January 7, 2025

Ryan Specialty Signs Definitive Agreement to Acquire Velocity Risk Underwriters

CHICAGO--(BUSINESS WIRE)-- Ryan Specialty (NYSE: RYAN), a leading international specialty insurance firm, is pleased to announce it has signed a definitive agreement to acquire Velocity Risk Underwriters, LLC ("Velocity") from funds managed by Oaktree Capital Management, L.P. ("Oaktree"). Based in Nashville, Tennessee, Velocity is a leading managing general underwriter ("MGU") providing first-party insurance coverage for catastrophe exposed properties and will become a part of the Ryan Specialty Underwriting Managers division of Ryan Specialty.

Velocity was founded in 2015 to focus on US property catastrophe risks, providing hard to secure coverage for perils such as named storm, earthquake, and tornado and hail, with an emphasis on middle market and small to medium commercial businesses. Geographically, Velocity has a national footprint with a particularly strong presence in Florida, Texas, and the Southeast.

As a component of this transaction, and subject to regulatory approval, Velocity's wholly owned E&S carrier, Velocity Specialty Insurance Company ("VSIC") will be acquired by FM, a leading commercial property mutual insurance company representing many of the world's largest organizations, including one of every four Fortune 500 companies.

Remarking on this acquisition, Miles Wuller, President and CEO of Ryan Specialty Underwriting Managers, said, "Adding Velocity to our property catastrophe portfolio significantly enhances our ability to serve our wholesale clients and further solidifies Ryan Specialty Underwriting Managers as the preeminent delegated authority platform in the country. This talented team has developed robust technology, portfolio management, and data analytics capabilities that augment their innovative underwriting and claims approach. We are looking forward to having the Velocity team as a part of the Ryan Specialty family."

Malcolm Roberts, Chairman and CEO of FM, commented, "VSIC's focus on property insurance and expertise in understanding the new risk landscape that many businesses face aligns perfectly with FM's mission and may eventually allow us to provide our clients with an even broader suite of products and solutions to meet risks today and in the future. We are excited to welcome VSIC to the FM family and strengthen our strategic relationship with Ryan Specialty."

Phil Bowie, Executive Vice Chairman of Velocity, added, "We are thrilled about the synergy of our industry-leading property underwriting and claims capability with the Ryan Specialty organization and with FM acquiring our E&S balance sheet. With this strategic transaction, Velocity gains expanded access to markets and additional resources to continue on its growth journey. With our E&S balance sheet becoming part of an incredibly well-rated and

capitalized entity in FM, it further enhances the security and capacity we bring to the wholesale market."

Jake Rothfuss, CEO of Velocity, added, "Through this transaction, Velocity will continue delivering exceptional service to brokers, customers, and capital sources. Ryan Specialty maintains the same foundational values and innovative culture that we have created and live every day at Velocity. The combination of these incredible organizations will allow our teammates to further their skills and provides the opportunity for Velocity to accelerate the growth of our managing general underwriter to even greater heights. Joining Ryan Specialty is the right home for the future of our team; we're all looking forward to our future together."

"We are proud to have partnered with Phil, Jake, and the entire Velocity team and wish them success in the next chapter of the Company's growth," said Greg Share, Managing Director of Oaktree.

Velocity generated approximately $81 million of operating revenue for the 12 months ended December 31, 2024[1] and is to be acquired by Ryan Specialty for an upfront cash consideration of $525 million, subject to customary purchase price adjustments. The upfront cash consideration is exclusive of VSIC and any earnout consideration.

The acquisition of Velocity is expected to close in early 2025.

Insurance Advisory Partners LLC and Howden Capital Markets & Advisory served as financial advisors to Velocity and Oaktree, and Debevoise & Plimpton LLP served as legal counsel to Velocity and Oaktree. J.P. Morgan Securities LLC served as exclusive financial advisor to Ryan Specialty and Sidley Austin LLP served as legal counsel to Ryan Specialty. Willkie Farr & Gallagher LLP served as legal counsel to FM.

About Ryan Specialty

Founded in 2010, Ryan Specialty is a service provider of specialty products and solutions for insurance brokers, agents, and carriers. Ryan Specialty provides distribution, underwriting, product development, administration, and risk management services by acting as a wholesale broker and a managing underwriter with delegated authority from insurance carriers. Our mission is to provide industry-leading innovative specialty insurance solutions for insurance brokers, agents, and carriers. Learn more at ryanspecialty.com.

About FM

Established nearly two centuries ago, FM is a leading mutual insurance company whose capital, scientific research capability and engineering expertise are solely dedicated to property risk management and the resilience of its policyholder-owners. These owners, who share the belief that the majority of property loss is preventable, represent many of the world's largest organizations, including one of every four Fortune 500 companies. They work with FM to better understand the hazards that can impact their business continuity to make cost-effective risk management decisions, combining property loss prevention with insurance protection. Learn more at FM.com.

About Velocity

Velocity is a leading provider of risk management solutions with a focus on delivering tailored specialty insurance coverage for complex commercial exposures. Through strategic partnerships and a commitment to innovation, Velocity strives to offer industry-leading service and risk solutions for its clients and partners. Velocity Insurance Holding Company Inc., is the holding company for Velocity Risk Underwriters, LLC, a tech-enabled E&S specialty property insurance managing general agent, Velocity Specialty Insurance Company ("VSIC"), a rated E&S insurance carrier licensed in all 50 states, and Velocity Claims LLC, a leading claims management service. The firm has over 150 employees across five global locations: Nashville (headquarters), Atlanta, Birmingham, Chicago, and the UK. For more information visit www.velocityrisk.com.

About Oaktree

Oaktree is a leader among global investment managers specializing in alternative investments, with $205 billion in assets under management as of September 30, 2024. The firm emphasizes an opportunistic, value-oriented and risk-controlled approach to investments in credit, equity, and real estate. The firm has over 1,200 employees and offices in 23 cities worldwide. For additional information, please visit Oaktree's website at oaktreecapital.com.

Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, that involve substantial risks and uncertainties and that reflect the Company's current expectations and projections with respect to, among other things, its plans, objectives, and business. These forward-looking statements may include words such as "anticipate," "estimate," "expect," "project," "plan," "intend," "believe," "may," "will," "should," "can have," "likely" and other words and terms of similar meaning in connection with any discussion of the proposed transaction and opportunities related thereto, including Velocity's ability to meet certain performance targets or expectations, as well as the timing or nature of future operating or financial performance or other events. All forward-looking statements are subject to risks and uncertainties, known and unknown, that may cause actual results to differ materially from those that the Company expected, including potential adverse reactions or competitive responses to our acquisitions and other transactions, the possibility that the anticipated benefits of our acquisitions are not realized when expected or at all, including as a result of the impact of, or problems arising from, the integration of acquired assets and operations, the occurrence of any event, change or other circumstances that could give rise to the termination of the US Assure acquisition agreement, risks related to disruption of management time from ongoing business operations due to the transaction and our ability to access or obtain debt financing on terms satisfactory to us or at all. For more detail on the risk factors that may affect the Company's results, see the section entitled "Risk Factors" in our most recent annual report on Form 10-K and quarterly reports on Form 10-Q filed with the Securities and Exchange Commission (the "SEC"), and in other documents filed with, or furnished to, the SEC. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those indicated or anticipated by such forward-looking statements. Given these factors, as well as other variables that may affect the Company's operating results, you are cautioned not to place undue reliance on these forward-looking statements, not to assume that past financial performance will be a reliable

indicator of future performance, and not to use historical trends to anticipate results or trends in future periods. The forward-looking statements included in this press release relate only to events as of the date hereof. The Company does not undertake, and expressly disclaims, any duty or obligation to update publicly any forward-looking statement after the date of this report, whether as a result of new information, future events, changes in assumptions or otherwise.

[1] Revenue attributable to the targeted to be acquired business for the trailing twelve-month period ending December 31, 2024. This figure has not been audited.

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