



Ambac Reports Second Quarter 2025 Results

- *Total revenue from continuing operations increased 8% for the quarter to \$55 million*
- *Total P&C premium production increased 110% for the quarter to \$346 million*
- *Wisconsin OCI recommends approval for the sale of AAC and sets hearing date for September 3rd, 2025*

NEW YORK, NY, August 7, 2025 (BUSINESS WIRE) -- Ambac Financial Group, Inc. (NYSE: AMBC) ("Ambac" or "AFG"), an insurance holding company, today reported its results for the Second Quarter 2025.

Second Quarter 2025 vs. Second Quarter 2024 Segment Highlights

- **Insurance Distribution ("Cirrata")**
 - *Total revenue grew to \$33 million for the quarter, an increase of 148%*
 - *Net loss to Shareholders of \$(8) million for the quarter*
 - *Adjusted EBITDA of \$5 million for the quarter, up 91%*
 - *Adjusted EBITDA to Shareholders of \$3 million for the quarter, up 28%*
- **Specialty P&C Insurance ("Everspan")**
 - *Combined ratio of 107%, down by 270 bps*
 - *Loss ratio of 67.8%, down 17 percentage points*

Claude LeBlanc, President and Chief Executive Officer, stated, "Our P&C business continues to scale, with premium production up 110% to over \$340 million and revenue up 21% to \$54 million, both compared to the second quarter of 2024, bolstered by our acquisition of Beat. Organic growth was negatively impacted by Employer Stop Loss; however, we are seeing signs of the market stabilizing and turning more favorable. Including Beat, organic growth would have been 12% compared to our reported 2% contraction. I am very pleased with the overall performance and growth of our businesses. As we look ahead we are seeing an expanding pipeline of start-up and M&A opportunities aligned with our strategy and business model."

LeBlanc continued, "During July the Wisconsin OCI recommended the approval of the sale of our Legacy Financial Guarantee business and set the Form A hearing date for September 3rd. We look forward to closing this transaction and accelerating the growth and profitability of our P&C businesses."

| Ambac's Second Quarter 2025 Summary Results | | | | | | |
|---|-----------------------------|-----------|----------|---------------------------|-----------|----------|
| (in thousands, except per share data) ¹ | Three Months Ended June 30, | | | Six Months Ended June 30, | | |
| | 2025 | 2024 | % Change | 2025 | 2024 | % Change |
| Total revenues from continuing operations | 54,957 | 51,037 | 8% | 117,713 | 100,588 | 17% |
| Total expenses from continuing operations | 77,931 | 65,786 | 18% | 155,794 | 118,576 | 31% |
| Pretax income (loss) from continuing operations | (22,974) | (14,749) | (56)% | (38,081) | (17,988) | (112)% |
| Provision (benefit) for income taxes from continuing operations | (2,172) | (30) | NM | (2,789) | 100 | NM |
| Net income (loss) from continuing operations | (20,802) | (14,719) | (41)% | (35,292) | (18,088) | (95)% |
| Net income (loss) from continuing operations attributable to Ambac shareholders, net of tax | (20,548) | (14,932) | 38% | (36,692) | (19,002) | (93)% |
| Net income (loss) from discontinued operations | (52,151) | 14,182 | NM | (82,398) | 38,322 | (315)% |
| Net income (loss) attributable to Ambac shareholders | (72,699) | (750) | NM | (119,090) | 19,320 | NM |
| Net income (loss) attributable to stockholders per diluted share ³ | \$ (1.54) | \$ (0.02) | NM | \$ (2.75) | \$ 0.42 | NM |
| Non-GAAP | | | | | | |
| EBITDA to shareholders ² | (9,848) | (13,565) | (27)% | (15,345) | (16,112) | (5)% |
| Adjusted EBITDA to shareholders ² | (4,569) | (612) | NM | (5,876) | (228) | NM |
| Adjusted net income (loss) attributable to shareholders | (10,552) | (1,057) | NM | (16,587) | (1,386) | NM |
| Per Share | | | | | | |
| Adjusted net income (loss) to shareholders per diluted share ² | \$ (0.22) | \$ (0.02) | NM | \$ (0.35) | \$ (0.03) | NM |
| Adjusted EBITDA to shareholders per diluted share ² | \$ (0.09) | \$ (0.01) | NM | \$ (0.12) | \$ — | NM |
| Weighted-average diluted shares outstanding | 48,117 | 46,209 | | 47,738 | 46,019 | |

(1) Some financial data in this press release may not add up due to rounding

(2) See Non-GAAP Financial Data section of this press release for further information

(3) Per diluted share includes the impact of adjusting redeemable noncontrolling interests to current redemption value

Second Quarter 2025 Summary*

Total revenue from continuing operations for the second quarter of 2025 was \$55 million, an increase of 8% compared to the \$51 million in the same prior-year period. This increase was primarily due to the inclusion of Beat Capital, which more than offset a managed reduction to earned premium at Everspan following last year's decision to exit several programs and a reduction in corporate revenue primarily related to a investment gain realized last year. Revenue in the quarter was negatively impacted by \$2.5 million of net foreign exchange losses. Organic growth at Cirrata continued to be affected by Employer Stop Loss and short-term medical, which more than offset organic expansion across other programs.

Total expenses from continuing operations for the second quarter of 2025 were \$78 million, an increase of 18% compared to the \$66 million in the same prior-year period. The increase was primarily due to an increase in G&A expenses, intangible amortization and interest expense, all of which relate to the Beat acquisition. These increases more than offset the lower losses and loss adjustment expenses at Everspan from the exit of several retained programs and a decline in transaction related expenses.

Net loss from continuing operations to Ambac shareholders for the second quarter of 2025 increased by \$6 million to \$(21) million compared to the \$(15) million in the same prior-year period. The increase was driven by increased intangible amortization and interest expense related to the acquisition of Beat.

Adjusted EBITDA from continuing operations to Ambac shareholders for the second quarter of 2025 was \$(5) million compared to less than \$(1) million in the same prior-year period driven by losses at Corporate, which more than off-set the positive contributions in the quarter from both Cirrata and Everspan. For the quarter, the consolidated Adjusted EBITDA margin, prior to any reduction for non-controlling interests, was (4.6)% compared to (0.4)% in the same prior-year period.

* For definition of each non-GAAP measures referred to above, as well as reconciliation of such non-GAAP measures to their most directly comparable GAAP measures, see "Non-GAAP Financial Measures" below.

Earnings Call and Webcast

On August 8, 2025, at 8:30am ET, Claude LeBlanc, President and Chief Executive Officer, and David Trick, Executive Vice President and Chief Financial Officer, will discuss Ambac's second quarter 2025 results during a conference call. A live audio webcast of the call will be available through the Investor Relations section of Ambac's website, <https://ambac.com/investor-relations/events-and-presentations/>. Participants may also listen via telephone by dialing (877) 407-9716 (Domestic) or (201) 493-6779 (International).

The webcast will be archived on Ambac's website. A replay of the call will be available through August 22, 2025, and can be accessed by dialing (Domestic) (844) 512-2921 or (International) (412) 317-6671; and using ID#13754949.

Additional information is included in an operating supplement and presentations at Ambac's website at www.ambac.com.

Results of Operations by Segment

Insurance Distribution Segment

| (\$ in thousands) | Three Months Ended June 30, | | | Six Months Ended June 30, | | |
|---|-----------------------------|-----------|-----------|---------------------------|-----------|-----------|
| | 2025 | 2024 | % Change | 2025 | 2024 | % Change |
| Total revenues | \$ 33,041 | \$ 13,306 | 148 % | \$ 74,039 | \$ 31,171 | 138 % |
| Pretax income (loss) | \$(10,173) | \$ 1,257 | (909) % | \$(12,416) | \$ 5,269 | (336) % |
| Pretax income (loss) to shareholders | \$ (9,919) | \$ 1,044 | (1050) % | \$(13,816) | \$ 4,353 | (417) % |
| EBITDA | \$ 4,698 | \$ 2,404 | 95 % | \$ 16,781 | \$ 7,565 | 122 % |
| EBITDA to shareholders ¹ | \$ 2,513 | \$ 1,974 | 27 % | \$ 9,576 | \$ 6,215 | 54 % |
| Adjusted EBITDA | \$ 4,580 | \$ 2,404 | 91 % | \$ 16,692 | \$ 7,526 | 122 % |
| Adjusted EBITDA to shareholders ¹ | \$ 2,519 | \$ 1,974 | 28 % | \$ 9,611 | \$ 6,176 | 56 % |
| Pretax income margin to shareholders ² | (30.8)% | 9.4 % | (4277)bps | (16.8)% | 16.9 % | (1994)bps |
| Adjusted EBITDA margin to shareholders ^{1,3} | 7.6 % | 14.8 % | (486)bps | 13.0 % | 19.8 % | (343)bps |
| Organic Growth | (2.6)% | 45.2 % | | (2.3)% | N/A | |

(1) After the impact of non-controlling interests

(2) Represents Pretax income divided by total revenues

(3) See Non-GAAP Financial Data section of this press release for further information

Specialty Property & Casualty Insurance Segment

| (\$ in thousands) | Three Months Ended June 30, | | | Six Months Ended June 30, | | |
|--|-----------------------------|------------|-----------|---------------------------|-----------|-----------|
| | 2025 | 2024 | % Change | 2025 | 2024 | % Change |
| Gross premium written | \$ 96,247 | \$111,206 | (13) % | \$183,162 | \$207,628 | (12) % |
| Net premiums written | \$ 15,207 | \$ 32,289 | (53) % | \$ 33,212 | \$ 58,536 | (43) % |
| Net premiums earned | \$ 16,203 | \$ 27,054 | (40) % | \$ 31,881 | \$ 52,633 | (39) % |
| Total revenue | \$ 21,390 | \$ 31,828 | (33) % | \$ 42,561 | \$ 61,370 | (31) % |
| Net income (loss) from continuing operations | \$ 428 | \$ (1,070) | 140 % | \$ 1,852 | \$ 642 | 188 % |
| Adjusted EBITDA to shareholders | \$ 681 | \$ (1,023) | 167 % | \$ 2,270 | \$ 849 | 167 % |
| Loss Ratio | 67.8 % | 85.1 % | -1730 bps | 67.4 % | 80.5 % | -1310 bps |
| Expense Ratio | 38.9 % | 24.3 % | 1460 bps | 37.1 % | 23.5 % | 1360 bps |
| Combined Ratio | 106.7 % | 109.4 % | -270 bps | 104.5 % | 104.0 % | 50 bps |

(1) See Non-GAAP Financial Data section of this press release for further information

AFG Corporate (holding company only)

AFG on a standalone basis, excluding its ownership interests in its Specialty P&C Insurance, Insurance Distribution, and Legacy Financial Guarantee subsidiaries, had net assets of \$85 million as of June 30, 2025. Assets included cash and liquid securities of \$45 million and other investments of \$30 million.

Consolidated Ambac Financial Group, Inc. Stockholders' Equity and NCI Impact to EPS

Stockholders' equity attributable to common shareholders at June 30, 2025, was \$860 million, or \$18.53 per share compared to \$852 million or \$18.36 per share as of March 31, 2025. The net loss attributable to common shareholders of \$(73) million and a net unrealized investment loss of \$(5) million were mostly off-set by foreign exchange translation gains of \$72 million, approximately \$20 million of which relate to continuing operations.

Calculation of Earnings Per Share

Diluted net income per share is computed by dividing net income attributable to shareholders, including adjustments to the redemption value of redeemable noncontrolling interests, by the basic weighted-average shares outstanding plus all potentially dilutive common shares outstanding during the period. The following table provides a reconciliation of net income attributable to shareholders to the numerator in the diluted earnings per share calculation, together with the resulting earnings per share amounts:

| (in thousands, except per share data) | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|-----------------------------|-------------|---------------------------|-------------|
| | 2025 | 2024 | 2025 | 2024 |
| Net income (loss) from continuing operations attributable to shareholders | \$ (20,548) | \$ (14,932) | \$ (36,692) | \$ (19,002) |
| Adjustment for Redeemable NCI | (1,241) | (184) | \$ (12,424) | \$ (131) |
| Numerator of diluted EPS | \$ (21,789) | \$ (15,116) | \$ (49,116) | \$ (19,133) |
| Per Share — Diluted | \$ (0.45) | \$ (0.33) | \$ (1.03) | \$ (0.42) |
| Net income (loss) attributable to Ambac shareholders | \$ (72,699) | \$ (750) | \$ (119,090) | \$ 19,320 |
| Adjustment for Redeemable NCI | (1,241) | (184) | (12,424) | (131) |
| Numerator of diluted EPS | \$ (73,940) | \$ (934) | \$ (131,514) | \$ 19,189 |
| Per Share — Diluted | \$ (1.54) | \$ (0.02) | \$ (2.75) | \$ 0.42 |
| WASO-Diluted | 48,117 | 46,209 | 47,738 | 46,019 |

AMBAC FINANCIAL GROUP, INC. AND SUBSIDIARIES
Consolidated Statements of Income (Loss) (Unaudited)

| (\$ in thousands, except share data) | Three Months Ended June 30, | | Six Months Ended June 30, | |
|--|-----------------------------|-----------------|---------------------------|------------------|
| | 2025 | 2024 | 2025 | 2024 |
| Revenues: | | | | |
| Commissions | \$ 30,322 | \$ 13,221 | \$ 67,093 | \$ 30,950 |
| Servicing and other fees | 4,472 | — | 9,436 | — |
| Net premiums earned | 16,203 | 27,054 | 31,881 | 52,633 |
| Program fees | 3,497 | 3,328 | 7,149 | 5,895 |
| Investment income | 2,609 | 3,763 | 5,424 | 7,403 |
| Other | (2,146) | 3,671 | (3,270) | 3,707 |
| Total revenues and other income | 54,957 | 51,037 | 117,713 | 100,588 |
| Expenses: | | | | |
| Commissions | 7,403 | 7,888 | 17,768 | 17,710 |
| Losses and loss adjustment expenses | 10,978 | 23,024 | 21,474 | 42,379 |
| Policy acquisition costs | 3,699 | 5,399 | 7,540 | 9,823 |
| General and administrative | 40,540 | 27,861 | 79,071 | 45,436 |
| Intangible amortization and depreciation | 9,741 | 1,614 | 18,917 | 3,228 |
| Interest | 5,570 | — | 11,024 | — |
| Total expenses | 77,931 | 65,786 | 155,794 | 118,576 |
| Pretax income (loss) from continuing operations | (22,974) | (14,749) | (38,081) | (17,988) |
| Provision (benefit) for income taxes from continuing operations | (2,172) | (30) | (2,789) | 100 |
| Net income (loss) from continuing operations | (20,802) | (14,719) | (35,292) | (18,088) |
| Net income (loss) from discontinued operations | (52,151) | 14,182 | (82,398) | 38,322 |
| Net income (loss) | (72,953) | (537) | (117,690) | 20,234 |
| Net (gain) loss attributable to noncontrolling interest | 254 | (213) | (1,400) | (914) |
| Net income (loss) attributable to shareholders | \$ (72,699) | \$ (750) | \$ (119,090) | \$ 19,320 |
| Net income (loss) from continuing operations attributable to shareholders | \$ (20,548) | \$ (14,932) | \$ (36,692) | \$ (19,002) |
| Net income (loss) from discontinued operations attributable to shareholders | (52,151) | 14,182 | (82,398) | 38,322 |
| Net income (loss) attributable to shareholders | \$ (72,699) | \$ (750) | \$ (119,090) | \$ 19,320 |
| Net income (loss) from continuing operations per share attributable to shareholders | | | | |
| Basic | \$ (0.45) | \$ (0.33) | \$ (1.03) | \$ (0.42) |
| Diluted | \$ (0.45) | \$ (0.33) | \$ (1.03) | \$ (0.42) |
| Net income (loss) per share attributable to shareholders | | | | |
| Basic | \$ (1.54) | \$ (0.02) | \$ (2.75) | \$ 0.42 |
| Diluted | \$ (1.54) | \$ (0.02) | \$ (2.75) | \$ 0.42 |
| Weighted average number of common shares outstanding: | | | | |
| Basic | 48,116,503 | 46,209,250 | 47,738,050 | 46,019,145 |
| Diluted | 48,116,503 | 46,209,250 | 47,738,050 | 46,019,145 |

AMBAC FINANCIAL GROUP, INC. AND SUBSIDIARIES

Consolidated Balance Sheets (Unaudited)

| (\$ in thousands, except share data) | June 30, 2025 | March 31, 2025 |
|--|---------------------|---------------------|
| Assets: | | |
| Investments: | | |
| Fixed maturity securities, at fair value (amortized cost: \$163,183 and \$164,688) | \$ 161,335 | \$ 161,569 |
| Short-term investments, at fair value (amortized cost: \$102,719 and \$101,604) | 102,720 | 101,610 |
| Other investments (includes \$7,486 and \$7,420 at fair value) | 28,193 | 28,214 |
| Total investments (net of allowance for credit losses of \$0 and \$0) | 292,248 | 291,393 |
| Cash and cash equivalents (including \$23,841 and \$17,669 of restricted cash) | 46,383 | 51,660 |
| Premium receivables (net of allowance for credit losses of \$200 and \$142) | 71,875 | 64,563 |
| Commission and fees receivable | 72,619 | 65,819 |
| Reinsurance recoverable on paid and unpaid losses (net of allowance for credit losses of \$100 and \$100) | 376,445 | 351,110 |
| Deferred ceded premium | 155,582 | 144,914 |
| Policy acquisition costs | 9,407 | 9,615 |
| Intangible assets, less accumulated amortization | 353,904 | 345,061 |
| Goodwill | 451,808 | 429,314 |
| Other assets | 99,698 | 107,829 |
| Assets held-for-sale | 6,592,417 | 6,392,004 |
| Total assets | \$ 8,522,386 | \$ 8,253,282 |
| Liabilities and Stockholders' Equity: | | |
| Liabilities: | | |
| Unearned premiums | \$ 191,060 | \$ 181,387 |
| Loss and loss adjustment expense reserves | 383,969 | 373,105 |
| Ceded premiums payable | 90,557 | 81,358 |
| Deferred program fees and reinsurance commissions | 7,346 | 7,176 |
| Deferred taxes | 72,003 | 69,742 |
| Short-term debt | 150,000 | 150,000 |
| Accrued interest payable | 2,944 | 2,695 |
| Commission payable | 96,875 | 81,017 |
| Other liabilities | 95,900 | 91,429 |
| Liabilities held-for-sale | 6,213,024 | 6,003,908 |
| Total liabilities | 7,303,678 | 7,041,817 |
| Redeemable noncontrolling interest | 190,347 | 185,417 |
| Stockholders' equity: | | |
| Preferred stock, par value \$0.01 per share; 20,000,000 shares authorized shares; issued and outstanding shares—none | — | — |
| Common stock, par value \$0.01 per share; 130,000,000 shares authorized; issued shares: 48,875,167 and 48,875,167 | 489 | 489 |
| Additional paid-in capital | 347,939 | 333,356 |
| Accumulated other comprehensive income (loss) | (66,013) | (133,168) |
| Retained earnings | 607,548 | 681,489 |
| Treasury stock, shares at cost: 2,475,146 and 2,368,194 | (30,124) | (29,945) |
| Total Ambac Financial Group, Inc. stockholders' equity | 859,839 | 852,221 |
| Nonredeemable noncontrolling interest | 168,522 | 173,827 |
| Total stockholders' equity | 1,028,361 | 1,026,048 |
| Total liabilities, redeemable noncontrolling interest and stockholders' equity | \$ 8,522,386 | \$ 8,253,282 |

Non-GAAP Financial Data

In addition to reporting the Company's quarterly financial results in accordance with GAAP, the Company is reporting non-GAAP financial measures: EBITDA, Adjusted EBITDA and Adjusted EBITDA Margin, Organic Revenue Growth Rate (Insurance Distribution segment only), Adjusted Net Income and Adjusted Net Income Margin. These amounts are derived from our consolidated financial information, but are not presented in our consolidated financial results.

We present non-GAAP supplemental financial information because we believe such information is of interest to the investment community, and that it provides greater transparency and enhanced visibility into the underlying drivers and performance of our businesses on a basis that may not be otherwise apparent on a GAAP basis. We view these non-GAAP financial measures as important indicators when assessing and evaluating our performance on a segmented and consolidated basis and they are presented to improve the comparability of our results between periods by eliminating the impact of the items that may not be representative of our core operating performance. These non-GAAP financial measures are not substitutes for the Company's GAAP reporting, should not be viewed in isolation and may differ from similar reporting provided by other companies, which may define non-GAAP measures differently.

The following paragraphs define each non-GAAP financial measure. A tabular reconciliation of the non-GAAP financial measure and the most comparable GAAP financial measure is also presented below.

Non-GAAP Financial Measures

Organic Revenue Growth & Rate (Insurance Distribution Only.) — Organic revenue is based on commissions and fees for the relevant period by excluding (i) the first twelve months of commissions and fees generated from acquisitions and (ii) commissions and fees from divestitures (iii) and other items such as contingent commissions and the impact of changes in foreign exchange rates.

Organic revenue growth is the change in organic revenue period-to-period, with prior period results adjusted to (i) include commissions and fees that were excluded from organic revenue in the prior period and reached the twelve-month owned mark in the current period, and (ii) exclude commissions and fees related to divestitures from organic revenue.

Total Specialty P&C Insurance Production Specialty P&C Insurance production, which includes gross premiums written by Ambac's Specialty P&C Insurance segment and premiums placed by the Insurance Distribution segment. Specialty P&C Insurance revenues are dependent on gross premiums written, as specialty program insurance companies earn premiums based on the portion of gross premiums written retained (i.e. net premiums written) and fees on gross premiums written that are ceded to reinsurers. Insurance Distribution revenues are dependent on premium volume, as Managing General Agents/Underwriters and brokers receive commissions based on the amount of premiums placed (i.e. gross premiums written on behalf of insurance carriers) with insurance carriers.

EBITDA — EBITDA is net income (loss) from continuing operations before interest expense, income taxes, depreciation and amortization of intangible assets.

Adjusted EBITDA and Adjusted EBITDA Margin — We define Adjusted EBITDA as net income (loss) from continuing operations before interest expense, income taxes, depreciation, amortization of intangible assets, change in fair value of contingent consideration and certain items of income and expense, including share-based compensation expense, acquisition and integration related expenses, severance, and other exceptional or non-recurring items, including those related to raising capital. We believe that adjusted EBITDA is an appropriate measure of operating performance because it eliminates the impact of income and expenses that may obfuscate business performance, and that the presentation of this measure enhances an investor's understanding of our financial performance.

Adjusted Net Income and Adjusted Net Income Margin — We define Adjusted net income as net income (loss) from continuing operations attributable to Ambac adjusted for amortization of intangible assets, change in fair value of contingent consideration and certain items of income and expense, including share-based compensation expense, acquisition and integration related expenses, severance and non-recurring income and loss items that, in the opinion of management, significantly affect the period-over-period assessment of operating results, and the related tax effect of those adjustments. Per share amounts exclude any impact of revaluing non-controlling interests as otherwise reported under GAAP earnings per share. We believe that adjusted net income is an appropriate

measure of operating performance because it eliminates the impact of income and expenses that may obfuscate business performance.

Results of Operations by Segment (Continued)

| Three Months Ended June 30, 2025 | Specialty Property & Casualty Insurance | Insurance Distribution | Corporate & Other | Consolidated |
|--|--|---------------------------|----------------------|--------------------|
| (\$ in thousands) | | | | |
| Gross premiums written | \$ 96,247 | | | \$ 96,247 |
| Net premiums written | 15,207 | | | 15,207 |
| Total revenues from Continuing Operations | 21,390 | 33,041 | 526 | 54,957 |
| Total expenses from Continuing Operations | 20,770 | 43,214 | 13,949 | 77,931 |
| Pretax income (loss) | 620 | (10,173) | (13,423) | (22,974) |
| Provision (benefit) for income taxes | 192 | (2,181) | (183) | (2,172) |
| Net income (loss) from Continuing Operations | \$ 428 | \$ (7,992) | \$ (13,240) | \$ (20,802) |
| Adjustments to EBITDA | | | | |
| Add: Interest expense | | \$ 5,570 | | \$ 5,570 |
| Add: Income tax expense | 192 | (2,181) | (183) | (2,172) |
| Add: Depreciation | — | — | 440 | 440 |
| Add: Intangible amortization | | 9,301 | | 9,301 |
| EBITDA from Continuing Operations | \$ 620 | \$ 4,698 | \$ (12,983) | \$ (7,663) |
| EBITDA from Continuing Operations attributable to Ambac shareholders | \$ 620 | \$ 2,513 | \$ (12,983) | \$ (9,848) |
| Adjustments to Adjusted EBITDA | | | | |
| Add: Acquisition and integration related expenses | \$ — | \$ 375 | \$ 399 | \$ 774 |
| Add: Equity-based compensation expense | 61 | 67 | 1,895 | 2,023 |
| Add: Severance and restructuring expense | — | 31 | 2,918 | 2,949 |
| Adjusted EBITDA from Continuing Operations | 681 | 4,580 | (7,771) | (2,508) |
| Adjusted EBITDA from Continuing Operations attributable to Ambac shareholders | \$ 681 | \$ 2,519 | \$ (7,771) | \$ (4,569) |
| Net income (loss) (Continuing Operations) | \$ 428 | \$ (7,992) | \$ (13,240) | \$ (20,802) |
| Adjustments: | | | | |
| Add: Acquisition and integration related expenses | — | 375 | 399 | 774 |
| Add: Intangible amortization | — | 9,301 | — | 9,301 |
| Add: Equity-based compensation expense | 61 | 67 | 1,895 | 2,023 |
| Add: Severance and restructuring expense | — | 31 | 2,918 | 2,949 |
| Add: Other non-operating (income) losses | — | (591) | — | (591) |
| Adjusted net income (loss) before tax and NCI | 489 | 1,191 | (8,028) | (6,348) |
| Income tax effects | (15) | (1,892) | 15 | (1,892) |
| Adjusted net income (loss) before NCI | 474 | (701) | (8,013) | (8,240) |
| Net (income) loss attributable to noncontrolling interest | — | (2,312) | — | (2,312) |
| Adjusted net income (loss) attributable to shareholders | \$ 474 | \$ (3,013) | \$ (8,013) | \$ (10,552) |
| Net income (loss) margin | | | | |
| Net income (loss) margin | 1.9 % | (24.0)% | NM | (37.4)% |
| Adjusted EBITDA Margin | 3.2 % | 13.9 % | NM | (4.6)% |
| Adjusted EBITDA Margin to Ambac shareholders | 3.2 % | 7.6 % | NM | (8.3)% |
| Adjusted Net income (loss) after NCI margin | 2.1 % | (9.0)% | NM | (19.0)% |

| Three Months Ended June 30, 2024 | Specialty Property & Casualty Insurance | Insurance Distribution | Corporate & Other | Consolidated |
|--|--|---------------------------|----------------------|--------------------|
| (\$ in thousands) | | | | |
| Gross premiums written | \$ 111,206 | | | \$ 111,206 |
| Net premiums written | 32,289 | | | 32,289 |
| Total revenues from Continuing Operations | 31,828 | 13,306 | 5,904 | 51,037 |
| Total expenses from Continuing Operations | 32,925 | 12,049 | 20,812 | 65,786 |
| Pretax income (loss) | (1,097) | 1,257 | (14,908) | (14,749) |
| Provision (benefit) for income taxes | (27) | 9 | (12) | (30) |
| Net income (loss) from Continuing Operations | \$ (1,070) | \$ 1,248 | \$ (14,896) | \$ (14,719) |
| Adjustments to EBITDA | | | | |
| Add: Interest expense | | \$ — | | \$ — |
| Add: Income tax expense | (27) | 9 | (12) | (30) |
| Add: Depreciation | — | 14 | 461 | 475 |
| Add: Intangible amortization | | 1,139 | | 1,139 |
| EBITDA from Continuing Operations | \$ (1,097) | \$ 2,404 | \$ (14,441) | \$ (13,135) |
| EBITDA from Continuing Operations attributable to Ambac shareholders | \$ (1,097) | \$ 1,974 | \$ (14,441) | \$ (13,565) |
| Adjustments to Adjusted EBITDA | | | | |
| Add: Acquisition and integration related expenses | \$ — | \$ — | \$ 10,404 | \$ 10,404 |
| Add: Equity-based compensation expense | 74 | — | 1,747 | 1,821 |
| Add: Severance and restructuring expense | — | — | 5,203 | 5,203 |
| Add: Other non-operating (income) losses | — | — | (4,475) | (4,475) |
| Adjusted EBITDA from Continuing Operations | (1,023) | 2,404 | (1,562) | (182) |
| Adjusted EBITDA from Continuing Operations attributable to Ambac shareholders | \$ (1,023) | \$ 1,974 | \$ (1,562) | \$ (612) |
| Net income (loss) (Continuing Operations) | \$ (1,070) | \$ 1,248 | \$ (14,896) | \$ (14,719) |
| Adjustments: | | | | |
| Add: Acquisition and integration related expenses | — | — | 10,404 | 10,404 |
| Add: Intangible amortization | — | 1,139 | — | 1,139 |
| Add: Equity-based compensation expense | 74 | — | 1,747 | 1,821 |
| Add: Severance and restructuring expense | — | — | 5,203 | 5,203 |
| Add: Other non-operating (income) losses | — | — | (4,475) | (4,475) |
| Adjusted net income (loss) before tax and NCI | (996) | 2,387 | (2,017) | (627) |
| Income tax effects | — | — | — | — |
| Adjusted net income (loss) before NCI | (996) | 2,387 | (2,017) | (627) |
| Net (income) loss attributable to noncontrolling interest | — | (430) | — | (430) |
| Adjusted net income (loss) attributable to shareholders | \$ (996) | \$ 1,957 | \$ (2,017) | \$ (1,057) |
| Net income (loss) margin | (3.4)% | 9.4 % | NM | (28.8)% |
| Adjusted EBITDA Margin | (3.2)% | 18.1 % | NM | (0.4)% |
| Adjusted EBITDA Margin to Ambac shareholders | (3.2)% | 14.8 % | NM | (1.2)% |
| Adjusted Net income (loss) after NCI margin | (3.1)% | 14.7 % | NM | (2.1)% |

Results of Operations by Segment (Continued)

| Six Months Ended June 30, 2025 | Specialty Property & Casualty Insurance | Insurance Distribution | Corporate & Other | Consolidated |
|--|--|---------------------------|----------------------|--------------------|
| (\$ in thousands) | | | | |
| Gross premiums written | \$ 183,162 | | | \$ 183,162 |
| Net premiums written | 33,212 | | | 33,212 |
| Total revenues from Continuing Operations | 42,561 | 74,039 | 1,113 | 117,713 |
| Total expenses from Continuing Operations | 40,439 | 86,455 | 28,901 | 155,794 |
| Pretax income (loss) | 2,122 | (12,416) | (27,788) | (38,081) |
| Provision (benefit) for income taxes | 270 | (2,681) | (378) | (2,789) |
| Net income (loss) from Continuing Operations | \$ 1,852 | \$ (9,735) | \$ (27,410) | \$ (35,292) |
| Adjustments to EBITDA | | | | |
| Add: Interest expense | \$ — | \$ 11,024 | \$ — | \$ 11,024 |
| Add: Income tax expense | 270 | (2,681) | (378) | (2,789) |
| Add: Depreciation | — | 109 | 744 | 853 |
| Add: Intangible amortization | — | 18,064 | — | 18,064 |
| EBITDA from Continuing Operations | \$ 2,123 | \$ 16,781 | \$ (27,044) | \$ (8,140) |
| EBITDA from Continuing Operations attributable to Ambac shareholders | \$ 2,123 | \$ 9,576 | \$ (27,044) | \$ (15,345) |
| Adjustments to Adjusted EBITDA | | | | |
| Add: Acquisition and integration related expenses | \$ — | \$ 375 | \$ 1,081 | \$ 1,456 |
| Add: Equity-based compensation expense | 147 | 67 | 3,469 | 3,683 |
| Add: Severance and restructuring expense | — | 60 | 4,737 | 4,797 |
| Adjusted EBITDA from Continuing Operations | 2,270 | 16,692 | (17,759) | 1,205 |
| Adjusted EBITDA from Continuing Operations attributable to Ambac shareholders | \$ 2,270 | \$ 9,611 | \$ (17,759) | \$ (5,876) |
| Net income (loss) (Continuing Operations) | \$ 1,852 | \$ (9,735) | \$ (27,410) | \$ (35,292) |
| Adjustments: | | | | |
| Add: Acquisition and integration related expenses | — | 375 | 1,081 | 1,456 |
| Add: Intangible amortization | — | 18,064 | — | 18,064 |
| Add: Equity-based compensation expense | 147 | 67 | 3,469 | 3,683 |
| Add: Severance and restructuring expense | — | 60 | 4,737 | 4,797 |
| Add: Other non-operating (income) losses | — | (591) | — | (591) |
| Adjusted net income (loss) before tax and NCI | 2,000 | 8,240 | (18,123) | (7,883) |
| Income tax effects | (15) | (1,892) | 15 | (1,892) |
| Adjusted net income (loss) before NCI | 1,985 | 6,348 | (18,108) | (9,775) |
| Net (income) loss attributable to noncontrolling interest | — | (6,812) | — | (6,812) |
| Adjusted net income (loss) attributable to shareholders | \$ 1,985 | \$ (464) | \$ (18,108) | \$ (16,587) |
| Net income (loss) margin | 8.3 % | (29.2)% | NM | (63.4)% |
| Adjusted EBITDA Margin | 5.3 % | 22.5 % | NM | (4.6)% |
| Adjusted EBITDA Margin to Ambac shareholders | 5.3 % | 13.0 % | NM | (8.3)% |
| Adjusted Net income (loss) after NCI margin | 8.9 % | (1.4)% | NM | (29.8)% |

| Six Months Ended June 30, 2024 | Specialty Property & Casualty Insurance | Insurance Distribution | Corporate & Other | Consolidated |
|--|--|---------------------------|----------------------|--------------------|
| (\$ in thousands) | | | | |
| Gross premiums written | \$ 207,628 | | | \$ 207,628 |
| Net premiums written | 58,536 | | | 58,536 |
| Total revenues from Continuing Operations | 61,370 | 31,171 | 8,048 | 100,588 |
| Total expenses from Continuing Operations | 60,649 | 25,902 | 32,025 | 118,576 |
| Pretax income (loss) | 721 | 5,269 | (23,977) | (17,988) |
| Provision (benefit) for income taxes | 79 | 127 | (106) | 100 |
| Net income (loss) from Continuing Operations | \$ 642 | \$ 5,142 | \$ (23,871) | \$ (18,088) |
| Adjustments to EBITDA | | | | |
| Add: Interest expense | \$ — | \$ — | \$ — | \$ — |
| Add: Income tax expense | 79 | 127 | (106) | 100 |
| Add: Depreciation | — | 21 | 926 | 947 |
| Add: Intangible amortization | — | 2,278 | — | 2,278 |
| EBITDA from Continuing Operations | \$ 721 | \$ 7,568 | \$ (23,051) | \$ (14,763) |
| EBITDA from Continuing Operations attributable to Ambac shareholders | \$ 723 | \$ 6,652 | \$ (23,051) | \$ (15,677) |
| Adjustments to Adjusted EBITDA | | | | |
| Add: Acquisition and integration related expenses | \$ — | \$ — | \$ 10,973 | \$ 10,973 |
| Add: Equity-based compensation expense | 125 | — | 3,876 | 4,001 |
| Add: Severance and restructuring expense | — | — | 5,337 | 5,337 |
| Add: Other non-operating (income) losses | — | — | (4,427) | (4,427) |
| Adjusted EBITDA from Continuing Operations | 849 | 7,526 | (7,289) | 1,122 |
| Adjusted EBITDA from Continuing Operations attributable to Ambac shareholders | \$ 849 | \$ 6,176 | \$ (7,289) | \$ (228) |
| Net income (loss) (Continuing Operations) | \$ 642 | \$ 5,142 | \$ (23,871) | \$ (18,088) |
| Adjustments: | | | | |
| Add: Acquisition and integration related expenses | — | — | 10,973 | 10,973 |
| Add: Intangible amortization | — | 2,278 | — | 2,278 |
| Add: Equity-based compensation expense | 125 | — | 3,876 | 4,001 |
| Add: Severance and restructuring expense | — | — | 5,337 | 5,337 |
| Add: Other non-operating (income) losses | — | — | (4,427) | (4,427) |
| Adjusted net income (loss) before tax and NCI | 770 | 7,308 | (8,113) | (36) |
| Income tax effects | — | — | — | — |
| Adjusted net income (loss) before NCI | 770 | 7,308 | (8,113) | (36) |
| Net (income) loss attributable to noncontrolling interest | — | (1,350) | — | (1,350) |
| Adjusted net income (loss) attributable to shareholders | \$ 770 | \$ 5,958 | \$ (8,113) | \$ (1,386) |
| Net income (loss) margin | 1.1 % | 16.1 % | NM | (18.1)% |
| Adjusted EBITDA Margin | 1.4 % | 24.1 % | NM | 1.1 % |
| Adjusted EBITDA Margin to Ambac shareholders | 1.4 % | 19.8 % | NM | (0.2)% |
| Adjusted Net income (loss) after NCI margin | 1.3 % | 19.1 % | NM | (1.4)% |

Organic Growth

| (\$ in thousands) | Three Months Ended June 30, | | | Six Months Ended June 30, | | |
|--|-----------------------------|---------------|---------------|---------------------------|---------------|---------------|
| | 2025 | 2024 | % Growth | 2025 | 2024 | % Growth |
| Total Insurance Distribution revenue ⁽¹⁾ | \$ 33,041 | \$ 13,306 | 148 % | \$ 74,039 | \$ 31,171 | 138 % |
| Less: Acquired revenues | (18,923) | | | (38,893) | — | |
| Less: Profit commission and contingent commission income | (2,266) | (1,141) | | (6,957) | (2,323) | |
| Total Organic Revenue & Growth Percentage | 11,852 | 12,165 | (2.6)% | 28,189 | 28,848 | (2.3)% |

(1) Total Insurance Distribution revenue includes investment income

Total Specialty P&C Insurance Production

Specialty P&C Insurance production, which includes gross premiums written by Ambac's Specialty P&C Insurance segment and premiums placed by the Insurance Distribution segment.

| (\$ in thousands) | Three Months Ended June 30, | | | Six Months Ended June 30, | | |
|--|-----------------------------|-------------------|--------------|---------------------------|-------------------|-------------|
| | 2025 | 2024 | % Change | 2025 | 2024 | % Change |
| Specialty Property & Casualty Insurance Gross Premiums Written | \$ 96,247 | \$ 111,206 | (13)% | \$ 183,162 | \$ 207,628 | (12)% |
| Insurance Distribution Premiums Placed | 249,912 | 53,418 | 368 % | 480,518 | 143,514 | 235 % |
| Specialty P&C Insurance Production | \$ 346,159 | \$ 164,624 | 110 % | \$ 663,680 | \$ 351,142 | 89 % |

About Ambac

Ambac Financial Group, Inc. ("Ambac" or "AFG") is an insurance holding company headquartered in New York City. Ambac's core business is a growing specialty P&C distribution and underwriting platform. Ambac also has a legacy financial guarantee business in run-off which we have agreed to sell to funds managed by Oaktree Capital Management pending regulatory approval. Ambac's common stock trades on the New York Stock Exchange under the symbol "AMBC". Ambac is committed to providing timely and accurate information to the investing public, consistent with our legal and regulatory obligations. To that end, we use our website to convey information about our businesses, including the anticipated release of quarterly financial results, quarterly financial, statistical and business-related information. For more information, please go to www.ambac.com.

The Amended and Restated Certificate of Incorporation of Ambac contains substantial restrictions on the ability to transfer Ambac's common stock. Subject to limited exceptions, any attempted transfer of common stock shall be prohibited and void to the extent that, as a result of such transfer (or any series of transfers of which such transfer is a part), any person or group of persons shall become a holder of 5% or more of Ambac's common stock or a holder of 5% or more of Ambac's common stock increases its ownership interest.

Contact

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Forward-Looking Statements

In this press release, statements that may constitute "forward-looking statements" within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Words such as "estimate," "project," "plan," "believe," "anticipate," "intend," "planned," "potential" and similar expressions, or future or conditional verbs such as "will," "should," "would," "could," and "may," or the negative of those expressions or verbs, identify forward-looking statements. We caution readers that these statements are not guarantees of future performance. Forward-looking statements are not historical facts, but instead represent only our beliefs regarding future events, which may by their nature be inherently uncertain and some of which may be outside our control. These statements may relate to plans and objectives with respect to the future, among other things which may change. We are alerting you to the possibility that our actual results may differ, possibly materially, from the expected objectives or anticipated results that may be suggested, expressed or implied by these forward-looking statements. Important factors that could cause our results to differ, possibly materially, from those indicated in the forward-looking statements include, among others, those discussed under "Risk Factors" in our most recent SEC filed quarterly or annual report.

Any or all of management's forward-looking statements here or in other publications may turn out to be incorrect and are based on management's current belief or opinions. Ambac Financial Group's ("AFG") and its subsidiaries' (collectively, "Ambac" or the "Company") actual results may vary materially, and there are no guarantees about the performance of Ambac's securities. Among events, risks, uncertainties or factors that could cause actual results to differ materially are: (1) the high degree of volatility in the price of AFG's common stock; (2) failure to consummate the proposed sale of all of the common stock of Ambac Assurance Corporation ("AAC") and the transactions contemplated by the related stock purchase agreement (the "Sale Transactions") in a timely manner or at all; (3) disruptions from the proposed Sale Transactions, including from litigation, that may harm Ambac's business, including current plans and operations; (4) potential adverse reactions or changes to business relationships resulting from the announcement or completion of the proposed Sale Transactions; (5) uncertainty concerning the Company's ability to achieve value for holders of its securities from the specialty property and casualty insurance business, the insurance distribution business, or related businesses; (6) inadequacy of reserves established for losses and loss expenses and the possibility that changes in loss reserves may result in further volatility of earnings or financial results; (7) risks historically reported by the Company with respect to the legacy financial guarantee business, which may continue to affect the Company if the Sale Transactions are not consummated; (8) credit risk throughout Ambac's business, including but not limited to exposures to reinsurers and insurance distribution partners; (9) the Company's inability to generate the significant amount of cash needed to service its debt and financial obligations, and its inability to refinance its indebtedness; (10) the Company's substantial indebtedness could adversely affect the Company's financial condition and operating flexibility; (11) the Company may not be able to obtain financing, refinance its outstanding indebtedness, or raise capital on acceptable terms or at all due to its substantial indebtedness and financial condition; (12) greater than expected underwriting losses in the Company's specialty property and casualty insurance business; (13) failure of specialty insurance program partners to properly market, underwrite or administer policies; (14) inability to obtain reinsurance coverage or charge rates for insurance on expected terms; (15) loss of key relationships for production of business in specialty property and casualty and insurance distribution businesses or the inability to secure such additional relationships to produce expected results; (16) the impact of catastrophic public health, environmental or natural events, or global or regional conflicts; (17) the risk that the Company's risk management policies and practices do not anticipate certain risks and/or the magnitude of potential for loss; (18) restrictive covenants in agreements and instruments that impair Ambac's ability to pursue or achieve its business strategies; (19) disagreements or disputes with the Company's insurance regulators; (20) failure of a financial institution in which we maintain cash and investment accounts; (21) adverse impacts from changes in prevailing interest rates; (22) events or circumstances that result in the impairment of our intangible assets and/or goodwill that was recorded in connection with Ambac's acquisitions; (23) the risk of litigation, regulatory inquiries, investigations, claims or proceedings, and the risk of adverse outcomes in connection therewith; (24) the Company's ability to adapt to the rapid pace of regulatory change; (25) actions of stakeholders whose interests are not aligned with broader interests of Ambac's stockholders; (26) system security risks, data protection breaches and cyber attacks; (27) failures in services or products provided by third parties; (28) political developments that disrupt the economies where the Company has insured exposures or the markets in which our insurance programs operate; (29) our inability to attract and retain qualified executives, senior managers and other employees, or the loss of such personnel; (30) fluctuations in foreign currency exchange rates; (31) failure to realize our business expansion plans, including failure to effectively onboard new program partners, or failure of such plans to create value; (32) greater competition for our specialty property and casualty insurance business and/or our insurance distribution business; (33) loss or lowering of the AM Best rating for our property and casualty insurance company subsidiaries; (34) disintermediation within the insurance industry or greater competition from technology-based insurance solutions or non-traditional insurance markets; (35) adverse effects of market cycles in the property and casualty insurance industry; (36) variations in commission income resulting from timing of policy renewals and the net effect of new and lost business production; (37) variations in contingent commissions resulting from the effects insurance losses; (38) reliance on a limited number of counterparties to produce revenue in our specialty property and casualty insurance and insurance distribution businesses; (39) changes in law or in the functioning of the healthcare market that impair the business model of our accident and health managing general underwriter; (40) difficulties in identifying appropriate acquisition or investment targets, properly evaluating the business and prospects of acquired businesses, businesses in which we invest, or targets, integrating acquired businesses into our business or failures to realize expected synergies from acquisitions or new business investments; (41) failure to realize expected benefits from investments in technology; (42) harmful acts and omissions of our business counterparts; and (43) other risks and uncertainties that have not been identified at this time.

Source: Ambac Financial Group, Inc.