



Catastrophe Response Strategy Brief

REAL ESTATE CAPACITY



BRIEF ONE – JUNE 2020

Overview

Every weather catastrophe is dynamic and different. Timing, intensity, landfall location and population are just a few factors that determine the overall result of a catastrophe. Because weather events, such as hurricanes, have many constantly shifting variables, any response process has to be proactive yet flexible to ensure a timely and appropriate response.

IAA's Catastrophe Response Strategy provides an unmatched level of service to our customers in their greatest time of need. Over the last 20 years, IAA has invested significant research and resources in developing its industry leading catastrophe response discipline. It comprises four key areas: Real Estate Capacity, Operational Execution, Transportation Logistics and Vehicle Merchandising. We employ a continuous improvement methodology to ensure our Catastrophe Response Strategy remains superior in the market.



Real Estate Capacity

During catastrophic weather events, there can be a rapid increase in insurance vehicle claim volume. The proximity of storage yards to the event and their safe accessibility by insurance professionals and their policyholders is critical. Strategically determining where to secure additional capacity to meet increased volume demands is fundamental to the service and response IAA provides during catastrophes.

The location of yards, the organization of vehicles, and the accessibility to customer assets is critical to ensuring an efficient response process. Storage yards need to be close to the actual event to minimize the time to transport vehicles, and to decrease travel time on adjusters and appraisers. Part of IAA's strategy is

to organize storage yards by seller customer to reduce the need for insurance staff to search through vast, unorganized locations for their vehicle units. IAA uses their standard vehicle storage structure and spacing within catastrophe storage yards to ensure adjusters can perform their duties safely and efficiently.

IAA's industry leading Catastrophe Response Strategy includes our Flexible Capacity Model allowing us to secure additional acreage where and when it is needed providing our customers ample space, efficient accessibility and close proximity to the affected area.



IAA Flexible Capacity Model™

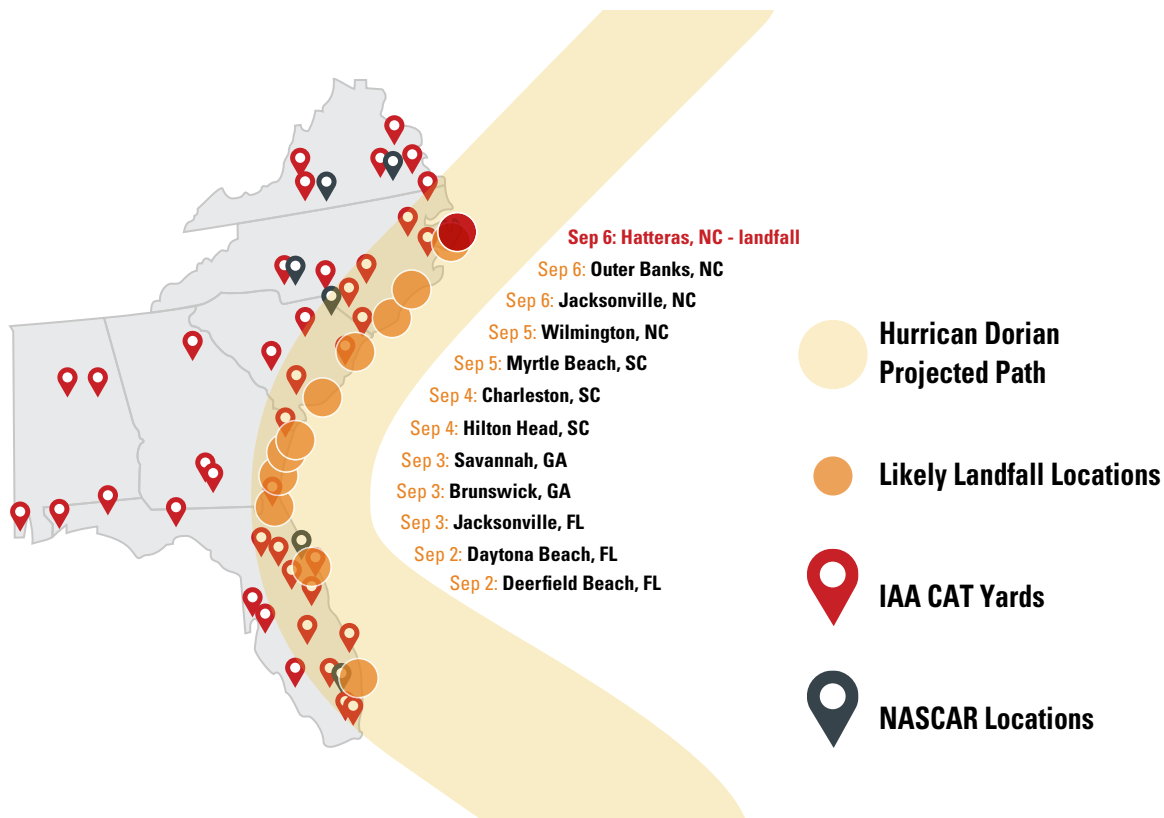
When it comes to delivering a capacity footprint, IAA has one goal – providing ample acreage in the right locations to service our customers. In alignment with nearly all emergency-planning protocols, IAA utilizes a Flexible Capacity Model given the unpredictable behavior of all weather related catastrophes.

The Flexible Capacity Model leverages properties that are leased, owned, and contractually optioned to ensure IAA can provide inventory space where needed, rather than where property is owned.

In comparison, a fixed capacity model for catastrophes results in significant challenges for clients managing a large influx of

vehicle claims. Owned properties located further away from areas affected by a catastrophe create:

- High risk of inaccessibility
- Longer travel times for adjusters and appraisers
- Inability to shift and move to meet uncertain nature of weather events
- Longer transport cycle times potentially affecting policyholder satisfaction
- Inefficient transport dispatch and routing



The IAA Flexible Capacity Model provides the ability to shift, potentially several times, based on a storm's path to absorb increased volume across multiple locations. An example of this was Hurricane Dorian in 2019. Over 4 days, the storm shifted and

traveled over 980 miles potentially hitting 12 locations. IAA's Flexible Capacity Model ensured we had property near all potential landfall locations.

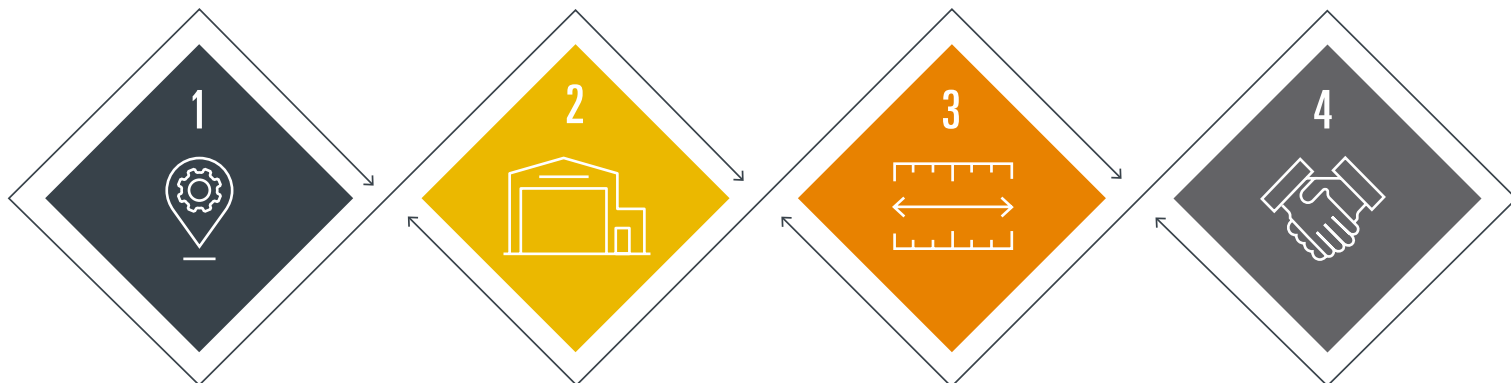


IAA Real Estate Overview

IAA's historical success in servicing catastrophes and our capacity to manage them is unmatched in the industry. A fixed capacity model is not designed to shift or adjust to meet the dynamic nature of weather-related catastrophes. Our Flexible Capacity Model provides real-time agility to meet the very uncertain nature of weather events.



We have four categories of flexible space to ensure we can meet the vehicle volume storage needs created by a catastrophe.



CAT Designated Properties

We hold storage yards across the U.S. designated as Catastrophe properties, used only during a catastrophe and controlled by IAA.

3,500+

Acres of property in the U.S.

1,000+

Acres of property in Florida

425+

Acres of property in Gulf Region (TX, LA, MS and AL) and Southeast Coastal Region (GA, SC, NC and VA)

IAA Operational Branches

Any excess acreage at one of IAA's over 200 branch locations throughout the U.S., Canada and the United Kingdom designated for CAT overflow upon the occurrence of a catastrophe.

200+

Full branch facilities

50

Located in all fifty U.S. States

IAA Real Estate Options

We hold multiple storage yards and real estate parcels with option agreements. This gives IAA the exclusive option to utilize the property in a catastrophic event. Agreements define "events" broadly and include "events" deemed a "catastrophe" by our customers. All real estate options are reviewed and re-confirmed every six months.

3,000+

Acres of property in the U.S.

670+

Acres of property in the Florida.

580+

Acres of property in Gulf Region (TX, LA, MS and AL)

1,030+

Acres of property in Southeast Coastal Region (GA, SC, NC and VA)

Exclusive NASCAR Real Estate Agreement

In 2020, IAA converted the agreement with NASCAR into an exclusive relationship. The ground breaking agreement extends through the end of 2030 and includes tracks located in Miami, FL, Daytona, FL, Darlington, SC and Richmond, VA.

2016

IAA established industry's first real estate partnership with NASCAR for Richmond Raceway. Post Hurricane Matthew IAA entered long-term relationship to utilize NASCAR tracks for CAT response.

14

Racetracks in catastrophe prone areas are available upon notice to NASCAR.

IAA Competitive Advantages

- Consistent delivery of the industry's leading CAT service and response in all events over the last 20 plus years.
- Significant capacity in CAT prone areas to handle large-scale vehicle events based on the exposure in the region and through property lease, acquisition and options.
- Substantial additional space in more than 50 locations throughout coastal regions.
- Best solution in the very uncertain environment of the annual hurricane season where a storm's intensity, direction and speed can change by the hour.
- Optimal locations allow insurance companies' assets to be located in highly organized yards close to the affected area.
- Exclusive partnership with NASCAR providing usage of all 14 facilities.
- Customer's accessibility to their vehicle assets in localized yards and IAA vehicle alignment methodology that allows for safe and efficient inspections.



About IAA

IAA, Inc. (NYSE: IAA) is a leading global digital marketplace connecting vehicle buyers and sellers. Leveraging leading-edge technology and focusing on innovation, IAA's unique multi-channel platform processes approximately 2.5 million total-loss, damaged and low-value vehicles annually. Headquartered near Chicago in Westchester, Illinois, IAA has nearly 4,000 talented employees and more than 200 facilities throughout the U.S., Canada and the United Kingdom. IAA serves a rapidly growing global buyer base – located throughout over 135 countries – and a full spectrum of sellers, including insurers, dealerships, fleet lease and rental car companies, and charitable organizations. Buyers have access to innovative vehicle merchandising, efficient evaluation services and digital bidding tools, enhancing the overall purchasing experience. IAA offers sellers a comprehensive suite of services aimed at maximizing vehicle value, reducing administrative costs, shortening selling cycle time and delivering the highest economic returns.



Forward-Looking Statements

Certain statements contained in this Brief include “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. In particular, statements made that are not historical facts may be forward-looking statements and can be identified by words such as “should,” “may,” “will,” “anticipates,” “expects,” “intends,” “plans,” “believes,” “seeks,” “estimates,” and similar expressions. In this Brief, such forward-looking statements include statements regarding the expected timing and associated benefits of IAA’s Catastrophe Response Strategy, IAA’s Flexible Capacity Model, and the related services, products and platforms discussed in this Brief. Such statements are based on management’s current expectations, are not guarantees of future performance and are subject to risks and uncertainties that could cause actual results to differ materially from the results projected, expressed or implied by these forward-looking statements. These risks and uncertainties include: uncertainties regarding the impact of the COVID-19 outbreak, and measures to prevent its spread, on our business and the economy generally; the loss of one or more significant suppliers or a reduction in significant volume from such suppliers; our ability to meet or exceed customers’ demand and expectations; significant current competition and the introduction of new competitors or other disruptive entrants in our industry; the risk that our facilities lack the capacity to accept additional vehicles and our ability to obtain land or renew/enter into new leases at commercially reasonable rates; our ability to effectively maintain or update information and technology systems; our ability to implement and maintain measures to protect against cyberattacks and comply with applicable privacy and data security requirements; our ability to successfully implement our business strategies or realize expected cost savings and revenue enhancements, including from our margin expansion program; business development activities, including acquisitions and integration of acquired businesses; our expansion into markets outside the U.S. and the operational, competitive and regulatory risks facing our non-U.S. based operations; our reliance on subhaulers and trucking fleet operations; changes in used-vehicle prices and the volume of damaged and total loss vehicles we purchase; economic conditions, including fuel prices, commodity prices, foreign exchange rates and interest rate fluctuations; trends in new- and used-vehicle sales and incentives; and other risks and uncertainties identified in our filings with the Securities and Exchange Commission (the “SEC”), including under “Risk Factors” in our Form 10-K for the year ended December 29, 2019 filed with the SEC on March 18, 2020. Additional information regarding risks and uncertainties will also be contained in subsequent annual and quarterly reports we file with the SEC. The forward-looking statements included in this Brief are made as of the date hereof, and we undertake no obligation to publicly update or revise any forward-looking statement to reflect new information or events, except as required by law.