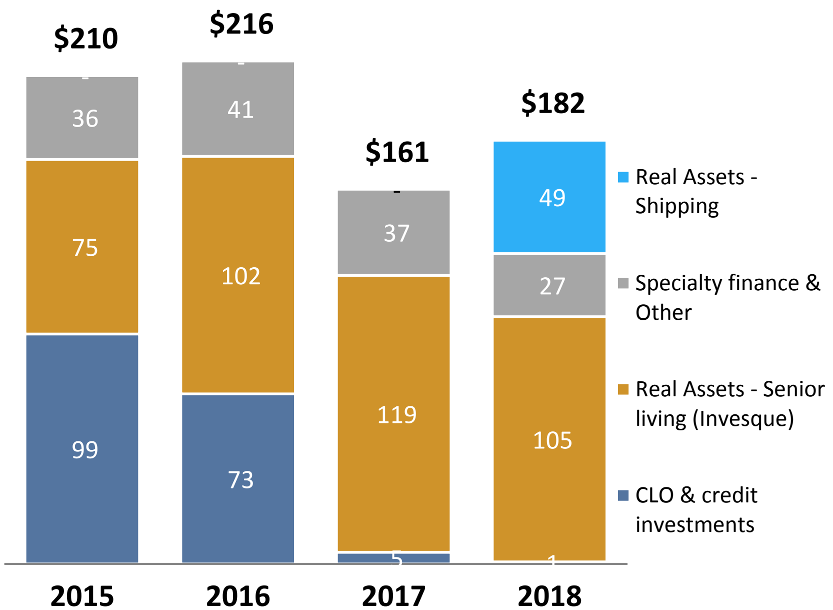
$265m Realized Investment ▪ 28.5% IRR ▪
$1m Q4'18 Invested Capital[1]

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 Capital[1]



Operating EBITDA[1] drivers

2015	2016	2017	2018	
$4.6	$4.8	$3.5	$2.1	Asset mgmt fees, net
17.8	17.9	6.8	0.8	Credit investments
5.9	9.1	9.2	9.0	Real Assets[3,4]
4.5	9.8	10.3	1.8	Specialty finance / Other
$32.7	**$41.5**	**$29.8**	**$13.7**	**Total**

Additional details on strategies

CLO & credit investments

- $1.5B AUM[2] in corporate credit via structured vehicles (CLOs)
- In 2017, we exited our remaining interests in CLO sub-notes

Senior living - Invesque publicly traded shares[3]

- 16.6m shares of Invesque, a seniors housing focused investment platform, received in Feb'18 from our sale of Care
- 10.3% dividend yield as of 12/31/18, paid monthly
- Favorable long-term demographics with attractive growth profile

Shipping

- New investments of $50 million deployed into shipping, which we believe is at a favorable entry point in the cycle

Specialty finance & other

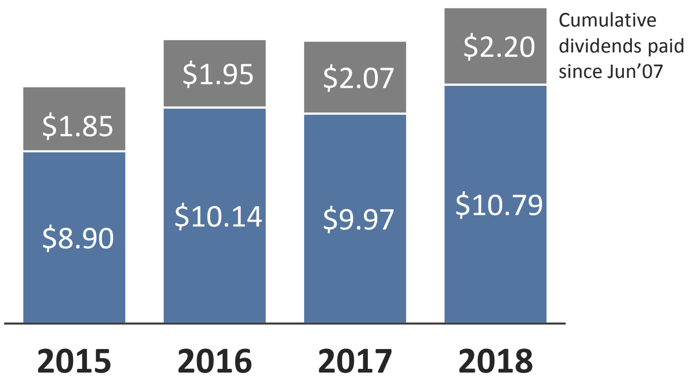
- Residential mortgage origination company licensed to sell and service with Fannie/Ginnie
- Scalable mortgage platform with option on the non-qualified mortgage market

[1] See the appendix for a reconciliation of Invested Capital and Operating EBITDA.
[2] AUM is estimated and unaudited. Consists of NOPCB for CLOs, excludes Credit Opportunities Fund as it was not earning third party fees as of December 31,2018.
[3] Includes discontinued operations related to Care. For more information, see "--- FN 4 Dispositions, Assets Held for Sale and Discontinued Operations."
[4] 16.6m of Invesque common shares, 2.9m shares held in the insurance company investment portfolio. On balance sheet at fair value less restriction discount - $113.1 million, $93.6 million in Tiptree Capital plus $10.7m receivable from contingent asset sales.

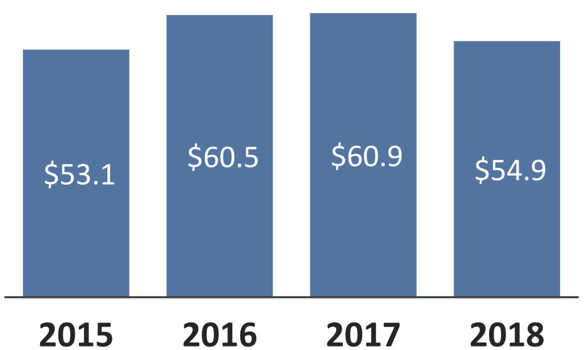
LOOKING AHEAD

($ in millions, except per share information)

Book value per share[1]
plus dividends paid



Operating EBITDA[1]



1. Continue to focus on growth in Insurance operations
   - Maintain underwriting standards
   - Explore acquisition opportunities
2. Expect growth and improvements in long-term, net investment income
3. Broaden investor awareness of Tiptree

Shareholder Value Creation

[1] See the appendix for a reconciliation of book value per share and Operating EBITDA.

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 thousands)	Year Ended December 31, 2018			
	2018	**2017**	**2016**	**2015**
Net income (loss) attributable to Common Stockholders	$ 23,933	$ 3,604	$ 25,320	$ 5,779
Add: net (loss) income attributable to noncontrolling interests	5,950	1,630	7,018	3,023
Less: net income from discontinued operations	43,770	(3,998)	(4,287)	10,953
Income (loss) from continuing operations	$ (13,887)	$ 9,232	$ 36,625	$ (2,151)
Corporate Debt related interest expense (1)	18,162	12,838	10,518	11,630
Consolidated income tax expense (benefit)	(5,909)	(12,562)	12,515	(753)
Depreciation and amortization expense (2)	11,614	12,408	9,248	6,412
Non-cash fair value adjustments(3)	(391)	3,547	1,277	(1,300)
Non-recurring expenses (4)	2,358	1,944	(1,736)	5,489
Adjusted EBITDA from continuing operations	$ 11,947	$ 27,407	$ 68,447	$ 19,327
Add: Stock-based compensation expense	6,657	6,559	2,584	437
Add: Vessel depreciation, net of capital expenditures	898	-	-	-
Less: Realized and unrealized gain (loss)(5)	(34,817)	(18,591)	18,133	(29,093)
Less: Third party non-controlling interests(6)	-	851	1,420	1,612
Operating EBITDA from continuing operations	$ 54,319	$ 51,706	$ 51,478	$ 47,245
Income (loss) from discontinued operations	$ 43,770	$ (3,998)	$ (4,287)	$ 10,953
Corporate Debt related interest expense(1)	-	-	-	5,226
Consolidated income tax expense (benefit)	13,714	(2,224)	(1,537)	5,926
Consolidated depreciation and amortization expense	-	15,645	14,166	15,408
Non-cash fair value adjustments(3)	(40,672)	-	-	-
Non-recurring expenses(4)	-	1,158	2,127	1,579
Adjusted EBITDA from discontinued operations	$ 16,812	$ 10,581	$ 10,469	$ 39,092
Less: Realized and unrealized gain (loss)(5)	16,188	-	-	32,307
Less: Third party non-controlling interests(6)	-	1,415	1,400	882
Operating EBITDA from discontinued operations	$ 624	$ 9,166	$ 9,069	$ 5,903
Total Adjusted EBITDA	$ 28,759	$ 37,988	$ 78,916	$ 58,419
Total Operating EBITDA	$ 54,943	$ 60,872	$ 60,547	$ 53,148

(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 specialty insurance, asset management, mortgage and other operations 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 Reliance, within our mortgage operations, Adjusted EBITDA excludes the impact of changes in contingent earn-outs. For our specialty 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.
(4) Acquisition, start-up and disposition costs including legal, taxes, banker fees and other costs. Includes payments pursuant to a separation agreement, dated November 10, 2015.
(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 thousands)	Year Ended December 31, 2018 Specialty Insurance	Tiptree Capital [1]	Corporate Expenses	Total
Pre-tax income/(loss) from continuing operations	$ 18,560	$ (7,805)	$ (30,551)	$ (19,796)
Pre-tax income/(loss) from discontinued operations	—	57,484	—	57,484
Adjustments:				
Corporate Debt related interest expense [2]	13,149	—	5,013	18,162
Depreciation and amortization expenses [3]	9,796	1,570	248	11,614
Non-cash fair value adjustments [4]	66	(41,129)	—	(41,063)
Non-recurring expenses [5]	3,159	—	(801)	2,358
Adjusted EBITDA	$ 44,730	$ 10,120	$ (26,091)	$ 28,759
Add: Stock-based compensation expense	3,759	126	2,772	6,657
Add: Vessel depreciation, net of capital expenditures	—	898		898
Less: Realized and unrealized gain (loss) [6]	(16,047)	(2,582)	—	(18,629)
Less: Third party non-controlling interests [7]	—	—	—	—
Operating EBITDA	$ 64,536	$ 13,726	$ (23,319)	$ 54,943

($ in thousands)	Year Ended December 31, 2017 Specialty Insurance	Tiptree Capital [1]	Corporate Expenses	Total
Pre-tax income/(loss) from continuing operations	$ 5,404	$ 20,336	$ (29,070)	$ (3,330)
Pre-tax income/(loss) from discontinued operations	—	(6,222)	—	(6,222)
Adjustments:				
Corporate Debt related interest expense [2]	8,026	—	4,812	12,838
Depreciation and amortization expenses [3]	11,366	16,439	248	28,053
Non-cash fair value adjustments [4]	508	3,039	—	3,547
Non-recurring expenses [5]	1,657	1,837	(392)	3,102
Adjusted EBITDA	$ 26,961	$ 35,429	$ (24,402)	$ 37,988
Add: Stock-based compensation expense	3,934	453	2,172	6,559
Less: Realized and unrealized gain (loss) [6]	(22,415)	3,824	—	(18,591)
Less: Third party non-controlling interests [7]	—	2,266	—	2,266
Operating EBITDA	$ 53,310	$ 29,792	$ (22,230)	$ 60,872

(1) Includes discontinued operations related to Care. For more information, see “Note—(3) Dispositions, Assets Held for Sale & Discontinued Operations” in the Company's Form 10-Q.
(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 specialty insurance, asset management, mortgage and other operations is not added-back for Adjusted EBITDA and Operating EBITDA.
(3) 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.
(4) For Reliance, within our mortgage operations, Adjusted EBITDA excludes the impact of changes in contingent earn-outs. For our specialty 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.
(5) Acquisition, start-up and disposition costs including legal, taxes, banker fees and other costs. Includes payments pursuant to a separation agreement, dated November 10, 2015.
(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 – ADJUSTED AND OPERATING EBITDA

	Year Ended December 31, 2016			
($ in thousands)	Specialty Insurance	Tiptree Capital [1]	Corporate Expenses	Total
Pre-tax income/(loss) from continuing operations	$ 46,804	$ 37,142	$ (34,806)	$ 49,140
Pre-tax income/(loss) from discontinued operations	—	(5,824)	—	(5,824)
Adjustments:				—
Corporate Debt related interest expense [2]	5,592	196	4,730	10,518
Depreciation and amortization expenses [3]	8,130	15,036	248	23,414
Non-cash fair value adjustments [4]	—	2,693	—	2,693
Non-recurring expenses [5]	—	711	(1,736)	(1,025)
Adjusted EBITDA	$ 60,526	$ 49,954	$ (31,564)	$ 78,916
Add: Stock-based compensation expense	1,108	208	1,268	2,584
Less: Realized and unrealized gain (loss) [6]	12,300	5,833	—	18,133
Less: Third party non-controlling interests [7]	—	2,820	—	2,820
Operating EBITDA	$ 49,334	$ 41,509	$ (30,296)	$ 60,547

	Year Ended December 31, 2015			
($ in thousands)	Specialty Insurance	Tiptree Capital [1]	Corporate Expenses	Total
Pre-tax income/(loss) from continuing operations	$ 32,012	$ (814)	$ (34,102)	$ (2,904)
Pre-tax income/(loss) from discontinued operations	—	(9,535)	—	(9,535)
Adjustments:				
Corporate Debt related interest expense [2]	5,830	170	5,631	11,631
Depreciation and amortization expenses [3]	5,507	15,306	145	20,958
Non-cash fair value adjustments [4]	—	(1,300)	—	(1,300)
Non-recurring expenses [5]	—	1,579	5,489	7,068
Adjusted EBITDA	$ 43,349	$ 5,406	$ (22,837)	$ 25,918
Add: Stock-based compensation expense	—	—	437	437
Less: Realized and unrealized gain (loss) [6]	546	(29,833)	—	(29,287)
Less: Third party non-controlling interests [7]	—	2,494	—	2,494
Operating EBITDA	$ 42,803	$ 32,745	$ (22,400)	$ 53,148

(1) Includes discontinued operations related to Care. For more information, see “Note—(3) Dispositions, Assets Held for Sale & Discontinued Operations” in the Company's Form 10-Q.

(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 specialty insurance, asset management, mortgage and other operations is not added-back for Adjusted EBITDA and Operating EBITDA.

(3) 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.

(4) For Reliance, within our mortgage operations, Adjusted EBITDA excludes the impact of changes in contingent earn-outs. For our specialty 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.

(5) Acquisition, start-up and disposition costs including legal, taxes, banker fees and other costs. Includes payments pursuant to a separation agreement, dated November 10, 2015.

(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.

BOOK VALUE PER SHARE, INVESTED CAPITAL, TOTAL CAPITAL

($ in thousands)

Management uses Book value per share, which is a non-GAAP financial measure. Prior to April 10, 2018, book value per share assumes full exchange of the limited partners units of TFP for Common Stock. 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 $10.79 as of December 31, 2018 compared with book value per share, as exchanged, of $9.97 as of December 31, 2017. Total stockholders' equity, net of other non-controlling interests for the Company was $387.1 million as of December 31, 2018, which comprised total stockholders' equity of $399.3 million adjusted for $19.2 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 $377.6 million as of December 31, 2017, which comprised total stockholders' equity of $396.8 million adjusted for $19.2 million attributable to non-controlling interest at subsidiaries that are not wholly owned by the Company.

($ in thousands, except per share information)	As of December 31,			
	2018	**2017**	**2016**	**2015**
Total stockholders' equity	$ 399,259	$ 396,774	$ 390,144	$ 397,694
Less non-controlling interest - other	12,158	19,203	20,636	15,576
Total stockholders' equity, net of non-controllling interests - other	$ 387,101	$ 377,571	$ 369,508	$ 382,118
Total Common shares outstanding	35,870	29,805	28,388	34,900
Total Class B shares outstanding	—	8,049	8,049	8,049
Total shares outstanding	35,870	37,854	36,437	42,949
Book value per share (1)	$ 10.79	$ 9.97	$ 10.14	$ 8.90

(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.

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.

($ in thousands, except per share information)	As of December 31,			
	2018	**2017**	**2016**	**2015**
Total stockholders' equity	$ 399,259	$ 396,774	$ 390,144	$ 397,694
Less non-controlling interest - other	12,158	19,203	20,636	15,576
Total stockholders' equity, net of non-controllling interests - other	$ 387,101	$ 377,571	$ 369,508	$ 382,118
Plus Specialty Insurance accumulated depreciation and amortization, net of tax	43,228	36,088	28,497	21,010
Plus Care accumulated depreciation and amortization - discontinued operations, net of tax and NCI	—	30,521	21,528	13,545
Plus acquisition costs	4,161	8,427	7,311	6,412
Invested Capital	$ 434,490	$ 452,607	$ 426,844	$ 423,085
Plus corporate debt	232,090	188,500	199,000	175,000
Total Capital	$ 666,580	$ 641,107	$ 625,844	$ 598,085

(1) As of December 31, 2018, add-back of $64.5 million of accumulated intangible amortization at Fortegra. On as exchanged basis, assumes 35% tax rate on total accumulated amortization before 2018 and 21% post 2018.
(2) 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.
(3) Corporate debt consists of Secured Corporate Credit Agreements, plus preferred trust securities.

NON-GAAP RECONCILIATIONS – SPECIALTY INSURANCE

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.

($ in thousands)	**Year Ended December 31,**			
Revenues:	**2018**	**2017**	**2016**	**2015**
Net earned premiums	$ 427,837	$ 371,700	$ 229,436	$ 166,265
Service and administrative fees	102,315	95,160	109,348	106,525
Ceding commissions	9,651	8,770	24,784	43,217
Other Income	2,554	3,552	2,859	8,361
Underwriting Revenues - Non-GAAP	$ 542,357	$ 479,182	$ 366,427	$ 324,368
Less underwriting expenses:				
Policy and contract benefits	152,095	123,959	106,784	86,312
Commission expense	262,460	241,835	147,253	105,751
Underwriting Margin - Non-GAAP	$ 127,802	$ 113,388	$ 112,390	$ 132,305
Less operating expenses:				
Employee compensation and benefits	45,838	41,300	37,937	38,786
Other expenses	41,940	38,596	32,964	31,386
Combined Ratio	*92.5%*	*92.9%*	*87.9%*	*77.9%*
Plus investment revenues:				
Net investment income	19,179	16,286	12,981	5,455
Net realized and unrealized gains	(11,664)	(16,503)	14,762	1,065
Less other expenses:				
Interest expense	18,201	15,072	9,244	6,968
Depreciation and amortization expenses	10,778	12,799	13,184	29,673
Pre-tax income (loss)	$ 18,560	$ 5,404	$ 46,804	$ 32,012

SPECIALTY INSURANCE – INVESTMENT INCOME

($ in thousands)

The investment portfolio consists of assets contributed by Tiptree, cash generated from operations, and from insurance premiums written. 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.

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.

($ in thousands)	Year Ended December 31,			
	2018	2017	2016	2015
Total Investments	$ 489,980	$ 454,032	$ 472,800	$ 308,966
Ivestment portfolio debt (1)	(80,026)	(111,459)	(146,544)	(54,011)
Cash and cash equivalents	50,647	38,095	26,020	13,909
Restricted cash (2)	2,873	24,219	12,133	2,166
Receivable due from brokers (3)	299	259	2,027	3,058
Liability due to brokers (3)	(486)	(8,669)	(8,457)	-
Net investments - Non-GAAP	$ 463,287	$ 396,477	$ 357,979	$ 274,088

($ in thousands)	Year Ended December 31,			
	2018	2017	2016	2015
Net investment income	$ 19,179	$ 16,286	$ 12,981	$ 5,455
Realized gains (losses)	5,600	5,815	4,720	(568)
Unrealized gains (losses)	(17,264)	(22,318)	10,042	1,633
Interest expense	(4,696)	(6,625)	(3,155)	(832)
Net portfolio income (loss)	$ 2,819	$ (6,842)	$ 24,588	$ 5,688
Average Annualized Yield % (4)	0.6%	-1.9%	8.0%	2.5%

(1) Consists of asset-based financing on loans, at fair value including certain credit investments and NPLs, net of deferred financing costs, see Note 11 - Debt, net for further details.
(2) Restricted cash available to invest within certain credit investment funds which are consolidated under GAAP.
(3) Receivable due from and Liability due to brokers for unsettled trades within certain credit investment funds which are consolidated under GAAP.
(4) Average Annualized Yield % represents the ratio of annualized net investment income, realized and unrealized gains (losses) less investment portfolio interest expense to the average of the prior two quarters (five quarters for trailing twelve months) total investments less investment portfolio debt plus cash

TIPTREE CAPITAL – REALIZED INVESTMENT IRR %

($ in thousands)

Category	Investments	Invested Capital	Realized Investment	MOIC	IRR %
Asset Management	Realized: MFCA	$ 56,248	$ 124,158	2.2x	25.2%
	Unrealized: Telos	-	-	-	-
Specialty Finance	Realized: PFG, Siena, Luxury	78,000	174,099	2.2x	21.6%
	Unrealized: Reliance	27,146	-	-	-
Real Assets	Realized: Star Asia, Care	179,901	288,182	1.6x	21.6%
	Unrealized: Invesque, Swiftbulk	153,967	-	-	-
Credit Investments	Realized: CLO sub-notes, hedges	162,873	265,480	1.6x	28.5%
	Unrealized: Credit investment	920	-	-	-
Tiptree Capital	**Realized**	**$ 477,021**	**$ 851,919**	**1.8x**	**24.4%**
	Unrealized	**$ 182,033**	-	-	-

All Figures above presented before corporate taxes and corporate expenses.

<u>Invested Capital:</u> Represents initial purchase consideration plus subsequent contributions (if applicable).

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

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

<u>IRR:</u> 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.

Tiptree Inc.