

Quarterly Operating Supplement

Fourth Quarter 2025

octave

About Octave

Octave Specialty Group, Inc. is a global specialty insurance firm that builds, buys, and scales niche insurance distribution and underwriting businesses. With a focus on operational excellence, disciplined growth, and innovation, Octave is creating a harmonized portfolio of companies that deliver exceptional performance and long-term value for shareholders. For more information, visit www.octavegroup.com.

The Amended and Restated Certificate of Incorporation of Octave contains substantial restrictions on the ability to transfer Octave'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 Octave's common stock or a holder of 5% or more of Octave's common stock increases its ownership interest.

Company Information

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To obtain a copy of Octave Specialty Group, Inc.'s latest annual or quarterly report filed with the Securities and Exchange Commission or the most recent Annual Report to Stockholders, please visit our website at www.octavegroup.com

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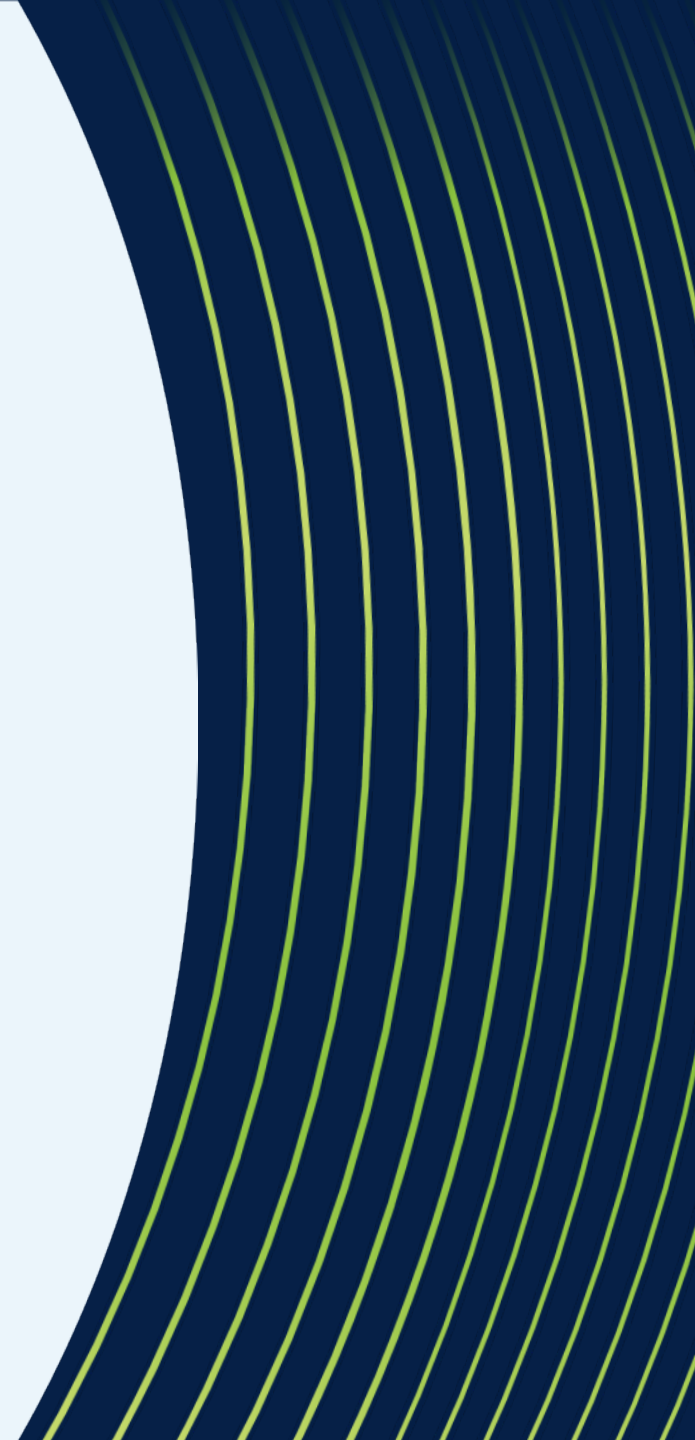
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Notes:

1. Information contained in this report is unaudited.
2. Numbers are in millions and may not add due to rounding.

Consolidated Information



Consolidated Comprehensive Income Data

(in millions, except per share data)	Three Months Ended					Year Ended December 31,		
	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024	2025	2024	2023
Summary GAAP Financial Data:								
Net premiums earned	\$ 18.3	\$ 17.0	\$ 16.2	\$ 15.7	\$ 18.9	\$ 67.2	\$ 99.0	\$ 51.9
Commissions	40.2	36.1	30.3	36.8	38.0	143.4	92.0	51.3
Servicing and other fees	6.1	4.9	4.5	5.0	4.1	20.4	6.4	—
Program fees	3.6	3.6	3.5	3.7	4.0	14.3	13.5	8.4
Investment income	2.6	2.7	2.6	2.8	3.6	10.6	14.4	13.2
Other	(3.9)	2.4	(2.1)	(1.1)	(3.4)	(4.8)	10.5	(0.1)
Losses and loss adjustment expenses (benefit)	11.3	14.4	11.0	10.5	9.8	47.2	72.6	36.7
Commission expense	8.1	11.2	7.4	10.4	13.7	37.0	40.9	29.5
General and administrative	58.8	53.7	40.5	38.5	39.7	191.6	129.2	67.0
Intangible amortization	10.8	9.3	9.7	8.8	8.9	38.0	17.6	4.2
Interest	1.4	6.2	5.6	5.5	5.6	18.6	9.4	—
Pretax income (loss) from continuing operations	(30.9)	(32.1)	(23.0)	(15.1)	(21.1)	(101.0)	(59.8)	(24.2)
Net income (loss) from continuing operations	(29.7)	(30.8)	(20.8)	(14.5)	(20.9)	(95.8)	(58.9)	(23.2)
Net income (loss) from discontinued operations	—	(80.9)	(52.2)	(30.2)	(526.1)	(163.3)	(497.2)	28.2
Net income (loss) attributable to shareholders	(30.0)	(112.6)	(72.7)	(46.4)	(548.3)	(261.7)	(556.4)	3.6
Net income (loss) per diluted share	\$ (0.84)	\$ (2.33)	\$ (1.51)	\$ (1.21)	\$ (11.49)	\$ (5.93)	\$ (11.96)	\$ 0.18
Weighted average number of diluted shares outstanding (in thousands)	45,146	48,121	48,117	47,355	48,129	47,181	46,970	45,637
Non-GAAP Measurements:								
EBITDA ⁽¹⁾	\$ (16.1)	\$ (16.2)	\$ (7.8)	\$ (0.5)	\$ (5.8)	\$ (40.5)	\$ (30.5)	\$ (19.0)
Impact of noncontrolling interest	(3.4)	(3.9)	(2.2)	(5.0)	(4.5)	(14.5)	(6.4)	(2.1)
EBITDA to shareholders	(19.5)	(20.1)	(9.9)	(5.5)	(10.4)	(55.0)	(37.0)	(20.8)
Adjusted EBITDA to Ambac stockholders	1.4	(2.9)	(4.7)	(1.3)	0.5	(7.5)	2.2	(7.7)
Adjusted net income (loss)	1.9	(6.4)	(8.3)	(1.5)	(1.1)	(14.3)	(2.2)	(6.0)
Adjusted net income (loss) to shareholders	(1.1)	(10.0)	(10.6)	(6.0)	(5.7)	(27.7)	(8.6)	(8.1)
Adjusted net income (loss) per diluted share	\$ (0.02)	\$ (0.21)	\$ (0.22)	\$ (0.13)	\$ (0.12)	\$ (0.59)	\$ (0.18)	\$ (0.18)

Consolidated Quarterly Balance Sheet Data

(in millions, except per share data)	December 31, 2025	September 30, 2025	June 30, 2025	March 31, 2025	December 31, 2024	2025	2024	December 31, 2023
Summary GAAP Financial Data:								
Total investments	\$ 293.7	\$ 455.2	\$ 292.2	\$ 291.4	\$ 312.9	\$ 293.7	\$ 312.9	\$ 354.1
Premium receivables	75.1	74.8	71.9	64.6	57.2	75.1	57.2	45.9
Intangible assets	475.0	339.2	353.9	345.1	344.8	475.0	344.8	61.4
Goodwill	540.3	445.4	451.8	429.3	418.2	540.3	418.2	69.7
Unearned premiums	187.2	197.1	191.1	181.4	182.4	187.2	182.4	154.9
Loss and loss expense reserves	460.0	437.5	384.0	373.1	349.1	460.0	349.1	197.1
Short-term debt	—	—	150.0	150.0	150.0	—	150.0	—
Long-term debt	117.6	—	—	—	—	117.6	—	—
Accrued interest payable	1.3	—	2.9	2.7	2.6	1.3	2.6	—
Ambac stockholders' equity	715.8	783.3	797.5	792.2	798.5	715.8	798.5	1,361.7
Number of shares outstanding (net of treasury shares)	45.005	46.701	46.400	46.427	46.507	45.005	46.507	45.195
Octave Specialty Group, Inc. book value per share	\$ 15.90	\$ 16.77	\$ 17.19	\$ 17.06	\$ 17.17	\$ 15.90	\$ 17.17	\$ 30.13

Earnings Measures by Reporting Segment (Fourth Quarter)

Three Months Ended December 31, (\$ in millions)	2025				2024			
	SPC	ID	CORP	CONS	SPC	ID	CORP	CONS
Revenues:								
Commissions		\$ 40.2		\$ 40.2		\$ 38.0		\$ 38.0
Servicing and other fees		6.1		6.1		4.1		4.1
Net premiums earned	\$ 18.3			18.3	\$ 18.9			18.9
Program fees	3.6			3.6	4.0			4.0
Investment income	1.6	0.4	\$ 0.6	2.6	1.9	0.4	\$ 1.3	3.6
Other	(0.4)	(0.3)	(3.2)	(3.9)	—	1.6	(5.0)	(3.4)
Total revenues from continuing operations	23.1	46.5	(2.6)	66.9	24.8	44.1	(3.7)	65.2
Expenses:								
Commissions		8.1		8.1		13.7		13.7
Loss and loss adjustment expenses	11.3			11.3	9.8			9.8
Policy acquisition costs	4.8			4.8	7.8			7.8
Compensation expense	3.4	20.1	7.5	31.0	2.5	14.5	7.1	24.1
Non Compensation expense	2.3	8.0	17.5	27.8	2.0	6.1	7.5	15.6
Intangible amortization and depreciation	—	11.1	2.1	13.3	—	9.2	0.5	9.6
Interest expense	—	1.4		1.4	—	5.6		5.6
Total expenses from continuing operations	21.8	48.8	27.2	97.8	22.3	49.0	15.0	86.3
Segment pretax income (loss)	1.3	(2.3)	(29.8)	(30.9)	2.6	(5.0)	(18.7)	(21.1)
Segment income tax expense (benefit)	0.1	(1.2)	(0.1)	(1.2)	0.7	(0.2)	(0.7)	(0.2)
Segment net income (loss)	1.2	(1.1)	(29.7)	(29.7)	1.8	(4.8)	(18.0)	(20.9)
Segment net (income) loss attributable to NCI	—	(0.3)		(0.3)	—	(1.2)		(1.2)
Net income (loss) attributable to shareholders	\$ 1.2	\$ (1.4)	\$ (29.7)	(30.0)	1.8	(6.0)	(18.0)	(22.2)
Reconciliation to consolidated net income (loss) attributable to shareholders								
Discontinued operations				—				(526.1)
Net income (loss) attributable to shareholders				\$ (30.0)				\$ (548.3)

SPC = Specialty Property & Casualty Insurance, ID = Insurance Distribution, CORP = Corporate & Other and CONS = Consolidated

Earnings Measures by Reporting Segment (YTD 2025)

Year Ended December 31,	2025				2024			
(\$ in millions)	SPC	ID	CORP	CONS	SPC	ID	CORP	CONS
Revenues:								
Commissions		\$ 143.4		\$ 143.4		\$ 92.0		\$ 92.0
Servicing and other fees		20.4		20.4				
Net premiums earned	\$ 67.2			67.2	\$ 99.0			\$ 99.0
Program fees	14.3			14.3	13.5			13.5
Investment income	6.8	1.5	\$ 2.3	10.6	6.4	0.8	\$ 7.3	14.4
Other	—	(1.6)	(3.2)	(4.8)	7.4	0.1	3.0	10.5
Total revenues from continuing operations	88.4	163.7	(0.9)	251.2	126.3	99.2	10.3	235.8
Expenses:								
Commissions		37.0		37.0		40.9		40.9
Loss and loss adjustment expenses	47.2			47.2	72.6			72.6
Policy acquisition costs	15.8			15.8	23.7			23.7
Compensation expense	12.2	63.8	33.8	109.8	10.2	28.4	25.8	64.3
Non Compensation expense	9.8	26.0	45.9	81.8	7.6	10.4	46.9	64.8
Intangible amortization and depreciation		38.7	3.2	42.0		17.6	1.9	19.9
Interest expense		18.6		18.6		9.4		9.4
Total expenses from continuing operations	85.1	184.2	83.0	352.2	114.1	107.0	74.5	295.7
Segment pretax income (loss)	3.3	(20.5)	(83.9)	(101.0)	12.2	(7.8)	(64.3)	(59.8)
Segment income tax expense (benefit)	0.4	(5.1)	(0.5)	(5.2)	1.8	(0.9)	(1.7)	(0.9)
Segment net income (loss)	3.0	(15.4)	(83.4)	(95.8)	10.5	(6.9)	(62.5)	(58.9)
Segment net (income) loss attributable to NCI	—	(2.6)		(2.6)	—	(0.4)	—	(0.4)
Net income (loss) attributable to shareholders	\$ 3.0	\$ (18.0)	\$ (83.4)	(98.4)	10.5	(7.2)	(62.5)	(59.3)
Reconciliation to consolidated net income (loss) attributable to shareholders								
Discontinued operations				(163.3)				(497.2)
Net income (loss) attributable to shareholders				\$ (261.7)				\$ (556.4)

SPC = Specialty Property & Casualty Insurance, ID = Insurance Distribution, CORP = Corporate & Other and CONS = Consolidated

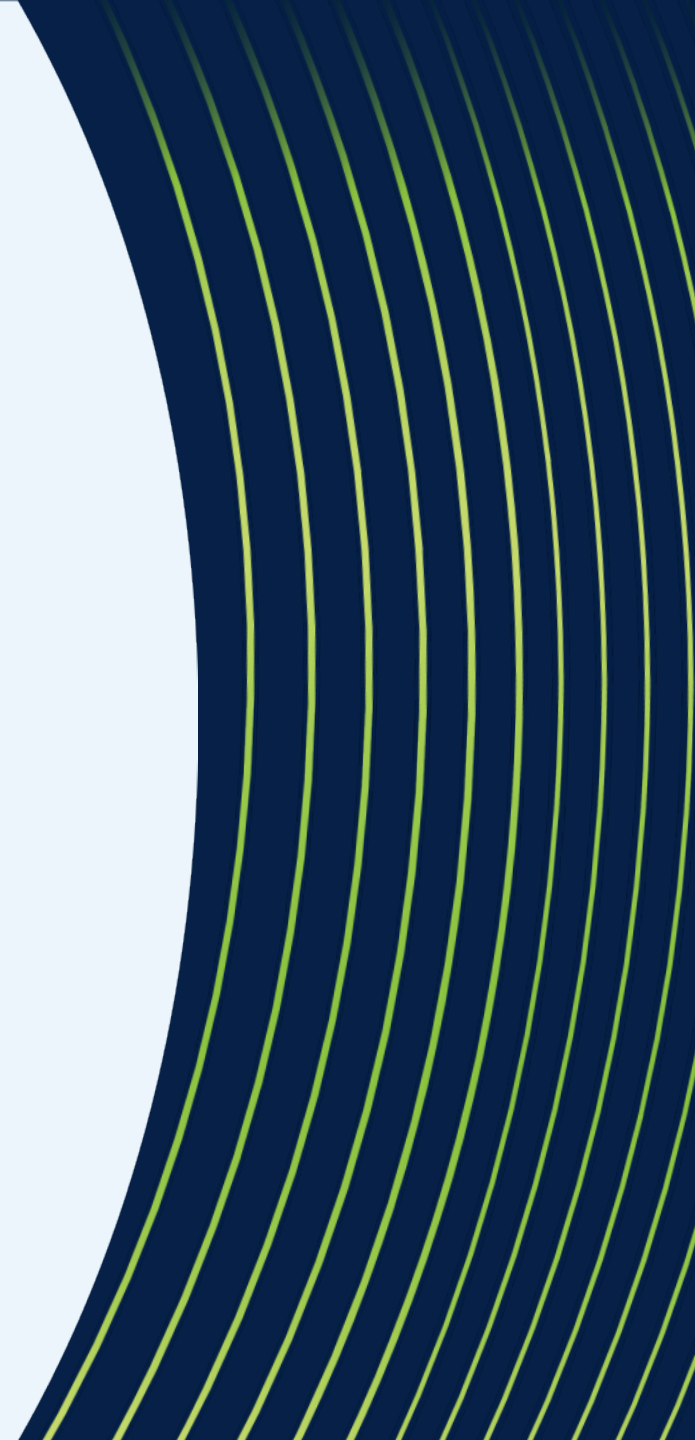
Net Operating Losses

Origination Year	Expiration Year	NOL Net of IRC 163(j)
2009	2030	\$ 819,913
2010	2031	403,028
2011	2032	258,920
2012	2033	1,559
2021	N/A	123,897
2022	N/A	4,553
2023	N/A	3,996
2024	N/A	17,303
2025	N/A	57,673
Total		\$ 1,690,842

Insurance Distribution Information

Octave Partners

Octave Ventures



Insurance Distribution Segment Quarterly Information

(\$ in millions)	4Q2025	3Q2025	2Q2025	1Q2025	4Q2024	Year ended December31,		
						2025	2024	2023
Premiums Placed Total	\$ 223.3	\$ 245.4	\$ 249.9	\$ 233.2	\$ 204.9	\$ 951.8	\$ 493.4	\$ 230.6
Commission income	\$ 40.2	\$ 36.1	\$ 30.3	\$ 36.8	\$ 38.0	\$ 143.4	\$ 92.0	\$ 51.3
Servicing and other fees	6.1	4.9	4.5	5.0	4.1	20.4	6.4	—
Investment income	0.4	0.4	0.3	0.4	0.4	1.5	0.8	0.1
Other	(0.3)	1.9	(2.1)	(1.1)	1.6	(1.6)	0.1	0.2
Total revenues	46.5	43.2	33.0	41.0	44.1	163.7	99.2	51.5
Commission expense	8.1	11.2	7.4	10.4	13.7	37.0	40.9	29.5
General and administrative expenses	28.1	22.2	20.9	18.6	20.6	89.8	38.7	10.6
Total expenses included for EBITDA	36.2	33.4	28.3	28.9	34.2	126.8	79.6	40.1
EBITDA	10.3	9.9	4.7	12.1	9.8	36.9	19.7	11.5
EBITDA margin ⁽¹⁾	22.1 %	22.8 %	14.2 %	29.5 %	22.3 %	22.5 %	19.8 %	22.3 %
Interest expense	1.4	6.2	5.6	5.5	5.6	18.6	9.4	—
Intangible amortization	10.8	9.3	9.3	8.8	8.9	38.1	17.6	4.2
Depreciation	0.3	0.1	—	0.1	0.3	0.6	0.5	—
GAAP Pretax income (loss)	(2.3)	(5.7)	(10.2)	(2.2)	(5.0)	(20.5)	(7.8)	7.3
Pretax income margin ⁽²⁾	(4.9)%	(13.3)%	(30.8)%	(5.5)%	(11.3)%	(12.5)%	(7.9)%	14.2 %
Net income (loss)	\$ (1.1)	\$ (4.5)	\$ (8.0)	\$ (1.7)	\$ (4.8)	\$ (15.4)	\$ (6.9)	\$ 7.1
Net income (loss) to shareholders	\$ (1.4)	\$ (5.4)	\$ (7.7)	\$ (7.7)	\$ (6.0)	\$ (18.0)	\$ (7.2)	\$ 5.8

(1) EBITDA Margin calculated as EBITDA/Total (Segment) Revenue

(2) Pretax Income Margin calculated as GAAP Pretax Income/Total (Segment) Revenue

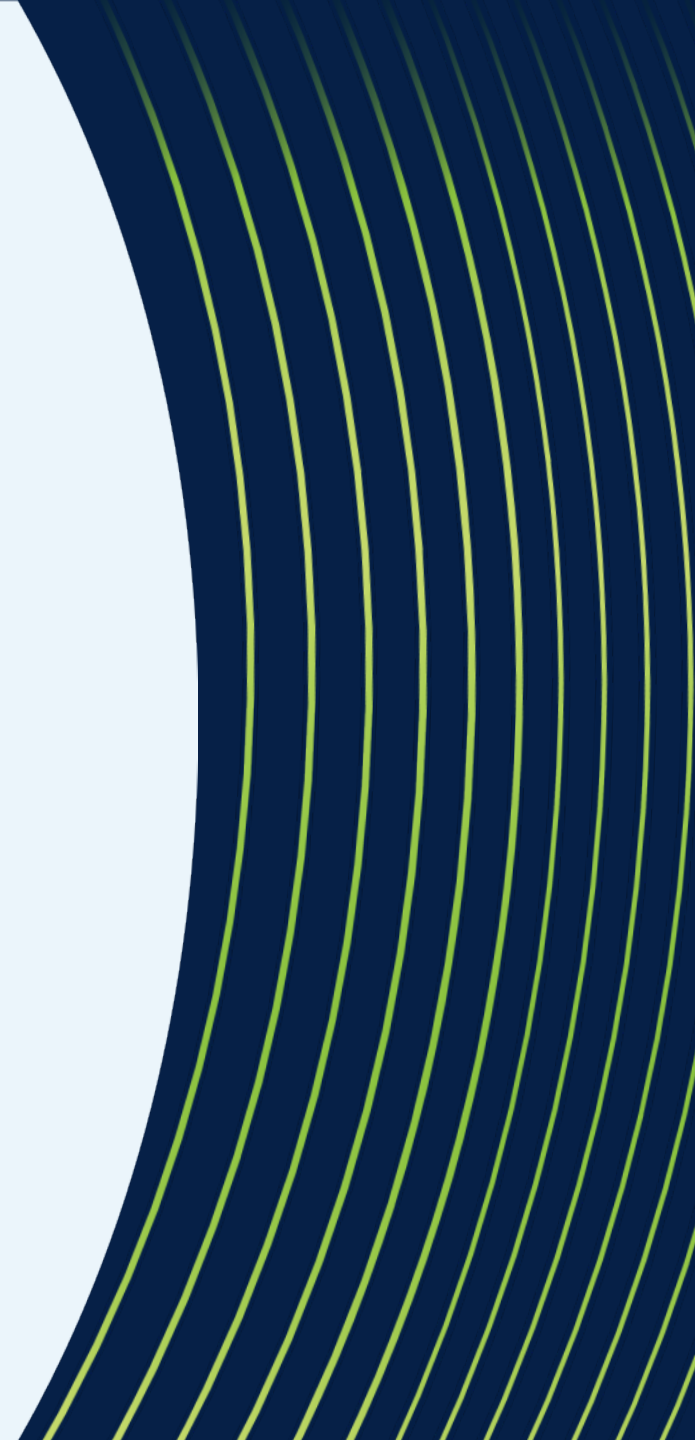
Insurance Distribution Segment Quarterly Information (Continued)

(\$ in millions)	4Q2025	3Q2025	2Q2025	1Q2025	4Q2024	Year ended December31,		
						2025	2024	2023
Net income (loss) (Continuing Operations)	\$ (1.1)	(4.5)	\$ (8.0)	\$ (1.7)	\$ (4.8)	\$ (15.4)	\$ (6.9)	\$ 7.1
Adjustments:.....								
Add: Acquisition and integration related expenses.....	—	—	0.4	—	—	0.4	—	—
Add: Intangible amortization.....	10.8	9.3	9.2	8.8	8.9	38.0	17.6	4.2
Add: Equity-based compensation expense.....	0.2	0.1	0.1	—	—	0.4	—	—
Add: Severance and restructuring expense.....	—	—	—	—	—	0.1	0.2	—
Add: Other non-operating (income) losses.....	—	—	(0.6)	—	—	(0.6)	—	—
Adjusted net income (loss) before tax and NCI	9.9	4.9	1.1	7.1	4.1	22.9	11.0	11.3
Income tax effects.....	(2.1)	(2.1)	(1.9)	—	—	(6.0)	—	—
Adjusted net income (loss) before NCI	7.8	2.8	(0.8)	7.1	4.1	16.9	11.0	11.3
Net (income) loss attributable to noncontrolling interest.....	(3.0)	(3.6)	(2.3)	(4.5)	(4.5)	(13.4)	(6.4)	(2.1)
Adjusted net income (loss) attributable to shareholders	\$ 4.8	\$ (0.8)	\$ (3.1)	\$ 2.6	\$ (0.4)	\$ 3.5	\$ 4.5	\$ 9.2
Net income (loss) margin	(2.4)%	(10.4)%	(24.2)%	(4.2)%	(10.9)%	(9.4)%	(6.9)%	13.8 %
Adjusted net income (loss) margin	16.9 %	6.5 %	(2.4)%	17.2 %	9.3 %	14.0 %	11.1 %	21.9 %
Adjusted net income (loss) attributable to shareholders margin	10.4 %	(1.8)%	(9.4)%	6.2 %	(1.0)%	2.1 %	4.6 %	17.8 %

Insurance Distribution Segment Quarterly Information (Continued)

(\$ in millions)	Year ended December 31,															
	4Q2025		3Q2025		2Q2025		1Q2025		4Q2024		2025		2024		2023	
Net income (loss) (Continuing Operations)	\$	(1.1)	\$	(4.5)	\$	(8.0)	\$	(1.7)	\$	(4.8)	\$	(15.4)	\$	(6.9)	\$	7.1
Adjustments:																
Add: Interest expense		1.4		6.2		5.6		5.5		5.6		18.6		9.4		—
Add: Income tax expense		(1.2)		(1.2)		(2.2)		(0.5)		(0.2)		(5.1)		(0.9)		0.2
Add: Depreciation		0.3		0.1		—		0.1		0.2		0.7		0.5		—
Add: Intangible amortization		10.8		9.3		9.2		8.8		8.9		38.0		17.6		4.2
EBITDA		10.3		9.9		4.6		12.1		9.8		36.9		19.7		11.5
Add: Impact of noncontrolling interests		(3.4)		(3.9)		(2.2)		(5.0)		(4.5)		(14.5)		(6.4)		(2.1)
EBITDA attributable to shareholders		6.9		5.9		2.4		7.1		5.3		22.4		13.2		9.4
Net income margin		(2.4)%		(10.4)%		(24.2)%		(4.2)%		(10.9)%		(9.4)%		(6.9)%		13.8 %
Net income margin attributable to shareholders		(3.1)%		(12.5)%		(23.4)%		(8.3)%		(13.6)%		(11.0)%		(7.3)%		11.3 %
EBITDA margin		22.1 %		22.8 %		13.9 %		29.5 %		22.3 %		22.5 %		19.8 %		22.3 %
EBITDA margin attributable to shareholders		14.9 %		13.7 %		7.3 %		17.2 %		12.0 %		13.7 %		13.3 %		18.2 %
Add: Acquisition and integration related expenses		—		—		375		—		—		0.4		—		—
Add: Equity-based compensation expense		0.2		0.1		0.1		—		—		0.4		—		—
Add: Severance and restructuring expense		—		—		—		—		—		0.1		0.2		—
Add: Other non-operating (income) losses		—		—		(0.6)		—		—		(0.6)		—		—
Adjusted EBITDA		10.5		10.0		4.5		12.1		9.8		37.0		19.9		11.5
NCI impact		(3.5)		(4.0)		(2.1)		(5.0)		(4.5)		(14.5)		(6.4)		—
Adjusted EBITDA attributable to shareholders	\$	7.0	\$	6.0	\$	2.4	\$	7.1	\$	5.3	\$	22.5	\$	13.4	\$	9.4
Adjusted EBITDA Margin		22.6 %		23.0 %		13.6 %		29.6 %		22.3 %		22.6 %		20.0 %		22.3 %
Adjusted EBITDA Margin to shareholders		15.1 %		13.8 %		7.4 %		17.3 %		12.0 %		13.8 %		13.5 %		18.2 %

***Specialty Property &
Casualty Insurance
Information***



Specialty Property & Casualty Insurance Segment Quarterly Information

(\$ in millions)	4Q2025	3Q2025	2Q2025	1Q2025	4Q2024	Year ended December 31,		
						2025	2024	2023
Gross written premiums by line of business:								
Commercial auto liability.....	\$ (2.3)	\$ 18.5	\$ 31.3	\$ 16.9	\$ 9.9	\$ 64.4	\$ 78.2	\$ 121.9
Commercial auto physical damage.....	0.1	—	0.1	0.7	0.4	0.9	1.5	12.1
General liability.....	8.6	5.9	5.7	9.9	22.8	30.2	77.8	27.1
Excess liability.....	26.6	30.6	31.3	35.2	25.3	123.7	95.8	40.5
Workers Compensation.....	7.4	6.7	6.4	7.6	7.2	28.1	28.3	19.5
Non-standard auto.....	—	—	—	—	(18.8)	—	20.2	20.1
Surety.....	9.6	12.6	4.9	2.8	2.0	29.9	34.8	26.3
Professional Lines.....	9.7	10.0	6.0	10.3	10.1	35.9	41.5	3.1
Multi-Peril / Business Owners (BOP).....	17.4	11.5	9.8	2.6	0.8	41.3	1.7	—
Other.....	3.2	1.2	0.8	0.9	0.4	6.1	3.0	2.6
Gross written premiums	\$ 80.1	\$ 97.2	\$ 96.2	\$ 86.9	\$ 60.0	\$ 360.4	\$ 382.8	\$ 273.3
Net written premiums by line of business								
Commercial auto liability.....	\$ 0.5	\$ 1.2	\$ 0.3	\$ 2.6	\$ 0.5	\$ 4.5	\$ 5.9	\$ 24.6
Commercial auto physical damage.....	0.1	—	—	0.3	0.1	0.5	0.4	2.5
General liability.....	2.6	1.7	1.5	1.7	4.1	7.5	14.8	6.8
Excess liability.....	3.6	4.2	4.3	5.5	3.1	17.5	14.6	6.0
Workers Compensation.....	7.4	6.7	6.4	7.6	7.2	28.1	28.3	19.5
Non-standard auto.....	—	—	—	—	(18.8)	—	20.2	20.1
Surety.....	1.7	—	—	—	—	1.7	—	—
Professional Lines.....	0.7	0.8	0.8	(0.7)	1.0	1.6	4.2	0.3
Multi-Peril / Business Owners (BOP).....	5.1	2.5	1.7	0.5	0.2	9.8	0.3	—
Other.....	1.3	0.8	0.3	0.5	—	2.8	—	—
Net written premiums	\$ 22.9	\$ 17.8	\$ 15.2	\$ 18.0	\$ (2.6)	\$ 73.9	\$ 88.7	\$ 79.8

Specialty Property & Casualty Insurance Segment Quarterly Information (Continued)

(\$ in millions)	4Q2025	3Q2025	2Q2025	1Q2025	4Q2024	Year ended December 31,		
						2025	2024	2023
Net premiums earned.....	\$ 18.3	\$ 17.0	\$ 16.2	\$ 15.7	\$ 18.9	\$ 67.2	\$ 99.0	\$ 51.9
Net investment income.....	1.6	1.6	1.7	1.8	1.9	6.8	6.4	3.8
Program fees.....	3.6	3.6	3.5	3.7	4.0	14.3	13.5	8.4
Total revenues	23.1	22.8	21.4	21.2	24.8	88.4	126.3	64.1
Expenses:								
Loss and loss adjustment expenses.....	11.3	14.4	11.0	10.5	9.8	47.2	72.6	36.7
Amortization of deferred acquisition costs, net.....	4.8	3.5	3.7	3.8	7.8	15.8	23.7	10.6
General and administrative expenses.....	5.7	4.9	6.1	5.3	4.6	22.1	17.8	16.5
Total expenses	21.8	22.8	20.8	19.7	22.3	85.1	114.1	63.7
Pretax income (loss)	1.3	—	0.6	1.5	2.6	3.3	12.2	0.4
Net Income (loss)	\$ 1.2	\$ (0.1)	\$ 0.4	\$ 1.4	\$ 1.8	\$ 3.0	\$ 10.5	\$ 0.3
EBITDA & Adjusted EBITDA	\$ 1.3	\$ —	\$ 0.6	\$ 1.5	\$ 2.6	\$ 3.3	\$ 12.2	\$ 0.4

Specialty Property & Casualty Insurance Segment Quarterly Information (Continued)

(\$ in millions)	4Q2025	3Q2025	2Q2025	1Q2025	4Q2024	Year ended December 31,		
						2025	2024	2023
NWP / GWP	28.6 %	18.3 %	15.8 %	20.7 %	(4.3)%	20.5 %	23.2 %	29.2 %
AY loss ratio	58.2 %	61.3 %	66.8 %	65.9 %	43.3 %	62.8 %	68.6 %	70.4 %
Prior accident years development	3.6 %	23.2 %	1.0 %	1.1 %	8.6 %	7.4 %	4.7 %	0.3 %
Loss ratio	61.8 %	84.5 %	67.8 %	66.9 %	51.9 %	70.2 %	73.4 %	70.7 %
Net acquisition cost	24.9 %	27.4 %	25.4 %	24.5 %	26.5 %	25.6 %	24.7 %	23.5 %
Expense ratio slide commission percentage	1.1 %	(6.9)%	(2.6)%	— %	14.9 %	(2.1)%	(0.8)%	(3.2)%
G&A expense ratio	11.7 %	7.9 %	16.0 %	10.7 %	3.1 %	11.6 %	4.3 %	15.4 %
Expense ratio ⁽¹⁾	37.6 %	28.4 %	38.9 %	35.2 %	44.6 %	35.1 %	28.2 %	35.8 %
Combined ratio	99.4 %	112.9 %	106.7 %	102.1 %	96.5 %	105.3 %	101.6 %	106.5 %
Ambac stockholders' equity ⁽²⁾	\$ 140.3	\$ 139.6	\$ 140.9	\$ 137.2	\$ 133.3	\$ 140.3	\$ 133.3	\$ 121.7
Number of programs	25	25	24	26	27	25	27	23
Statutory net income (loss)	\$ 1.1	\$ 0.1	\$ 0.6	\$ 0.5	\$ 6.7	\$ 2.3	\$ 13.5	\$ (7.1)
Statutory surplus	\$ 128.0	\$ 126.5	\$ 126.5	\$ 125.7	\$ 125.2	\$ 128.0	\$ 125.2	\$ 108.1

(1) Expense Ratio is defined as acquisition costs and general and administrative expenses, reduced by program fees, divided by net premiums earned

(2) Represents Ambac's stockholders equity in the Specialty Property and Casualty Insurance segment, including intercompany eliminations

Non-GAAP Financial Measures

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.

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

EBITDA Margin — EBITDA divided by total revenues.

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..

Organic Revenue Growth Rate to Total revenue growth rate, the most directly comparable GAAP measure, for each of the periods indicated is as follows (in percentages):

Adjusted Net Income and Adjusted Net Income Margin — We define Adjusted net income as net income (loss) from continuing operations attributable to Octave 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.

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.

Thank You

