



Ambac

Quarterly Operating Supplement

Second Quarter 2025

Ambac Financial Group
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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.

Company Information

Corporate headquarters are located at:

Ambac Financial Group, Inc.
One World Trade Center, 41st Floor
New York, New York 10007
www.ambac.com

Investor Relations Contact:

Charles J. Sebaski
(212) 208-3222

To obtain a copy of Ambac Financial 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.ambac.com.

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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.

Ambac

**Consolidated
Information**



Consolidated Comprehensive Income Data

(in millions, except per share data)	Three Months Ended					Year Ended		
	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024	December 31, 2024	December 31, 2023	December 31, 2022
Summary GAAP Financial Data:								
Net premiums earned	\$ 16.2	\$ 15.7	\$ 18.9	\$ 27.4	\$ 27.1	\$ 99.0	\$ 51.9	\$ 13.9
Commissions	30.3	36.8	38.0	23.1	13.2	92.0	51.3	30.7
Servicing and other fees	4.5	5.0	4.1	2.3	—	6.4	—	—
Program fees	3.5	3.7	4.0	3.6	3.3	13.5	8.4	3.1
Investment income	2.6	2.8	3.6	3.5	3.8	14.4	13.2	4.5
Other	(2.1)	(1.1)	(3.4)	10.1	3.7	10.5	(0.1)	1.5
Losses and loss adjustment expenses (benefit)	11.0	10.5	9.8	20.4	23.0	72.6	36.7	9.1
Commissions	7.4	10.4	13.7	9.5	7.9	40.9	29.5	17.6
General and administrative	40.5	38.5	39.7	44.0	27.9	129.2	67.0	56.3
Intangible amortization	9.2	8.8	8.9	6.4	1.1	17.6	4.2	2.9
Interest	5.6	5.5	5.6	3.7	—	9.4	—	—
Pretax income (loss) from continuing operations	(23.0)	(15.1)	(21.1)	(20.8)	(14.7)	(59.8)	(24.2)	(35.7)
Net income (loss) from continuing operations	(20.8)	(14.5)	(20.9)	(19.9)	(14.7)	(58.9)	(23.2)	(35.2)
Net income (loss) from discontinued operations	(52.2)	(30.2)	(526.1)	(9.4)	14.2	(497.2)	28.2	557.4
Net income (loss) attributable to shareholders	(72.7)	(46.4)	(548.3)	(27.5)	(0.8)	(556.4)	3.6	522.4
Net income (loss) per diluted share	\$ (1.54)	\$ (1.22)	\$ (10.23)	\$ (0.63)	\$ (0.02)	\$ (10.71)	\$ 0.18	\$ 11.31
Weighted average number of diluted shares outstanding (in thousands)	48.117	47.313	48.129	47.689	46.209	46.970	45.637	45.720
Non-GAAP Measurements:								
EBITDA ⁽¹⁾	\$ (7.7)	\$ (0.5)	\$ (5.9)	\$ (9.9)	\$ (13.1)	\$ (30.5)	\$ (19.0)	\$ (31.9)
Impact of noncontrolling interest	(2.2)	(5.0)	(4.5)	(0.6)	(0.4)	(6.4)	(2.1)	(1.5)
EBITDA to shareholders	(9.8)	(5.5)	(10.4)	(10.5)	(13.6)	(37.0)	(20.8)	(33.4)
Adjusted EBITDA to Ambac stockholders	(4.6)	(1.3)	0.5	1.9	(0.6)	2.2	(7.7)	(22.0)
Adjusted net income (loss)	(8.2)	(1.5)	(1.1)	(1.1)	(0.6)	(2.3)	(6.0)	(21.0)
Adjusted net income (loss) to shareholders	(10.6)	(6.0)	(5.7)	(1.7)	(1.1)	(8.7)	(8.1)	(22.4)
Adjusted net income (loss) per diluted share	\$ (0.22)	\$ (0.13)	\$ (0.12)	\$ (0.03)	\$ (0.02)	\$ (0.19)	\$ (0.18)	\$ (0.49)

Consolidated Quarterly Balance Sheet Data

(in millions, except per share data)	June 30, 2025	March 31, 2025	December 31, 2024	September 30, 2024	June 30, 2024	December 31,		
						2024	2023	2022
Summary GAAP Financial Data:								
Total investments	\$ 292.2	\$ 291.4	\$ 312.9	\$ 334.3	\$ 377.8	\$ 312.9	\$ 354.1	\$ 334.4
Premium receivables	71.9	64.6	57.2	114.3	85.0	57.2	45.9	15.7
Intangible assets	353.9	345.1	344.8	373.7	59.1	344.8	61.4	60.7
Goodwill	451.8	429.3	418.2	433.7	69.7	418.2	69.7	60.9
Unearned premiums	191.1	181.4	182.4	216.0	197.7	182.4	154.9	85.4
Loss and loss expense reserves	384.0	373.1	349.1	323.2	286.0	349.1	197.1	89.9
Short-term debt	150.0	150.0	150.0	148.2	—	150.0	—	—
Accrued interest payable	2.9	2.7	2.6	2.6	—	2.6	—	—
Ambac stockholders' equity	859.8	852.2	856.9	1,465.3	1,368.1	856.9	1,361.7	1,252.3
Number of shares outstanding (net of treasury shares)	46.400	46.427	46.507	47.443	45.225	46.507	45.195	44.974
Ambac Financial Group, Inc. book value per share	\$ 18.53	\$ 18.36	\$ 18.43	\$ 30.89	\$ 30.25	\$ 18.43	\$ 30.13	\$ 27.85

Earnings Measures by Reporting Segment (Second Quarter)

Three Months Ended June 30, (\$ in millions)	2025				2024				
	SPC	ID	CORP	CONS	SPC	ID	CORP	CONS	
Revenues:									
Commissions	\$	30.3		\$	30.3	\$	13.2	\$	13.2
Servicing and other fees		4.5			4.5		—		—
Net premiums earned	\$	16.2			16.2	\$	27.1		27.1
Program fees		3.5			3.5		3.3		3.3
Investment income		1.7	\$	0.5	2.6		1.5	\$	2.2
Other		(0.1)		(2.1)	—		—		3.7
Total revenues from Continuing Operations		21.4		33.0	0.5		55.0		31.8
Expenses:									
Commissions				7.4			7.4		7.9
Loss and loss adjustment expenses		11.0			11.0		23.0		23.0
Policy acquisition costs		3.7			3.7		5.4		5.4
Compensation expense		2.6		14.5	5.7		22.8		3.1
Non Compensation expense		3.5		6.5	7.8		17.8		1.4
Intangible amortization and depreciation		—		9.3	0.4		9.7		—
Interest		—		5.6			5.6		—
Total expenses from Continuing Operations		20.8		43.2	13.9		77.9		32.9
Segment pretax income (loss)		0.6		(10.2)	(13.4)		(23.0)		(1.1)
Segment income tax expense (benefit)		0.2		(2.2)	(0.2)		(2.2)		—
Segment net income (loss)		0.4		(8.0)	(13.2)		(20.8)		(1.1)
Segment net (income) loss attributable to NCI		—		0.3			0.3		(0.2)
Net income (loss) attributable to Ambac shareholders	\$	0.4	\$	(7.7)	\$	(13.2)	(20.5)	\$	(1.1)
Reconciliation to consolidated net income (loss) attributable to Ambac stockholders									
Discontinued operations							(52.2)		14.2
Net income (loss) attributable to Ambac shareholders						\$	(72.7)		\$
									(0.8)

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

Earnings Measures by Reporting Segment (Six Months Ended 6/30)

Six Months Ended June 30	2025				2024						
(\$ in millions)	SPC	ID	CORP	CONS	SPC	ID	CORP	CONS			
Revenues:											
Commissions	\$	67.1		\$	67.1	\$	31.0	\$	31.0		
Servicing and other fees		9.4		9.4							
Net premiums earned	\$	31.9		31.9	\$	52.6		\$	52.6		
Program fees		7.1		7.1		5.9		5.9			
Investment income		3.6	0.7	\$	1.1	2.9	0.1	\$	4.4		
Other		(0.1)	(3.2)		(3.3)		0.1		3.6		
Total revenues from Continuing Operations		42.6	74.0	1.1	117.7	61.4	31.2	8.0	100.6		
Expenses:											
Commissions			17.8	17.8		17.7		17.7			
Loss and loss adjustment expenses		21.5		21.5	42.4			42.4			
Policy acquisition costs		7.5		7.5	9.8			9.8			
Compensation expense		6.1	28.0	11.6	45.7	4.9	4.6	12.2	21.6		
Non Compensation expense		5.3	11.5	16.6	33.4	3.6	1.3	18.9	23.8		
Intangible amortization and depreciation			18.2	0.7	18.9		2.3	0.9	3.2		
Interest			11.0	11.0							
Total expenses from Continuing Operations		40.4	86.5	28.9	155.8	60.6	25.9	32.0	118.6		
Segment pretax income (loss)		2.1	(12.4)	(27.8)	(38.1)	0.7	5.3	(24.0)	(18.0)		
Segment income tax expense (benefit)		0.3	(2.7)	(0.4)	(2.8)	0.1	0.1	(0.1)	0.1		
Segment net income (loss)		1.9	(9.7)	(27.4)	(35.3)	0.6	5.1	(23.9)	(18.1)		
Segment net (income) loss attributable to NCI			(1.4)		(1.4)		(0.9)		(0.9)		
Net income (loss) attributable to Ambac shareholders	\$	1.9	\$	(11.1)	\$	(27.4)	(36.7)	0.6	4.2	(23.9)	(19.0)
Reconciliation to consolidated net income (loss) attributable to Ambac stockholders											
Discontinued operations				(82.4)				38.3			
Net income (loss) attributable to Ambac shareholders					\$	(119.1)		\$	19.3		

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

Net Operating Losses — Continued & Discontinued Operations

(in millions)								
Ambac Financial Group, Inc. - Consolidated			Continued Operations			Discontinued Operations		
Origination Year	Expiration Year	NOL Net of IRC 163(j)	Origination Year	Expiration Year	NOL Net of IRC 163(j)	Origination Year	Expiration Year	NOL Net of IRC 163(j)
2009	2030	\$ 374	2009	2030	\$ 346	2009	2030	\$ 28
2010	2031	1,467	2010	2031	752	2010	2031	715
2011	2032	1,037	2011	2032	395	2011	2032	642
2012	2033	226	2012	2033	24	2012	2033	202
2020	2041	276	2020	2041	—	2020	2041	276
2021	2042	124	2021	N/A	124	2021	2042	—
2024	2045	67	2024	N/A	14	2024	2045	53
2025	2046	23	2025	N/A	23	2025	2046	—
Total NOL Carryforwards		3,593			1,677			1,916
IRS 163(j) Interest Expense Limitation ⁽¹⁾		104			—			104
Total NOL & Interest Expense Limitation		<u>\$ 3,697</u>			<u>\$ 1,677</u>			<u>\$ 2,020</u>

(1) NOLs related to the Interest Expense Limitation of IRC Section 163(j) have an indefinite carryforward period and are available to offset future taxable income, subject to certain provisions.

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**Specialty Property &
Casualty Insurance
Information**



Specialty Property & Casualty Insurance Segment Quarterly Information

(\$ in millions)	2Q2025	1Q2025	4Q2024	3Q2024	2Q2024	Year ended December 31,		
						2024	2023	2022
Gross written premiums by line of business:								
Commercial auto liability.....	\$ 31.3	\$ 16.9	\$ 9.9	\$ 12.3	\$ 25.6	\$ 78.2	\$ 121.9	\$ 117.2
Commercial auto physical damage.....	0.1	0.7	0.4	0.4	0.7	1.5	12.1	12.6
General liability.....	5.7	9.9	22.8	20.2	23.0	77.8	27.1	6.0
Excess liability.....	31.3	35.4	25.3	31.4	22.5	95.8	40.5	4.8
Workers Compensation.....	6.4	7.6	7.2	6.3	8.4	28.3	19.5	—
Non-standard auto.....	—	—	(18.8)	16.0	12.1	20.2	20.1	—
Surety.....	4.9	2.8	2.0	18.1	7.0	34.8	26.3	4.4
Professional Lines.....	9.8	10.0	10.1	8.1	10.8	41.5	3.1	—
Other.....	6.8	3.5	1.2	2.1	1.0	4.7	2.6	1.3
Gross written premiums	\$ 96.2	\$ 86.9	\$ 60.0	\$ 115.2	\$ 111.2	\$ 382.8	\$ 273.3	\$ 146.4
Net written premiums by line of business								
Commercial auto liability.....	\$ 0.3	\$ 2.6	\$ 0.5	\$ 0.5	\$ 2.7	\$ 5.9	\$ 24.6	\$ 23.9
Commercial auto physical damage.....	—	0.3	0.1	0.1	0.2	0.4	2.5	2.6
General liability.....	1.5	1.7	4.1	3.7	4.1	14.8	6.8	1.5
Excess liability.....	4.3	5.5	3.1	5.1	3.8	14.6	6.0	0.5
Workers Compensation.....	6.4	7.6	7.2	6.3	8.4	28.3	19.5	—
Non-standard auto.....	—	—	(18.8)	16.0	12.0	20.2	20.1	—
Professional Lines.....	0.8	(0.7)	1.0	0.8	1.1	4.2	0.3	—
Other.....	2.0	1.0	0.2	0.1	—	0.3	—	—
Net written premiums	\$ 15.2	\$ 18.0	\$ (2.6)	\$ 32.8	\$ 32.3	\$ 88.7	\$ 79.8	\$ 28.6

Specialty Property & Casualty Insurance Segment Quarterly Information (Continued)

(\$ in millions)	2Q2025	1Q2025	4Q2024	3Q2024	2Q2024	Year ended December 31,		
						2024	2023	2022
Net premiums earned	\$ 16.2	\$ 15.7	\$ 18.9	\$ 27.4	\$ 27.1	\$ 99.0	\$ 51.9	\$ 13.9
Net investment income	1.7	1.8	1.9	1.7	1.5	6.4	3.8	1.6
Program fees	3.5	3.7	4.0	3.6	3.3	13.5	8.4	3.1
Total revenues	21.4	21.2	24.8	40.1	31.8	126.3	64.1	18.5
Expenses:								
Loss and loss adjustment expenses	11.0	10.5	9.8	20.4	23.0	72.6	36.7	9.1
Amortization of deferred acquisition costs, net	3.7	3.8	7.8	6.0	5.4	23.7	10.6	2.5
General and administrative expenses	6.1	5.3	4.6	4.8	4.5	17.8	16.5	13.2
Total expenses	20.8	19.7	22.3	31.2	32.9	114.1	63.7	24.8
Pretax income (loss)	0.6	1.5	2.6	8.9	(1.1)	12.2	0.4	(6.3)
Net Income (loss)	\$ 0.4	\$ 1.4	\$ 1.8	\$ 8.0	\$ (1.1)	\$ 10.5	\$ 0.3	\$ (6.3)
EBITDA & Adjusted EBITDA	\$ 0.6	\$ 1.5	\$ 2.6	\$ 8.9	\$ (1.1)	\$ 12.2	\$ 0.4	\$ (6.3)

Specialty Property & Casualty Insurance Segment Quarterly Information (Continued)

(\$ in millions)	2Q2025	1Q2025	4Q2024	3Q2024	2Q2024	Year ended December 31,		
						2024	2023	2022
NWP / GWP	15.8 %	20.7 %	(4.3)%	28.4 %	29.0 %	23.2 %	29.2 %	19.5 %
AY loss ratio	66.8 %	65.9 %	43.3 %	74.2 %	78.2 %	68.6 %	70.4 %	65.2 %
Prior accident years development	1.0 %	1.1 %	8.6 %	0.2 %	6.9 %	4.7 %	0.3 %	0.2 %
Loss ratio	67.8 %	66.9 %	51.9 %	74.4 %	85.1 %	73.4 %	70.7 %	65.4 %
Net acquisition cost	25.4 %	24.5 %	26.5 %	23.8 %	22.1 %	24.7 %	23.5 %	19.6 %
Expense ratio slide commission percentage	(2.6)%	— %	14.9 %	(1.9)%	(5.6)%	(0.8)%	(3.2)%	(1.3)%
G&A expense ratio	16.0 %	10.7 %	3.1 %	4.2 %	4.3 %	4.3 %	15.4 %	72.8 %
Expense ratio ⁽¹⁾	38.9 %	35.2 %	44.6 %	26.1 %	24.3 %	28.2 %	35.8 %	91.1 %
Combined ratio	106.7 %	102.1 %	96.5 %	100.5 %	109.4 %	101.6 %	106.5 %	156.5 %
Program fees written	\$ 3.9	\$ 3.3	\$ 3.5	\$ 4.2	\$ 4.2	\$ 15.4	\$ 10.5	\$ 6.2
Program fees deferred	7.5	7.1	7.4	7.9	7.3	7.4	5.6	3.5
Ambac stockholders' equity ⁽²⁾	\$ 140.9	\$ 137.2	\$ 133.3	\$ 133.9	\$ 121.8	\$ 133.3	\$ 121.7	\$ 110.4
Number of programs	24	26	27	24	23	27	23	14
Statutory net income (loss)	\$ 0.6	\$ 0.5	\$ 6.7	\$ 7.6	\$ (1.9)	\$ 13.5	\$ (7.1)	\$ (8.0)
Statutory surplus	\$ 126.5	\$ 125.7	\$ 125.2	\$ 116.8	\$ 106.0	\$ 125.2	\$ 108.1	\$ 107.5

(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

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**Insurance Distribution
Information**



Insurance Distribution Segment Quarterly Information

(\$ in millions)	2Q2025	1Q2025	4Q2024	3Q2024	2Q2024	Year ended December 31,		
						2024	2023	2022
Gross premiums placed by line of business:								
A&H	\$ 27.3	\$ 45.8	\$ 24.8	\$ 24.4	\$ 26.8	\$ 125.9	\$ 130.6	\$ 120.4
Specialty Auto	24.0	23.0	12.3	45.3	13.7	93.0	62.4	10.6
Other professional	34.0	22.0	32.7	15.5	7.8	64.8	12.5	—
Niche Specialty Risks	40.9	32.7	33.9	22.3	—	56.2	—	—
Property	82.1	47.8	43.9	21.0	—	65.0	—	—
Marine & Energy	13.7	16.4	10.8	3.6	2.8	24.9	19.4	0.8
Professional D&O	0.8	0.1	0.4	—	—	0.4	—	—
Reinsurance	13.4	17.9	7.9	2.1	—	10.0	—	—
Misc. Specialty	13.7	24.9	38.1	10.7	2.3	53.1	5.7	3.6
Total	\$ 249.9	\$ 230.6	\$ 204.9	\$ 144.9	\$ 53.4	\$ 493.4	\$ 230.6	\$ 135.5
Commission income	\$ 30.3	\$ 36.8	\$ 38.0	\$ 23.1	\$ 13.2	\$ 92.0	\$ 51.3	\$ 30.7
Servicing and other fees	4.5	5.0	4.1	2.3	—	6.4	—	—
Investment income	0.3	0.4	0.4	0.3	0.1	0.8	0.1	—
Other	(2.1)	(1.1)	1.6	(1.6)	—	0.1	0.2	0.7
Total revenues	33.0	41.0	44.1	24.0	13.3	99.2	51.5	31.4
Commission expense	7.4	10.4	13.7	9.5	7.9	40.9	29.5	17.6
General and administrative expenses	20.9	18.6	20.6	12.1	3.0	38.7	10.6	6.3
Total expenses included for EBITDA	28.3	28.9	34.2	21.6	10.9	79.6	40.1	23.9
EBITDA	4.7	12.1	9.8	2.4	2.4	19.7	11.9	7.5
EBITDA margin ⁽¹⁾	14.2 %	29.5 %	22.3 %	10.2 %	18.1 %	19.8 %	23.1 %	23.8 %
Interest expense	5.6	5.5	5.6	3.7	—	9.4	—	—
Intangible amortization	9.3	8.8	8.9	6.4	1.1	17.6	4.2	2.9
Depreciation	—	0.1	0.3	0.2	—	0.5	—	—
GAAP Pretax income (loss)	(10.2)	(2.2)	(5.0)	(7.9)	1.3	(7.8)	7.3	4.5
Pretax income margin ⁽²⁾	(30.8)%	(5.5)%	(11.3)%	(33.1)%	9.5 %	(7.9)%	14.2 %	14.4 %
Net income (loss)	\$ (8.0)	\$ (1.7)	\$ (4.8)	\$ (7.1)	\$ 1.3	\$ (6.9)	\$ 7.3	\$ 4.5

(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)						Year ended December31,		
	2Q2025	1Q2025	4Q2024	3Q2024	2Q2024	2024	2023	2022
Net income (loss) (Continuing Operations)	\$ (8.0)	(1.7)	\$ (4.8)	\$ (7.1)	\$ 1.2	\$ (6.8)	\$ 7.1	\$ 4.5
Adjustments:								
Add: Intangible amortization	9.3	8.8	8.9	6.4	1.1	17.6	4.2	2.9
Add: Severance and restructuring expense	—	—	—	0.2	—	0.2	—	—
Adjusted net income (loss) before tax and NCI	1.2	7.0	4.1	(0.4)	2.4	11.0	11.3	7.4
Income tax effects	(1.9)	—	—	—	—	—	—	—
Adjusted net income (loss) before NCI	(0.7)	7.0	4.1	(0.4)	2.4	11.0	11.3	7.4
Net (income) loss attributable to noncontrolling interest	(2.3)	(4.5)	(4.5)	(0.6)	(0.4)	(6.4)	(2.1)	(1.5)
Adjusted net income (loss) attributable to shareholders	\$ (3.0)	\$ 2.5	\$ (0.4)	\$ (1.0)	\$ 2.0	\$ 4.6	\$ 9.2	\$ 6.0
Net income (loss) margin	(24.0)%	(4.3)%	(10.9)%	(29.4)%	9.4 %	(6.9)%	13.8 %	14.4 %
Adjusted net income (loss) margin	(2.1)%	17.2 %	9.3 %	(1.6)%	17.9 %	11.1 %	21.9 %	23.7 %
ANI (L) attributable to shareholders margin	(9.0)%	6.2 %	(1.0)%	(4.0)%	14.7 %	4.6 %	17.8 %	19.0 %

Insurance Distribution Segment Quarterly Information (Continued)

(\$ in millions)	2Q2025	1Q2025	4Q2024	3Q2024	2Q2024	Year ended December 31,		
						2024	2023	2022
Net income (loss) (Continuing Operations)	\$ (8.0)	\$ (1.7)	\$ (4.8)	\$ (7.1)	\$ 1.2	\$ (6.7)	\$ 7.1	\$ 4.5
Adjustments:								
Add: Interest expense	5.6	5.5	5.6	3.7	—	9.4	—	—
Add: Income tax expense	(2.2)	(0.5)	(0.2)	(0.9)	—	(0.9)	0.2	—
Add: Depreciation	—	0.1	0.3	0.2	—	0.5	—	—
Add: Intangible amortization	9.3	8.8	8.9	6.4	1.1	17.6	4.2	2.9
EBITDA	4.7	12.1	9.8	2.4	2.4	19.8	11.5	7.5
Add: Impact of noncontrolling interests	(2.2)	(5.0)	(4.5)	(0.6)	(0.4)	(6.4)	(2.1)	(1.5)
EBITDA to shareholders	2.5	7.1	5.3	1.9	2.0	13.3	9.4	6.0
Net income margin	(24.2)%	(4.3)%	(10.9)%	(29.4)%	9.4 %	(6.8)%	13.8 %	14.4 %
Net income margin to Ambac shareholders	(23.4)%	(8.3)%	(13.6)%	(22.1)%	7.8 %	(7.2)%	11.3 %	11.6 %
EBITDA margin	14.2 %	29.5 %	22.3 %	10.1 %	18.1 %	19.9 %	22.3 %	23.8 %
EBITDA margin to Ambac shareholders	7.6 %	17.2 %	12.0 %	7.8 %	14.8 %	13.4 %	18.2 %	19.1 %
Add: Acquisition and integration related expenses	375	—	—	—	—	—	—	—
Add: Equity-based compensation expense	67	—	—	—	—	—	—	—
Add: Severance and restructuring expense	—	—	—	0.2	—	0.2	—	—
Add: Other non-operating (income) losses	(0.6)	—	—	—	—	—	—	—
Adjusted EBITDA	\$ 4.6	\$ 12.1	\$ 9.8	\$ 2.7	\$ 2.4	\$ 20.0	\$ 11.5	\$ 7.5
Adjusted EBITDA attributable to Ambac shareholders	\$ 2.5	\$ 7.1	\$ 5.3	\$ 2.1	\$ 2.0	\$ 13.6	\$ 9.4	\$ 6.0
Adjusted EBITDA Margin	13.9 %	29.5 %	22.3 %	11.2 %	18.1 %	20.2 %	22.3 %	23.8 %
Adjusted EBITDA Margin to Ambac shareholders	7.6 %	17.3 %	12.0 %	8.9 %	14.8 %	13.7 %	18.2 %	19.1 %

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 above.

EBITDA — EBITDA is net income (loss) before interest expense, income taxes, depreciation and amortization

EBITDA Margin — EBITDA divided by total revenues.

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.

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.