UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): October 9, 2026

The Baldwin Insurance Group, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**001-39095**	**61-1937225**
(State or other jurisdiction of incorporation or organization)	**(Commission File No.)**	**(I.R.S. Employer Identification No.)**

4211 W. Boy Scout Blvd., Suite 800, Tampa, Florida 33607
(Address of principal executive offices) (Zip code)

(Registrant's telephone number, including area code): (866) 279-0698

Not Applicable
(Former name, former address and former fiscal year, if changed since last report)

Check the appropriate box below if the form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2 (b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered**
Class A Common Stock, par value $0.01 per share	**BWIN**	**Nasdaq Global Select Market**

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging Growth Company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

EXPLANATORY NOTE

As previously announced, The Baldwin Insurance Group, Inc., a Delaware corporation (the "Company"), Red Rock Merger Sub I, Inc., a Delaware corporation and wholly owned subsidiary of the Company, Red Rock Merger Sub II, LLC, a Delaware limited liability company and wholly owned subsidiary of the Company, Cobbs Allen Capital Holdings, LLC, a Delaware limited liability company ("Seller"), CAH Holdings, Inc., a Delaware corporation and the Seller Representatives named therein, entered into a Transaction Agreement (as may be amended, modified or supplemented from time to time, the "Transaction Agreement") pursuant to which, subject to the terms and conditions of the Transaction Agreement, Seller agreed to sell, and the Company agreed to purchase, the business of Seller (the "Transaction"). On January 1, 2026, the Company consummated the Transaction, as previously reported in the Company's Current Report on Form 8-K filed on January 2, 2026 (the "Prior Current Report").

This Current Report on Form 8-K is being filed to provide the audited financial statements of Seller as of and for the years ended December 31, 2025 and 2024, and updated unaudited pro forma condensed combined financial information of the Company as of and for the year ended December 31, 2025, in each case relating to the Transaction. The Company previously filed unaudited pro forma condensed combined financial information with respect to the Transaction under Items 9.01(a) and 9.01(b) of the Prior Current Report.

Item 9.01 Financial Statements and Exhibits.

(a) Financial statements of businesses acquired.

The historical audited financial statements of Cobbs Allen Capital Holdings, LLC as of and for the years ended December 31, 2025 and 2024, as well as the accompanying notes thereto and the related Report of Independent Auditors issued by PricewaterhouseCoopers LLP dated April 14, 2026, are filed as Exhibit 99.1 hereto and incorporated herein by reference.

(b) Pro forma financial information.

The unaudited pro forma condensed combined statements of income (loss) of the Company for the year ended December 31, 2025, and the unaudited pro forma condensed combined balance sheet of the Company as of December 31, 2025, and the notes related thereto, are filed as Exhibit 99.2 hereto and are incorporated herein by reference. The unaudited pro forma condensed combined financial information combines, among other adjustments, the Company's financial statements with Cobbs Allen Capital Holdings, LLC's financial statements.

(d) Exhibits.

Exhibit No.	Description
23.1	Consent of PricewaterhouseCoopers LLP
99.1	Audited financial statements of Cobbs Allen Capital Holdings, LLC as of and for the years ended December 31, 2025 and 2024
99.2	Unaudited pro forma condensed combined financial information for The Baldwin Insurance Group, Inc. as of and for the year ended December 31, 2025
104	Cover Page Interactive Data File (embedded within the inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

The Baldwin Insurance Group, Inc.

Date: October 9, 2026

By: /s/ Bradford L. Hale

Name: Bradford L. Hale

Title: Chief Financial Officer

Exhibit 23.1

CONSENT OF INDEPENDENT AUDITORS

We hereby consent to the incorporation by reference in the Registration Statements on Form S-3 (No. 333-275370) and Form S-8 (Nos. 333-285231, 333-261126, 333-254162, 333-251194, 333-237384, 333-234309, 333-263196, 333-270105, 333-277467 and 333-293859) of The Baldwin Insurance Group, Inc. of our report dated April 14, 2026 relating to the financial statements of Cobbs Allen Capital Holdings, LLC and Subsidiaries, which appears in this Current Report on Form 8-K.

/s/ PricewaterhouseCoopers LLP
Birmingham, Alabama
October 9, 2026

Cobbs Allen Capital Holdings, LLC and Subsidiaries
Consolidated Financial Statements

For the Years Ended December 31, 2025 and 2024

With Report of Independent Auditors

Cobbs Allen Capital Holdings, LLC and Subsidiaries
Index To Consolidated Financial Statements

Contents

Report of Independent Auditors	1
Consolidated Financial Statements	
Consolidated Balance Sheets	3
Consolidated Statements of Operations	4
Consolidated Statements of Changes in Redeemable Members' Interests, Redeemable Noncontrolling Interests, and Noncontrolling Interests	5
Consolidated Statements of Cash Flows	6
Notes to Consolidated Financial Statements	8

Report of Independent Auditors

To the Board of Directors of Cobbs Allen Capital Holdings, LLC

Opinion

We have audited the accompanying consolidated financial statements of Cobbs Allen Capital Holdings, LLC and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of operations, of changes in redeemable members' interests, redeemable noncontrolling interests, and noncontrolling interests and of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date the consolidated financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

/s/ PricewaterhouseCoopers LLP

Birmingham, Alabama
April 14, 2026

Cobbs Allen Capital Holdings, LLC and Subsidiaries
Consolidated Balance Sheets

(in thousands)	As of December 31, 2025	2024
Assets		
Current assets:		
Cash and cash equivalents	$ 13,708	$ 43,425
Fiduciary cash	88,804	119,900
Restricted cash	—	245
Commissions and fees receivable, net	43,887	45,216
Fiduciary receivables	122,219	97,837
Prepaid expenses and other current assets	7,298	11,889
Total current assets	275,916	318,512
Property and equipment, net	10,789	8,129
Intangible assets, net	23,895	28,442
Goodwill	20,199	20,199
Other long term assets	42,825	47,230
Total assets	$ 373,624	$ 422,512
Liabilities, Redeemable noncontrolling interests, and Members' Equity		
Current liabilities:		
Fiduciary liabilities	$ 211,023	$ 217,737
Accounts payable and accrued expenses	28,745	8,317
Commission and bonuses payable	45,172	41,454
Current portion of long-term debt, net of issuance costs	137,193	18,976
Current portion of accrued stock based compensation	983,181	—
Other liabilities	10,415	13,128
Total current liabilities	1,415,729	299,612
Accrued stock based compensation	—	613,811
Long-term debt, net of issuance costs	—	124,591
Other long-term liabilities	20,215	20,659
Total liabilities	1,435,944	1,058,673
Commitments and contingencies (Note 15)		
Redeemable noncontrolling interest	—	10,655
Redeemable members' interests	(1,062,122)	(649,571)
Noncontrolling interests in consolidated subsidiaries	(198)	2,755
Redeemable members' interests, redeemable noncontrolling interests, and noncontrolling interests	(1,062,320)	(636,161)
Total liabilities, redeemable members' interests, redeemable noncontrolling interests, and noncontrolling interests	$ 373,624	$ 422,512

The accompanying notes are an integral part of these consolidated financial statements.

Cobbs Allen Capital Holdings, LLC and Subsidiaries
Consolidated Statements of Operations

(in thousands)	Years Ended December 31, 2025	2024
Revenues	$ 299,218	$ 282,037
Operating expenses:		
Commissions, salaries and benefits	670,267	320,452
Depreciation expense	1,307	829
Amortization expense	6,249	6,860
Other operating expense, net	57,556	42,756
Total operating expenses	735,379	370,897
Operating loss	(436,161)	(88,860)
Other expenses:		
Impairment loss on equity method investment	—	(2,560)
Interest expense, net	(10,340)	(8,969)
Other expense, net	(40,492)	(4,221)
Total other expenses	(50,832)	(15,750)
Loss from operations before income tax expense	(486,993)	(104,610)
Income tax (benefit) expense	(8,420)	4,049
Net loss	(478,573)	(108,659)
Net loss (income) attributable to noncontrolling interests	3,545	(3,564)
Net loss attributable to Cobbs Allen Capital Holdings, LLC	$ (475,028)	$ (112,223)

The accompanying notes are an integral part of these consolidated financial statements.

Cobbs Allen Capital Holdings, LLC and Subsidiaries

Consolidated Statements of Changes in Redeemable Members' Interests, Redeemable Noncontrolling Interests, and Noncontrolling Interests

(in thousands)	Redeemable Noncontrolling Interest	Redeemable Members' Interests	Noncontrolling Interest	Total
As of December 31, 2023	$ 9,139	$ (542,193)	$ 5,899	$ (527,155)
Net loss	1,305	(112,223)	2,259	(108,659)
Interests issued	211	2,776	—	2,987
Distributions to Members	—	(104)	(1,696)	(1,800)
Redemption of interests	—	(1,183)	(351)	(1,534)
Noncash exchange of Noncontrolling interests	—	3,356	(3,356)	—
As of December 31, 2024	10,655	(649,571)	2,755	(636,161)
Net loss	(4,217)	(475,028)	672	(478,573)
Interests issued	49	59,480	—	59,529
Distributions to Members and Noncontrolling interest holders	(1,916)	(66)	(15)	(1,997)
Redemption of interests	—	(128)	—	(128)
Noncash exchange of subordinated notes for subsidiary voting interest	—	(4,990)	—	(4,990)
Noncash exchange of Noncontrolling interests	(4,571)	8,181	(3,610)	—
As of December 31, 2025	$ —	$ (1,062,122)	$ (198)	$ (1,062,320)

The accompanying notes are an integral part of these consolidated financial statements.

Cobbs Allen Capital Holdings, LLC and Subsidiaries
Consolidated Statements of Cash Flows

(in thousands)	Years Ended December 31, 2025	2024
Cash flows from operating activities		
Net loss	$ (478,573)	$ (108,659)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation expense	1,307	829
Amortization expense	6,249	6,860
Stock-based compensation	423,132	129,198
Amortization of debt issuance costs	91	57
Impairment loss on equity method investment	—	2,560
Employee loan forgiveness	12,209	4,063
Income from equity method investments	(507)	(816)
Distributed earnings from equity method investments	507	677
Other	(8,751)	(2,120)
Changes in operating assets and liabilities:		
Commissions and fees receivable, net	1,954	(1,612)
Prepaid expenses and other current assets	(1,501)	(5,782)
Commissions payable and bonus payables	3,718	3,842
Accounts payable and accrued expenses	20,495	(19,975)
Redemptions of liability classified membership units	(21,793)	(45,719)
Other liabilities	(4,771)	677
Net cash used in operating activities	(46,234)	(35,920)
Cash flows from investing activities		
Purchases of property and equipment	(3,517)	(4,019)
Purchases of subordinated notes	(8,375)	(6,955)
Purchases of other assets	(137)	(251)
Purchase of intangible assets	(1,702)	(4,193)
Purchase of company-owned life insurance	—	(80)
Proceeds from sale of equity method investments	3,976	—
Proceeds from the sale of fixed assets	301	243
Return of invested capital from equity method investments	241	9
Acquisition	—	9,608
Repayment from subordinated notes	8,412	9,255
Net cash (used in) provided by investing activities	(801)	3,617

Cobbs Allen Capital Holdings, LLC and Subsidiaries
Consolidated Statements of Cash Flows

(in thousands)	Years Ended December 31, 2025	2024
Cash flows from financing activities		
Redemptions of redeemable members interest	(128)	(1,183)
Noncontrolling interest redemptions	—	(351)
Distributions to members and noncontrolling interest holders	(1,997)	(1,800)
Proceeds from sales of noncontrolling interests in consolidated subsidiaries	49	186
Member contributions	30,602	2,776
Repayments of long-term debt	(47,924)	(13,622)
Payment of debt issuance costs	(107)	(75)
Proceeds from long-term debt	36,086	42,014
Purchase of interest rate caps	—	(743)
Cash received on interest rate caps	491	1,234
Change in fiduciary cash	(31,095)	41,567
Net cash (used in) provided by financing activities	(14,023)	70,003
Net (decrease) increase in cash and cash equivalents and restricted cash inclusive of fiduciary cash	(61,058)	37,700
Cash and cash equivalents and restricted cash inclusive of fiduciary cash		
Beginning of year	163,570	125,870
End of year	$ 102,512	$ 163,570
Supplemental disclosure of cash flow information		
Cash paid for interest	$ 9,088	$ 6,981
Cash paid for taxes	1,226	4,168
Supplemental schedule of noncash investing and financing activities		
Increase in unitholder note payable for purchase of units	$ 31,995	$ 39,116
Right-of-use assets obtained in exchange for operating lease liabilities	4,938	2,625
Noncash exchange of subsidiary economic interest for units	8,181	3,356
Right-of-use assets (decrease) increase due to lease modifications, reassessments, and terminations	(669)	303
Noncash purchase of company-owned life insurance with long-term debt	1,621	1,621
Noncash exchange of unitholder loan for units	28,878	1,275
Noncash exchange of note receivable for investment in subsidiary	—	584
Noncash exchange of subordinated notes for subsidiary voting interest	4,990	—
Reconciliation of cash and cash equivalents and restricted cash inclusive of fiduciary cash		
Cash and cash equivalents per consolidated balance sheet	$ 13,708	$ 43,425
Restricted cash per consolidated balance sheet	—	245
Fiduciary cash per the consolidated balance sheet	88,804	119,900
Cash and cash equivalents and restricted cash inclusive of fiduciary cash at end of year per consolidated statements of cash flows	$ 102,512	$ 163,570

The accompanying notes are an integral part of these consolidated financial statements.

1. Business and Basis of Presentation

Description of Business

Cobbs Allen Capital Holdings, LLC (the “Company”) was formed as a limited liability company under the laws of the State of Delaware on November 17, 2022 as part of a plan to reorganize and consolidate CAH Holdings, Inc. (“CAH” or “Cobbs Allen & Hall”) and CAC Holdings, LLC (“CAC” or “Cobbs Allen Capital”) under common ownership. The consolidation of these entities was accounted for as a transaction between entities under common control. Accordingly, the assets and liabilities of the predecessor entities were combined and are presented at their historical carrying amounts in these consolidated financial statements.

The Company is a diversified financial services organization that offers specialty insurance brokerage, structured insurance solutions, and related advisory services to clients across the United States.

On December 2, 2025, the Company entered into a definitive agreement (the "Merger Agreement") to sell its business to the Baldwin Insurance Group, Inc. ("Baldwin" or the “Buyer”). The transaction is subject to customary closing conditions and closed on January 1 ,2026. Refer to *Note 17. Subsequent Events* for additional information.

Basis of Financial Statement Preparation and Principles of Consolidation

The accompanying consolidated financial statements were prepared in accordance with the generally accepted accounting principles in the U.S. ("GAAP") and include the accounts of the Company, its wholly and majority owned subsidiaries, and variable interest entities ("VIE") in which the Company is deemed to be the primary beneficiary. All intercompany transactions and balances have been eliminated in consolidation.

ASC Topic 810, *Consolidation* (“ASC 810”) requires that if an enterprise is the primary beneficiary of a VIE, the assets, liabilities, and results of operations of the variable interest entity should be included in the consolidated financial statements of the enterprise. Refer to *Note 4. Variable Interest Entities* for additional information regarding the Company’s variable interest entities.

For consolidated subsidiaries that are less than wholly owned, the third-party holdings of equity interests are referred to as noncontrolling interests. The portion of net income or loss attributable to noncontrolling interests is presented on the consolidated statements of operations, and the portion of members’ equity of such subsidiaries is presented as a noncontrolling interest on the consolidated balance sheets.

The consolidated financial statements and notes have been prepared in conformity with Rule 3-05 of Regulation S-X promulgated under the Securities Act of 1933, as amended (the Securities Act).

Use of Estimates

The preparation of consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from these estimates. Significant estimates underlying the accompanying consolidated financial statements include the application of guidance for revenue recognition, calculation of stock-based compensation and impairment of long-lived assets and goodwill.

2. Summary of Significant Accounting Policies

Cash and Cash Equivalents

The Company defines cash equivalents as highly liquid investments having an original maturity of three months or less.

Restricted Cash

Restricted cash includes amounts that are legally restricted as to use or withdrawal. As of December 31, 2024, the Company held restricted cash specifically for use of its company owned life insurance. The Company does not have a restricted cash balance as of December 31, 2025.

Fiduciary Cash, Fiduciary Receivables, and Fiduciary Liabilities

The Company holds certain fiduciary cash balances related to its insurance brokerage activities. In the normal course of business, the Company collects premiums and other policy-related amounts from insureds for remittance to insurance carriers and state departments of insurance for applicable surplus lines taxes and regulatory fees. These fiduciary funds are segregated from operating cash, are not available to satisfy the Company's general obligations, and are remitted to the appropriate parties when due. Fiduciary cash on the balance sheet represents amounts collected but not yet remitted as of the respective reporting date.

Uncollected premiums are presented as fiduciary receivables. Likewise, payables to insurance companies are presented as fiduciary liabilities. The change in fiduciary cash is presented as cash flows from financing activities in the consolidated statements of cash flows. The interest income earned on these unremitted funds, where allowed by state law, is reported as revenues in the consolidated statements of operations.

Marketable Securities

Marketable securities include investments in equity and alternative securities. Marketable securities held by the Company are accounted for under ASC 321 - *Investments, Equity Securities* ("ASC 321") and are carried at their fair value. Any gain/loss applicable from the fair value change is recorded in earnings.

Commissions and Fees Receivable, Net

Commissions and fees receivable, net represent commissions, fees and contingent revenues due to the Company for its services, including contract assets. Fees receivable represent consulting fees, service fees and other related amounts due from clients in service transactions. Contract assets arise when the Company recognizes revenue for amounts that have been earned but not yet billed, primarily related to direct bill commission accruals.

Commissions and fees receivable, net are reported net of allowances for estimated policy cancellations. The allowance for estimated policy cancellations was $0.3 million and $0.6 million at December 31, 2025 and 2024, respectively, which represents a reserve for future reversals in commission and fee revenues related to the potential cancellation of client insurance policies that were in force as of each year end. The allowance for estimated policy cancellations is established through a charge to revenues. Additionally, the Company recognizes an allowance for credit losses that reflects the Company's estimate of expected credit losses. The allowance for expected credit losses was $0.5 million and $0.5 million at December 31, 2025 and 2024, respectively. The expense for expected credit loss was $0.5 million and $0.3 million for the years ended December 31, 2025 and 2024, respectively which is a component of other operating expenses, net within the consolidated statements of operations.

Subordinated Notes

During the years ended December 31, 2025 and December 31, 2024, the Company invested in subordinated notes issued by an affiliate of a minority interest holder in Dorset Peak Investments, LLC ("DP Investments"), which is a consolidated VIE subsidiary of the Company. The Company historically classified the subordinated notes as held-for-investment based on management's positive intent and ability to hold the securities for the foreseeable future or to maturity. These notes were carried at amortized cost and presented in other assets on the consolidated balance sheets. In November and December of 2025, the Company exchanged its investment in subordinated notes for voting interests in DP Investments. The Company accounted for this exchange as a purchase of voting interest in DP Investments. As a result of this exchange, as of December 31, 2025, the Company did not hold investments in subordinated notes. As of December 31, 2024, the Company held investments in subordinated notes of $5.0 million.

Interest income from subordinated notes was approximately $0.5 million and $0.6 million for the years ended December 31, 2025 and 2024, respectively, which is presented in revenue on the consolidated statements of operations. Accrued interest income is presented as a component of prepaid expenses and other current assets within the consolidated balance sheets. There was no accrued interest as of December 31, 2025. As of December 31, 2024, accrued interest income was $0.6 million.

While outstanding, the Company evaluated its subordinated notes for credit losses under ASC 326 - *Current Expected Credit Losses* ("ASC 326") at each reporting period. The Company monitored the credit quality of its subordinated notes by reviewing the financial performance of the underlying investments and considering the seniority of the notes in the capital structure. As of December 31, 2024 and through the date that the notes were exchanged, the Company had not identified any expected credit losses on its outstanding subordinated notes.

Employee Loans

The Company has notes and salary advances receivable from employees and members. A portion of the notes receivable are forgivable over the specified term of the note, typically three to four years, unless the employee is voluntarily or involuntarily terminated during the term of the agreement. The forgivable notes are amortized over the term of the agreement as a component of commissions, salaries and benefits in the consolidated statements of operations. As of December 31, 2025 and 2024, the Company had employee loans with short-term balances of $3.6 million and $6.8 million, respectively, which are included in prepaid expenses and other assets within the consolidated balance sheets. As of December 31, 2025 and 2024, the Company had employee loans with long-term balances of $0 and $4.5 million respectively, which are included in other assets within the consolidated balance sheets.

Property and Equipment, Net

Property and equipment are carried at cost less accumulated depreciation and includes expenditures that substantially increase the useful lives of existing property and equipment. Maintenance, repairs, and minor renovations are charged to operations as incurred. When property and equipment is retired or otherwise disposed of, the related costs and accumulated depreciation are removed from the respective accounts, and any gain or loss on the disposition is credited or charged to operations.

The Company provides for depreciation of property and equipment using the straight-line method designed to amortize costs over estimated useful lives as follows:

Classification	Estimated Useful Life
Furniture and fixtures	7 years
Office equipment	5 years
Computer equipment	3 years
Computer software	3 years
Aviation equipment	7 years
Automobiles	5 years
Leasehold improvements	Estimated useful life of lease [(1)]

(1) Leasehold improvements are held at the shorter of (i) the useful life of the improvement or (ii) the remaining lease term.

Business Combinations

The Company accounts for business combinations using the acquisition method of accounting and measures all assets acquired and liabilities assumed, including contingent consideration and all contractual contingencies, at fair value as of the acquisition date. The Company expenses direct transaction costs as incurred in other expense, net in the consolidated statements of operations. Results of operations of the acquired companies are included in the consolidated financial statements from their respective acquisition dates.

Contingent Consideration

The Company accounts for contingent consideration relating to business combinations as a contingent consideration liability and an increase to goodwill at the date of acquisition and continually remeasures the liability at each balance sheet date by recording changes in fair value through other operating expenses, net in the consolidated statements of operations. The ultimate settlement of contingent consideration liabilities relating to business combinations may be for amounts that are materially different from the amounts initially recorded and may cause volatility in the Company’s results of operations.

The Company determines the fair value of the contingent consideration liabilities based on the probability weighted value analysis and the Monte Carlo simulation as discussed further in *Note 6. Fair Value Measurement*.

Intangible Assets, Net and Goodwill

In applying the acquisition method of accounting for business combinations, intangible assets are initially valued at fair value using generally accepted valuation methods appropriate for the type of intangible asset. The Company recognizes both intangible assets with indefinite lives, like trade names, and intangible assets with definite lives, like customer relationships and non-compete agreements. Intangible assets with definite lives are amortized over their estimated useful lives and are reviewed for impairment if indicators of impairment arise. If an event has occurred, the Company compares the carrying amount of the asset to the estimated future undiscounted cash flows expected to result from the use of the asset. To the extent that the estimated future undiscounted cash flows are less than the carrying amount of the asset, the asset is permanently written down to its estimated fair market value and an impairment loss is recognized. No impairment losses related to intangible assets were recognized for the years ended December 31, 2025 and 2024.

Amortization of the intangible assets with definite lives is computed using the straight-line method over the estimated useful lives as follows:

Classification	Amortization Method	Estimated Useful Life
Customer relationships intangibles	Straight-line basis	15 years
Capitalized software	Straight-line basis	3 years
Non-compete agreements	Straight-line basis	5 years

Certain acquired trade name intangible assets have an indefinite life and are not amortized, but instead are assessed for impairment at least annually by either performing a qualitative assessment or a quantitative test similar to the approach described below.

In applying the acquisition method of accounting for business combinations, the excess of purchase price of an acquisition over the fair value of the identifiable tangible and intangible assets is assigned to goodwill. We test goodwill for impairment annually or more frequently when events or changes in circumstances indicate the fair value of a reporting unit may be less than its carrying amount. Events or circumstances that could trigger an impairment review include, but are not limited to, a significant adverse change in legal factors or in the business or political climate, an adverse action or assessment by a regulator, unanticipated competition, a loss of key personnel, significant changes in the manner of the Company’s use of the acquired assets or the strategy for the Company’s overall business, significant negative industry or economic trends or significant underperformance relative to projected future results of operations.

The process for evaluating potential impairment of goodwill is highly subjective and requires significant judgment. The Company may first perform a qualitative assessment to determine whether it is more likely than not that the fair value of the reporting unit is less than its carrying amount. If so, or if the Company elects to bypass the qualitative assessment, a quantitative impairment test is performed by comparing the estimated fair value of the reporting unit with its carrying amount. If the carrying amount exceeds the estimated fair value, an impairment loss is recognized for the amount of the excess. On December 31, 2025, the Company performed its annual impairment evaluation. No impairment losses related to goodwill were recognized for the years ended December 31, 2025 and 2024.

The Company capitalizes certain costs to develop software for internal use as capitalized software in accordance with ASC Topic 350-40, *Internal-Use Software* ("ASC 350-40"). Costs incurred during the preliminary project stage and post-implementation stage of an internal-use software project are expensed as incurred while costs incurred during the application development stage of an internal-use software project are capitalized. Costs related to updates and enhancements to the software are only capitalized if they result in additional functionality to the Company. Capitalized software is included as a component of intangible assets, net, on the consolidated balance sheets.

Company-Owned Life Insurance

The Company owns life insurance policies on members and employees of the Company ("COLI"). These policies are recorded at their cash surrender value or the amount that can be realized as of the Company's reporting date. The Company's policies are indexed to the performance of the Standard & Poor's 500 and are designed with a guaranteed minimum return feature that prevents losses. Cash paid for premiums and cash settlement proceeds are classified as investing activities in the consolidated statements of cash flows as proceeds are expected to exceed amounts necessary to replace income or to fund employee benefits. As of December 31, 2025 and 2024, the Company had $3.2 million and $4.3 million of COLI, respectively, which are included in other assets within the consolidated balance sheets.

Leases

The Company accounts for leases under ASC Topic 842, Leases (“Topic 842”). The Company determines whether an arrangement contains a lease at inception of the contract by evaluating whether the arrangement conveys the right to control the use of an identified asset for a period of time in exchange for consideration and whether we obtain substantially all of the economic benefits from and have the ability to direct the use of the asset. The Company has elected the short-term lease exemption, and therefore, leases with an initial term of twelve months or less are not recorded on the consolidated balance sheets.

At the lease commencement date, the Company recognizes a lease liability and a right-of-use (“ROU”) asset representing our right to use the underlying asset over the lease term. The initial measurement of the lease liability is calculated on the basis of the present value of the remaining lease payments and the ROU asset is measured on the basis of this liability, adjusted by prepaid and accrued rent and lease incentives. Arrangements may include options to extend or terminate the lease arrangement. These options are included in the lease term used to establish ROU assets and lease liabilities when it is reasonably certain they will be exercised. ROU assets are included in other assets on the consolidated balance sheets. The current portion of lease liabilities is included in other liabilities, and the long-term portion is included in other long-term liabilities on the consolidated balance sheets. The Company will reassess expected lease terms based on changes in circumstances that indicate options may be more or less likely to be exercised. The subsequent measurement of a lease is dependent on whether the lease is classified as an operating lease or a finance lease. The Company does not have any financing leases. Operating lease cost is recognized on a straight-line basis over the lease term, with the cost included in other expense, net on the consolidated statements of operations.

The Company’s leases require other payments such as costs related to service components, real estate taxes, common area maintenance, and insurance. These costs are generally variable in nature and based on the actual costs incurred and required by the lease. The Company has elected the practical expedient under ASC 842 to not separate lease and non-lease components for all classes of underlying assets. As a result, variable costs such as real estate taxes, common area maintenance, insurance, and other service-related components are expensed as incurred and presented as variable lease costs.

A lessee is required to use the rate implicit in the lease when measuring the lease liability, unless that rate is not readily determinable. Alternatively, a lessee is permitted to use our incremental borrowing rate (“IBR”), which is defined as the rate of interest that we would have to pay to borrow on a collateralized basis over a similar term and amount equal to the lease payments in a similar economic environment. Since the rates implicit in our leases are not readily determinable, the Company uses our IBR when measuring our leases.

Derivative Instruments

The Company utilizes interest rate caps to manage the Company’s interest rate exposure. The Company is exposed to interest rate risk primarily through its variable-rate long-term debt facilities, as described in *Note 9. Debt, Net of Issuance Costs*. The Company’s objective in using derivative instruments is to mitigate the impact of interest rate fluctuations on its earnings and cash flows. The Company does not enter into derivative contracts for trading or speculative purposes. The Company has not designated the derivatives as a hedging instrument for accounting purposes; and, accordingly, the change in fair value of this derivative is recognized in earnings as a component of interest expense. Refer to *Note 6. Fair Value Measurement* for change in fair value of interest rate caps. Cash payments and receipts under the derivative instruments are classified within cash flows from financing activities in the accompanying consolidated statements of cash flows.

Equity Method Investments

The Company holds equity method investments in entities in which it has deemed to have significant influence over the operating and financial policies of the investee. These investments are accounted for using the equity method of accounting in accordance with ASC 323, *Investments-Equity Method and Joint Ventures*. Under the equity method of accounting, investments, which are included as a component of other assets on the consolidated balance sheets, are initially recorded at cost and subsequently adjusted for the Company's proportionate share of the investee's earnings or losses, distributions received from the investee, and other comprehensive income of the investee. The income or loss from equity method investments is included as a component of other expense, net in the consolidated statements of operations.

During the years ended December 31, 2025 and December 31, 2024, the Company's equity method investments included a 20% interest in Next Chapter Associates, LLC, a 10% interest in Applied Risk Capital, and an approximate 100% economic interest in certain series-protected cells within captive insurance facilities over which the Company did not have power. While the Company held less than a 20% interest in Applied Risk Capital, it had significant influence over the board of directors. During the year ended December 31, 2025, the Company disposed of its interests in such equity method investments. As of December 31, 2025 and 2024, the carrying values of the Company's equity method investments were $0 and $3.8 million respectively, which is included in other assets within the consolidated balance sheets.

Equity method investments are reviewed for impairment when changes in facts and circumstances indicate that the current fair value may be less than the asset’s carrying amount. If the Company determines the decline in the value of its equity method investment is other than temporary, an impairment charge is recorded in an amount equal to the excess of the carrying value of the asset over its fair value.

During the year ended December 31, 2024, the Company determined that its investments in certain series-protected cells within captive insurance facilities experienced an other-than-temporary impairment due to the unilateral transfer of all of its income-generating assets and associated cash to an offshore entity by a third-party manager without proper consent. As a result, the Company determined that the cells no longer have income generating capacity, and recorded an other-than-temporary impairment of $2.6 million on the consolidated statements of operations reducing the carrying value of these equity method investments to $0.

Stock-Based Compensation

The Company accounts for stock-based compensation in accordance with ASC 718, *Compensation - Stock Compensation* ("ASC 718"). The Company recognizes stock-based compensation cost equal to the fair value of the stock based awards granted to employees or non-employee directors over the requisite service period, which is the period during which the employee or non-employee director is required to provide service in exchange for the award. The Company accounts for forfeitures of stock-based awards as they occur.

The Company's outstanding awards consist of membership units and profit interests units (PIUs) that contain service-based and, in some cases, performance-based vesting conditions. For awards that contain only service-based vesting conditions, compensation expense is recognized using the straight-line attribution method. For awards that include performance-based vesting conditions, compensation expense is recognized only when achievement of the performance condition is considered probable.

Stock-based compensation expense is recorded within operating expenses in the consolidated statements of operations.

Revenue Recognition

The Company recognizes revenue in accordance with ASC Topic 606, *Revenue from Contracts with Customers* ("ASC 606"). The Company’s revenues are derived primarily from commissions and fees earned under written contracts or customary business arrangements with clients and insurance carrier partners for providing insurance brokerage, risk management, and other consulting services.

Commissions

The Company earns commission revenue for placing property and casualty, employee benefits, and other insurance coverage on behalf of its clients, which are commercial entities or individuals needing insurance or employers sponsoring employee benefit plans. Commissions are generally calculated as a percentage of premium or, for certain employee benefits arrangements, based on employee headcount. Commission revenue is recognized at a point in time, generally on the effective date of the associated insurance policy, when the Company's performance obligation is satisfied and the client obtains control of the policy.

Commission revenue is recorded net of estimated policy cancellations based on historical experience and current trends. Commission receivables may be invoiced near the policy effective date, billed in installments during the policy term, or received directly from insurance carrier partners under direct bill arrangements. Regardless of billing or payment terms, commission revenue is recognized at the policy effective date, which is when the Company's performance obligation is satisfied. For direct bill arrangements, when commissions have been earned but not yet remitted, the Company records a contract asset based on estimated amounts due at the policy effective date.

Fees

The Company earns fee revenue for providing risk management or other consulting services, such as benefits administration, to clients for a negotiated fee. Fee revenues are recognized over time as the performance obligations within the contract are satisfied and when the Company has transferred control of the related services to the customer.

Contingent and supplemental commissions

Contingent and supplemental commissions represent variable consideration that is earned by the Company as a sales incentive provided by certain insurance company partners. The Company considers its insurance company partners to be its customers in these arrangements. Contingent and supplemental commissions are primarily based on factors such as volume, growth, loss performance or retention. For contingent and supplemental commissions based on reasonably predictable measures, the Company estimates the amount expected to be earned and recognizes revenue as the underlying policies are placed. Estimates are updated and adjustments are recorded when payments are received or as additional information becomes available. Contingent commissions associated with loss performance are uncertain; and therefore, recognition is constrained to prevent significant reversal as loss data remains subject to material change.

Deferred Commission Expense

The Company pays an incremental amount of compensation in the form of producer commissions on new business. In accordance with ASC Topic 340, *Other Assets and Deferred Costs* ("ASC 340"), these incremental costs are deferred and amortized over five years, which represents management's estimate of the average benefit period for new business.

Due to the relatively short time period between the information gathering phase and binding insurance coverage, the Company has determined that costs to fulfill contracts are not significant. Therefore, costs to fulfill a contract are expensed as incurred.

Income Taxes

The Company is a limited liability company taxed as a partnership for U.S. federal, state, and local income tax purposes, with income tax liabilities and/or benefits of the Company being passed through to its members. CAH Holdings, Inc., Cobbs, Allen, & Hall Inc., and Hill Administrative Services, Inc. are corporate subsidiaries of the Company and are subject to corporate taxation.

The Company accounts for income taxes pursuant to the asset and liability method which requires the recognition of deferred income tax assets and liabilities related to the expected future tax consequences arising from temporary differences between the carrying amounts and tax bases of assets and liabilities based on enacted statutory tax rates applicable to the periods in which the temporary differences are expected to reverse. Any effects of changes in income tax rates or laws are included in income tax expense in the period of enactment.

The Company and its subsidiaries follow ASC Topic 740, *Income Taxes* ("ASC 740"). A component of this standard prescribes a recognition and measurement threshold of uncertain tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more likely than not to be sustained upon examination by taxing authorities. Management has evaluated the Company's tax positions and concluded that the Company has taken no material uncertain tax positions that require adjustment to the financial statements to comply with the provisions of this guidance. The Company does not expect any of its tax positions to change significantly in the near term. The Company's policy is to recognize interest and penalties related to unrecognized tax benefits as a component of income tax expense.

Fair Value of Financial Instruments

ASC Topic 820, *Fair Value Measurement* ("ASC 820") establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobservable inputs (Level 3 measurement). The three levels of the fair value hierarchy under ASC Topic 820 are described below:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Company has the ability to access.
- Level 2 Inputs to the valuation methodology are quoted market prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable in the market.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The fair value measurement level for assets and liabilities within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

The carrying values of the Company's financial assets and liabilities, including cash and cash equivalents, fiduciary cash, restricted cash, commissions and fees receivable, fiduciary liabilities, commission and bonuses payable, escrow payables, and other current liabilities, approximate their fair values because of the short maturity and liquidity of those instruments.

Contingencies

The Company accounts for contingencies in accordance with ASC Topic 450-20, *Loss Contingencies* ("ASC 450-20"). Under US GAAP, we are required to establish reserves for loss contingencies when the loss is probable and we can reasonably estimate financial impact. We are required to assess the likelihood of material adverse judgments or outcomes, as well as potential ranges or probability of losses. Liabilities for loss contingencies arising from various claims and legal actions are recorded when it is probable that a liability has been incurred and the amount is reasonably estimable.

Advertising Expense

The Company expenses advertising costs as they are incurred. During the years ended December 31, 2025 and 2024, the Company incurred advertising expenses of $6.3 million and $6.1 million, respectively, which is included in other operating expenses, net in the consolidated statements of operations.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents, restricted cash, and fiduciary cash. The Company manages this risk by using creditworthy financial institutions and participation in a reciprocal deposit services platform offered by a privately held financial institution. Interest-bearing accounts and noninterest-bearing accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to $250,000. As of December 31, 2025 and 2024 and during the years then ended, deposits exceed amounts insured by the FDIC. The Company has not experienced any losses from its deposits.

The Company has commissions and fees receivable that also potentially subject it to concentration of credit risk. Credit risk is minimized by the large number of customers, by credit policies, and by ongoing account monitoring procedures, as well as by the fact that most policies require payment in order for the customer to maintain coverage.

Recently Issued Accounting Standards

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740) – Improvements to Income Tax Disclosures, which includes amendments that further enhance tax disclosures, primarily related to the rate reconciliation and required disclosure of income taxes paid by jurisdiction. The Company adopted the ASU prospectively the period ended December 31, 2025. The Company has included new disclosure requirements described further in *Note 11. Income Taxes*.

In November 2024, the FASB issued ASU 2024-03: Disaggregation of Income Statement Expenses, which requires disclosures about the nature of expenses presented on the face of the income statement. The guidance is effective for annual periods beginning after December 15, 2026 and interim periods beginning after December 15, 2027, with early adoption permitted. The Company is currently evaluating the impact of this guidance on the disclosures in the consolidated financial statements.

In January 2025, the FASB issued ASU 2025-01, Disaggregation of Income Statement Expenses: Clarifying the Effective Date, which clarifies the effective date of update 2024-03, which is that public business entities are required to adopt the guidance in annual reporting periods beginning after December 15, 2026, and interim period within annual reporting periods beginning after December 15, 2027. The Company is currently evaluating the impact of this guidance on the consolidated financial statements.

The Company has assessed other accounting pronouncements issued or effective through the issuance date of these consolidated financial statements and for the year ended December 31, 2025, and deemed they were not applicable to the Company or are not anticipated to have a material effect on the consolidated financial statements.

3. Revenue Recognition

The following table presents revenues disaggregated by revenue stream:

	Years Ended December 31,	
(in thousands)	**2025**	**2024**
Commissions	$ 221,491	$ 206,720
Fees	59,248	57,672
Contingent and supplemental commissions	12,603	11,045
Investment income [1]	5,013	5,848
Other income [2]	863	752
Total revenue	$ 299,218	$ 282,037

(1) Investment income primarily represents interest earnings on cash held in a fiduciary capacity and interest income on subordinated notes.
(2) Other income primarily consists of referral income from premium finance partners.

Contract assets and liabilities

Contract assets arise when the Company recognizes revenue for amounts that have been earned but not yet billed, primarily related to direct bill commission accruals. Contract liabilities represent amounts billed or received in advance of the Company's performance obligations and are recognized as revenue when the related services are provided.

The balances of contract assets and liabilities arising from contracts with customers were as follows:

	As of December 31,	
(in thousands)	**2025**	**2024**
Contract assets	$ 36,077	$ 35,319
Contract liabilities	$ 6,861	$ 10,062

Contract assets are reflected in commissions and fees receivable, net on the consolidated balance sheets. Contract liabilities are reflected in other liabilities on the consolidated balance sheets as they will be recognized within one year. During the years ended December 31, 2025 and 2024, the Company recognized revenue of $10.1 millionand $6.4 million related to the contract liabilities balance at December 31, 2024 and 2023, respectively.

Deferred commission expense

Deferred commission expense represents producer commissions that are capitalized and not yet expensed and are included in other assets on the consolidated balance sheets and amortized through commissions expense, employee compensation, and benefits in the consolidated statements of operations.

The table below provides a roll-forward of deferred commission expense:

	Years Ended December 31,	
(in thousands)	**2025**	**2024**
Balance at beginning of year	$ 7,635	$ 5,294
Costs capitalized	3,761	3,620
Amortization	(2,036)	(1,279)
Balance at end of year	$ 9,360	$ 7,635

4. Variable Interest Entities

ASC 810 requires a reporting entity to consolidate a VIE when the reporting entity has a variable interest or combination of variable interests that provide the entity with a controlling financial interest in the VIE. A reporting entity is considered to have a controlling financial interest in a VIE if it has (i) the power to direct the activities of a VIE that most significantly impact the VIE's economic performance, and (ii) the obligation to absorb the losses of, or the right to receive benefits from, the VIE that could potentially be significant to the VIE. As of December 31, 2024, the Company was the primary beneficiary of one consolidated VIE for which it did not hold a majority voting interest in DP Investments. On November 30, 2025, the Company exchanged its investment in subordinated notes for voting interests in DP Investments. As of December 31, 2025, the Company held a majority of the voting interest in DP Investments.

DP Investments was formed to engage in risk management consulting and insurance due diligence services. Its primary activities include sourcing and structuring specialized insurance solutions for clients. As of December 31, 2024, DP Investments is a VIE as it does not have sufficient equity to finance its activities without additional subordinated financial support. Assets of DP Investments are restricted for use and are not available to settle obligations of other entities within the Company.

As of December 31, 2024, DP Investments had total assets of $21.4 million and total liabilities of $6.0 million included in the consolidated balance sheets.

For the period ended December 31, 2024, DP Investments had total revenues of $8.4 million and net income of $0.2 million included in the consolidated statements of operations.

DP Investments is financed through its own operations and a senior secured term loan from a third party bank. The Company has provided a limited guarantee on this term loan, as further described in *Note 9. Debt, Net of Issuance Costs*.

The Company's maximum exposure to loss as a result of its involvement with DP Investments is primarily limited to its equity investments in and any outstanding loans and financial guarantees provided to DP Investments. As of December 31, 2024, the Company's maximum exposure to loss related to DP Investments was approximately $15.4 million, representing its net assets recorded on its consolidated balance sheets.

5. Business Combination

On September 19, 2024 (the "Acquisition Date"), the Company purchased certain assets and assumed certain liabilities of Media Guarantors Holdings, LLC and its subsidiary businesses (collectively referred to as “Media Guarantors”). Media Guarantors provides completion guarantee products for film and television productions. The purchase was accounted for using the acquisition method.

Goodwill of $7.6 million recognized from this acquisition is primarily attributable to the expected synergies from integrating Media Guarantors' specialized products into the Company's broader insurance and advisory platform.

The total consideration paid for the purchased assets of Media Guarantors was $10.1 million, paid or payable in cash. The recorded purchase price includes $0.5 million related to the fair value of contingent consideration payable to the seller. The contingent consideration payable is included as a component of other long-term liabilities on the consolidated balance sheets. The contingent consideration is an earnout payment based on the achievement of Earnings before Interest, Taxes, Depreciation, and Amortization (“EBITDA”) growth in excess of an established target. The final earnout payment will be determined in the second year after the Acquisition Date. Refer to *Note 6. Fair Value Measurement* for details on the fair value methodology and the use of Level 3 fair value inputs. Any subsequent changes in the fair value of contingent consideration will be recorded in other operating expenses, net in the consolidated statements of operations when incurred.

The operating results of this business combination have been included in the Company’s consolidated statements of operations since the Acquisition Date. The Company recognized total revenues and net income from the acquired subsidiary business combination of $1.6 million and $0.3 million, respectively, for the year ended December 31, 2024.

Acquisition-related costs incurred in connection with the business combination are recorded in other operating expenses, net in the consolidated statements of operations. The Company incurred $0.6 million of acquisition-related costs from its business combination for the year ended December 31, 2024.

The table below provides a summary of the total consideration and the estimated purchase price allocations for the business acquisition.

(in thousands)	**Media Guarantors**
Cash consideration paid	$ 9,608
Fair value of contingent consideration	450
Total consideration	10,058
Fiduciary cash	10,154
Intangible assets, net	2,525
Goodwill	7,551
Total assets acquired	20,230
Accounts payable	(18)
Fiduciary liabilities	(10,154)
Total liabilities assumed	(10,172)
Net assets acquired	$ 10,058

The Company used independent third-party valuation specialists to assist in determining the fair value of the acquired intangible assets. Provisional estimates of fair value are established on the Acquisition Date. Such estimates are preliminary in nature and, therefore, could be subject to material adjustments. Any necessary adjustments must be finalized within one year of the Acquisition Date (i.e., the measurement period). There are significant estimates used in determining the fair values of certain intangible assets acquired, which consist of customer relationships, trade name and non-compete agreements.

The fair values of acquired intangible assets were determined as follows:

- Customer Relationships: The fair value of $2.1 million was estimated using the multi-period excess earnings method under the income approach. This intangible asset is being amortized over an estimated useful life of 15 years, in line with the expected economic benefits.
- Trade Name: The fair value of $0.3 million was estimated using the relief-from-royalty method under the income approach. This intangible asset has been determined to have an indefinite useful life and will be tested for impairment annually.
- Non-competition Agreements: The fair value of $0.2 million was estimated using the with-and-without method under the income approach. This intangible asset is being amortized over its contractual life of 5 years.

6. Fair Value Measurement

Recurring Measurements

The following table summarizes the Company's assets and liabilities measured at fair value on a recurring basis within each level of the fair value hierarchy:

	Level 3	
	As of December 31,	
(in thousands)	**2025**	**2024**
Assets:		
Interest rate caps	$ 94	$ 946
Marketable securities	320	393
Total assets measured at fair value	$ 414	$ 1,339
Liabilities:		
Contingent consideration	$ —	$ 1,800
Total liabilities measured at fair value	$ —	$ 1,800

The fair value of the interest rate caps were obtained from the Company's financial institution's derivative team that sold the initial instrument. The financial institutions price the caps using active bids (when available) and when bids are not available, a valuation methodology that discounts the future expected receipts that would occur if variable interest rates rose above the strike rates of the caps. Management compared the value derived from the financial institution to expected cash receipts based on current market conditions and accepted the value provided without adjustment.

Marketable securities are carried at fair values primarily obtained from outside financial institutions. There is no actively traded market for these investments.

The following table includes a roll-forward of assets classified by the Company within Level 3 of the valuation hierarchy for the years ended December 31, 2025 and 2024:

(in thousands)	**Interest rate caps**	**Marketable securities**
Balance as of December 31, 2023	$ 995	$ 411
Additions	743	—
Change in fair value	(792)	(18)
Balance as of December 31, 2024	946	393
Additions	—	—
Change in fair value	(852)	(73)
Balance as of December 31, 2025	$ 94	$ 320

Methodologies used for liabilities measured at fair value on a recurring basis within Level 3 of the fair value hierarchy at December 31, 2025 and 2024 are based on limited unobservable inputs. These methods may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values. Furthermore, while the Company believes its valuation methods are appropriate and consistent with other market participants, the use of methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The Company measures the contingent consideration liabilities at fair value at each reporting period using significant unobservable inputs classified within Level 3 of the fair value hierarchy. The Company values their contingent consideration liabilities using a probability weighted value analysis or a Monte Carlo simulation.

The Company uses a probability weighted value analysis as a valuation technique to convert future estimated cash flows to a single present value amount. The significant unobservable inputs used in the fair value measurements are projections of operating results and projections of market multiples over the earnout period, and the probability outcome percentages assigned to each scenario. Significant increases or decreases to either of these inputs would result in a significantly higher or lower liability. Ultimately, the liability will be equivalent to the amount settled, and the difference between the fair value estimate and amount settled will be recorded in earnings.

The Company uses the Monte Carlo simulation under a risk-neutral framework to simulate the present value of the contingent consideration payment for 50,000 iterations. The Company simulated future EBITDA and discounted the forecasted EBITDA at a risk-adjusted discount rate and used the present value of EBITDA as a starting point in the simulation. For each simulation path, the Company calculated the contingent consideration payment as of the Acquisition Date and then discounted the simulated payment at the Company's estimated cost of debt. The Company estimated the fair value of the contingent consideration as the average present value of the simulated contingent consideration payment over all simulated paths.

Changes in the fair value of contingent consideration during the years presented were as follows:

(in thousands)		**Amount**
Fair value of contingent consideration at December 31, 2023	$	2,000
Acquisition date fair value of contingent consideration recorded		450
Changes in fair value of contingent consideration		(650)
Fair value of contingent consideration as of December 31, 2024		1,800
Acquisition date fair value of contingent consideration recorded		—
Payments of contingent consideration		—
Changes in fair value of contingent consideration		(1,800)
Fair value of contingent consideration as of December 31, 2025	$	—

For the years ended December 31, 2025 and 2024, a gain of $1.8 million and $0.7 million, respectively, was recorded primarily due to adverse changes in expectations of the operating results of Media Guarantors and DP Investments. As of December 31, 2025, the Company estimates that there will be no potential contingent consideration payments.

The Company's policy is to recognize transfers between fair value hierarchy levels at the end of the reporting period; no such transfers occurred in 2025 or 2024.

Financial Instruments Not Measured at Fair Value

The Company carries long-term debt at amortized cost, which approximates fair value as its long-term debt primarily bears variable interest rates.

7. Property and Equipment, Net

Property and equipment, net consists of the following:

(in thousands)	As of December 31, 2025	2024
Leasehold improvements	$ 6,250	$ 4,003
Office equipment	4,535	4,110
Furniture and fixtures	3,339	2,806
Construction-in-process	3,488	2,812
Airplane	800	800
Automobiles	634	573
Total property and equipment	19,046	15,104
Less: Accumulated depreciation	(8,257)	(6,975)
Total property and equipment, net	$ 10,789	$ 8,129

8. Intangible Assets, Net and Goodwill

Intangible assets consist of the following:

(in thousands)	December 31, 2025 Carrying Value	Accumulated Amortization	Net Carrying Value	December 31, 2024 Carrying Value	Accumulated Amortization	Net Carrying Value
Amortizable intangible assets						
Customer relationships	$ 22,052	$ (7,472)	$ 14,580	$ 21,900	$ (6,185)	$ 15,715
Capitalized software	19,962	(14,716)	5,246	18,410	(10,757)	7,653
Non-compete agreements	5,025	(3,369)	1,656	5,025	(2,364)	2,661
Total amortizable intangible assets	47,039	(25,557)	21,482	45,335	(19,306)	26,029
Indefinite lived intangible assets - Trade names	2,413	—	2,413	2,413	—	2,413
Total intangible assets	$ 49,452	$ (25,557)	$ 23,895	$ 47,748	$ (19,306)	$ 28,442

Future annual estimated amortization expense over the next five years for intangible assets is as follows (in thousands):

2026	$ 5,205
2027	4,193
2028	1,477
2029	1,355
2030	1,332
Thereafter	7,920
Total	$ 21,482

The changes in carrying value of goodwill are as follows (in thousands):

	Total
Balance as of December 31, 2023	12,648
Goodwill of acquired business	7,551
Balance as of December 31, 2024	20,199

There were no changes in the carrying value of goodwill for the year ended December 31, 2025.

9. Debt, Net of Issuance Costs

On December 2, 2025, the Company entered into the Merger Agreement to sell its business to the Baldwin. In accordance with the terms of the Merger Agreement, all of the Company's outstanding long-term debt will be repaid in full upon the closing of the transaction (which is expected to occur during 2026). As the settlement of these obligations is now expected within one year of the balance sheet date, the Company has reclassified all of its outstanding long-term debt as current, and is included in current portion of long-term debt on the accompanying consolidated balance sheet.

As of December 31, debt, net of issuance costs consists of the following:

(in thousands)	2025	2024
Term loan – Lake Forest, variable interest rate (6.42% and 7.07% at December 31, 2025 and 2024, respectively) due quarterly, balloon at maturity of December 2027, secured by substantially all assets of the Company	$ 101,008	$ 84,677
Revolving loan – Lake Forest, variable interest rate (7.07% at December 31, 2024), maturity of December 2026, secured by substantially all assets of the Company	—	8,914
Term loan – MVB Bank, fixed interest rate of 6.51% and required curtailments due quarterly, maturity of July 2027, secured by substantially all assets of DP Investments and limited guarantee by CAC Holdings, LLC	—	4,533
Note payable – 7.5% prime interest rate at December 31, 2024, maturity of April 2028, unsecured	—	37,515
Note payable – 6.75% and 7.5% prime interest rate at December 31, 2025 and 2024, respectively, maturity of April 2027, unsecured	3,401	5,101
Note payable – 6.75% and 7.5% prime interest rate at December 31, 2025 and 2024, respectively, maturity of September 2028, unsecured	639	852
Note payable – 6.75% and 7.5% prime interest rate at December 31, 2025 and 2024, respectively, maturity of January 2028, unsecured	375	562
Note payable – Lake Forest, fixed interest rate of 6.3%, maturity of November 2029, secured by cash surrender value of life insurance policies	—	1,621
Note payables – 6.75% prime interest rate at December 31, 2025, maturity of July 2029	8,036	—
Note payables – 6.75% prime interest rate at December 31, 2025, maturity of August 2029	8,456	—
Note payables – 6.75% prime interest rate at December 31, 2025, maturity of October 2029	15,502	—
Total Debt	137,417	143,775
Less: Current portion, net of debt issuance costs of $224 and $0 at December 31, 2025 and 2024, respectively	137,193	18,976
Long-term debt, net of debt issuance costs net debt issuance costs of $0 and $208 at December 31, 2025 and 2024, respectively	$ —	$ 124,591

The following table summarizes the contractual maturities of long-term debt, presented for informational purposes. This schedule does not reflect the reclassification of all long-term debt to current liabilities as a result of the pending acquisition. *(in thousands)*:

2026	$ 19,922
2027	101,097
2028	8,399
2029	7,999
2030	—
Total	$ 137,417

The Company is party to a credit agreement with Lake Forest Bank & Trust, N.A. which provides senior secured credit facilities in an aggregate principal amount of $150.7 million (the "Lake Forest Credit Agreement"), which consist of (i) a term loan facility in the principal amount of $45.9 million maturing December 31, 2027 (the "Lake Forest Term Loan"); (ii) a delayed draw term loan with commitments in aggregate of $29.8 million maturing December 31, 2027; (iii) delayed draw term loans with commitments in aggregate of $40.0 million maturing December 31, 2027; and (iv) a revolving credit facility with commitments in an aggregate principal amount of $35.0 million maturing December 31, 2026 (the "Revolving Facility"). On June 30, 2025, the Company amended its credit agreement with Lake Forest Bank & Trust, N.A. to refresh our incremental term loan advance of $25.0 million, and amended certain definitions related to adjusted EBITDA, asset dispositions, leverage ratios, and mandatory repayment provisions.

The Lake Forest Credit Agreement is secured by substantially all assets of the Company. The Company is subject to certain restrictive financial covenants related to the Lake Forest Credit Agreement. The Company was in compliance with these covenants as of December 31, 2024. As of December 31, 2025, the Company was not required to assess compliance with these covenants as this debt was paid off in conjunction with close of the transaction contemplated by the Merger Agreement.

The Company provided a limited guarantee for its consolidated subsidiary, DP Investments, on a senior secured term loan in an aggregate principal amount of $6.6 million maturing July 1, 2027 (the "MVB Term Loan"). The term loan was repaid on October 2, 2025. As of December 31, 2024, the maximum potential amount of future payments under the guarantee was $4.5 million.

DP Investments was subject to certain restrictive financial covenants related to the MVB Term Loan. DP Investments was in compliance with these covenants as of December 31, 2024.

In certain cases, the Company issues notes payable to its members upon redemption of their members' interests or noncontrolling interests. During 2025, the Company exchanged notes payable of $28.1 million for members' interests in the Company and repaid $9.4 million in cash.

On October 1, 2025, the Company executed a note payable with Lake Forest Bank & Trust Company, N.A. for $1.6 million. The note bears interest at 6.30% and was secured by the cash surrender value of the existing life insurance policies owned by the Company. On December 30, 2025, the Company repaid the outstanding balance of the note payables totaling $3.2 million.

10. Leases

The Company has operating leases relating to its office space (including from a related party - see *Note 16. Related Party Transactions*) under month-to-month and long-term leases, which contain various renewal options and operating expense charge provisions. The Company also leases certain office equipment through short-term operating leases.

Operating lease right-of-use assets and lease liabilities were as follows:

	As of December 31,	
	2025	**2024**
Assets:		
Right-of-use assets	$ 18,923	$ 17,734
Liabilities:		
Current portion of operating lease liability	3,554	3,066
Operating lease liability, net of current portion	20,216	18,859
Total operating lease liabilities	$ 23,770	$ 21,925

The components of the lease costs were as follows:

	Years Ended December 31,	
	2025	2024
Operating lease costs	$ 4,692	$ 3,727
Variable lease costs	1,592	962

Operating lease cost for short-term leases was approximately $0.5 million and $0.6 million for the years ended December 31, 2025 and 2024, respectively.

Supplemental cash flow information relating to our leases was as follows:

(in thousands)	Years Ended December 31, 2025	2024
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows for operating leases	$ 4,472	$ 2,949
Operating lease non-cash items:		
Right-of-use assets obtained in exchange for operating lease liabilities	4,938	2,625
Right-of-use assets increased (decreased) through lease modifications and reassessments	(669)	303

Weighted average remaining lease terms and discount rates were as follows:

	December 31, 2025	2024
Operating leases:		
Remaining lease term based on last payment (in years)	8.2	8.7
Remaining lease term based on end date (in years)	8.28	8.73
Discount rate	6.71 %	6.42 %

Future minimum rental commitments under office lease agreements having terms of more than one year are as follows:

(in thousands)	Minimum Future Lease Payments
2026	$ 4,979
2027	3,989
2028	3,941
2029	3,876
2030	2,605
Thereafter	12,514
Total lease payments	31,904
Less: imputed interest	(8,135)
Lease liabilities	$ 23,769

Minimum future remaining lease payments from related party leases is approximately $2.8 million as of December 31, 2025.

11. Income Taxes

Income tax expense is based on pre-tax income (after the exclusion of nontaxable income and expense items) for taxable entities within the Company structure and includes deferred tax expenses related to the current year change in deferred tax assets and liabilities.

Federal and state income tax receivable was $1.6 million and $0.2 million at December 31, 2025 and 2024, respectively.

The components of income tax expense for the years ended December 31, is as follows:

(in thousands)	2025	2024
Current:		
Federal	$ (215)	$ 3,604
State	67	946
Total current tax (benefit) expense	(148)	4,550
Deferred:		
Federal	(6,703)	(435)
State	(1,569)	(66)
Total deferred tax (benefit) expense	(8,272)	(501)
Total:		
Federal	(6,918)	$ 3,169
State	(1,502)	$ 880
Total income tax (benefit) expense	$ (8,420)	$ 4,049

The following is a reconciliation of the U.S. federal statutory income tax rate to the Company's effective rate for the years ended December 31, 2025 in accordance with the guidance under ASU 2023-09 is as follows:

(in thousands)	2025	
	$	%
Tax (benefit) on loss computed at statutory federal income tax rate	$ (102,269)	21.0 %
Domestic federal		
Nontaxable and nondeductible items		
Loss not subject to corporate taxation	93,345	(19.2)%
Other nontaxable and nondeductible items	2,032	(0.4)%
Other	(12)	— %
Domestic state and local income taxes, net of federal effect[1]	(1,516)	0.3 %
Income tax (benefit)	$ (8,420)	1.7 %

(1) State taxes in Alabama, California and New York make up the majority (greater than 50%) of the tax effect in this category.

The following is a reconciliation of the U.S. federal statutory income tax rate to the Company's effective rate for the years ended December 31, 2024 in accordance with the guidance prior to the adoption of ASU 2023-09.

(in thousands)	2024
Tax (benefit) on loss computed at statutory federal income tax rate	$ (21,968)
Loss not subject to corporate taxation	25,993
Increase (decrease) in taxes resulting from:	
State taxes (benefit), net of federal	663
Permanent items	323
Prior period adjustments	(891)
Other	(71)
Income tax expense	$ 4,049

The components of the net deferred tax asset as of December 31, is as follows:

(in thousands)	2025	2024
Deferred tax assets:		
Net Operating Loss Carryforward	$ 6,595	$ —
Investments	4,095	4,381
Lease Liability	2,280	1,465
Capitalized Transaction Costs	938	—
Accrued Expenses	484	479
Other	409	42
Gross deferred tax assets	14,801	6,367
Valuation allowance	—	—
Deferred tax assets net of valuation allowance	$ 14,801	$ 6,367
Deferred tax liabilities:		
Deferred Revenue	$ (1,763)	$ (2,089)
ROU Assets	(2,180)	(1,404)
Contingent Revenue	(1,148)	(1,470)
Capitalized Contract Costs	(874)	(724)
Prepaid Expenses	(158)	(323)
Other	(234)	(184)
Total deferred tax liabilities	(6,357)	(6,194)
Net deferred tax asset (liability)	$ 8,444	$ 173

The application of U.S. GAAP requires the Company to evaluate the recoverability of deferred tax assets and establish a valuation allowance if necessary to reduce the deferred tax asset to an amount that is more likely than not expected to be realized. The company has determined no valuation allowance should be recognized for deferred tax assets as of December 31, 2025 or 2024.

As of December 31, 2025, deferred tax assets included federal and state net operating loss carryforwards, as tax-effected, of $5.3 million and $1.3 million, respectively. The federal losses do not expire. The state losses have various expiration dates beginning in 2035.

As of December 31, 2025, the Company has not recognized any uncertain tax positions. Further, the Company has recognized an immaterial amount of interest and penalties for the years ended December 31, 2025 and 2024, respectively.

The Company is subject to federal examination for tax years beginning with the year ended December 31, 2022. During 2024, the Company was notified by the tax authorities for an audit of the 2021 tax year. The audit concluded on September 30, 2024, and resulted in a net refund to the Company of $0.2 million.

Below is a summary of income taxes paid (net of refunds received) for the year ended December 31, 2025 in accordance with the guidance under ASU 2023-09:

(in thousands)	2025
U.S. Federal	$ 950
U.S. State and Local	
Texas	147
Alabama	123
Other	6
Total income taxes paid (net of refunds)	$ 1,226

12. Employee Benefit Plan

Substantially all employees of the Company are eligible to participate in a 401(k) savings plan. For the years ended December 31, 2025 and 2024, the Company made matching contributions under the terms of this plan on behalf of the employees of $3.0 million and $2.6 million, respectively.

13. Stock-Based Compensation

The Company has granted and may grant Common Units as capital interests or profits interests to employees, consultants, vendors, or strategic partners (“Participants”) in connection with their service to the Company (“Service Provider Units”). The issuance of all Service Provider Units is governed by the Company’s Limited Liability Company Agreement (the “LLC Agreement”). The LLC Agreement provides that the Company can issue Service Provider Units during any calendar year in an amount that results in up to 6% dilution of the existing members without board approval, subject to certain other limitations.

Membership Units

Historically, the Company has granted capital interest Service Provider Units to its employees (the "Membership Units"). The terms of the Company’s outstanding Membership Units may include service or performance conditions. In addition, vesting is accelerated on all unvested Membership Units in the event of a change of control of the Company. Membership Units are accounted for as liability-classified awards as the risk and rewards of ownership are not transferred to the Participants due to certain repurchase provisions. As such, awards are measured based on their fair value as of each reporting date and compensation expense is recognized over the relevant requisite service period. Total stock-based compensation expense related to vested Membership Units for the years ended December 31, 2025 and 2024 was $422.1 million and $134.6 million, respectively, and is included in commissions, employee compensation, and benefits on the consolidated statements of operations.

The following table summarizes the activity for outstanding Membership Units granted by the Company:

	Membership units
Outstanding at December 31, 2023	301,319
Granted	4,445
Forfeited	(667)
Repurchased	(43,532)
Outstanding at December 31, 2024	261,565
Granted	42,020
Forfeited	(205)
Repurchased	(21,256)
Outstanding at December 31, 2025	282,124

The following table summarizes the activity for unvested and outstanding Membership Units granted by the Company:

	Membership units
Unvested and outstanding at December 31, 2023	6,136
Granted	4,445
Vested	(3,688)
Forfeited	(667)
Unvested and outstanding at December 31, 2024	6,226
Granted	42,020
Vested	(41,657)
Forfeited	(205)
Unvested and outstanding at December 31, 2025	6,384

The Company had $19.4 million of total unrecognized compensation cost related to non-vested Membership Units at December 31, 2025, which is expected to be recognized over a weighted-average period of 1.93 years or upon the occurrence of a change in control.

At December 31, 2025, the fair value of each Membership Unit was estimated using the negotiated price from a transaction with a third-party (described further in *Note 17. Subsequent Events)*.

At December 31, 2024, the fair value of each Membership Unit was estimated using an option-pricing model based on the following assumptions for the years ended:

	December 31, 2024
Expected volatility	30.00 %
Risk-free interest rate	4.23 %
Expected term - in years	3.00

2023 PIU Awards

The Company entered into Service Provider Profit Interest Unit Agreements (the "SPU Agreements") in 2023 to grant profits interest Service Provider Units as compensation to its key employees and board members (collectively, the "2023 PIU Participants"). These awards, referred to as profits interest units ("2023 PIUs"), represent an ownership and beneficial interest in the Company. The 2023 PIUs are subject to a two-year service-based vesting period. In the event of termination of employment within two years of the grant date, all unvested units are forfeited by the 2023 PIU Participant.

Effective January 1, 2023, the Company granted 76,041 2023 PIUs. No additional 2023 PIUs were granted subsequently. Holders of these awards are eligible to participate in distributions, with the total aggregate distribution amount determined by the Company's growth during the 2023 fiscal year. Based on a valuation performed as of December 31, 2023, holders of 2023 PIUs are entitled to receive distributions up to a maximum of $235.12 per unit. Upon receiving the full distribution amount, 2023 PIU Participants forfeit any further economic rights, and the units are effectively redeemed. Should a 2023 PIU Participant's service be terminated before the 2023 PIUs are fully redeemed, the Company retains the option to either repurchase the units at the lesser of their fair value or the maximum per-unit cap, or allow the 2023 PIU Participant to receive future distributions up to the remaining aggregate cap.

The 2023 PIUs can only be monetized through a distribution event, which is within the control of the Company. As such, stock-based compensation expense for the 2023 PIUs will not be recognized until a distribution event occurs. The 2023 PIUs will receive a distribution concurrent with a change in control.

During the year ended December 31, 2025 4,562 of the 2023 PIUs repurchased, resulting in the recognition of $1.1 million in stock-based compensation expense related to the acceleration of vesting upon repurchase. None of the 2023 PIUs were repurchased in December 31, 2024. As of December 31, 2025 and December 31, 2024, none of the 2023 PIUs were forfeited. The weighted-average grant date fair value of the 2023 PIUs was $130.

The Company has unrecognized compensation cost related to the 2023 PIUs of $8.8 million at December 31, 2025, which is expected to be recognized upon the occurrence of a change in control.

2025 PIU Awards

The Company entered into Service Provider Profit Interest Unit Agreements (the “2025 SPU Agreements”) effective September 30, 2025 to grant profits interest Service Provider Units as compensation to its key employees and board members (collectively, the “2025 PIU Participants”). These awards, referred to as profits interest units (“2025 PIUs”), represent an ownership and beneficial interest in the Company. The 2025 PIUs are subject to a two-year service-based vesting period. In addition to a two-year service condition, these awards contain a market condition tied to the Company’s growth in 2025. The final number of units issued to 2025 PIU Participants will be adjusted on January 1, 2026, based on a pre-determined formula. In the event of a distribution prior to January 1, 2026, the aggregate value of the distribution for the 2025 PIUs will be capped at $45.0 million. In the event of termination of employment within two years of the grant date, all unvested units are forfeited by the 2025 PIU Participant. The vesting of all outstanding 2025 PIUs is fully accelerated upon the occurrence of a change in control.

The 2025 PIUs are accounted for as liability-classified awards as the risks and rewards of ownership are not transferred to the 2025 PIU Participants. Share-based compensation for the 2025 PIUs is recognized ratably over the vesting period of the respective awards. The Company recognizes share-based compensation expense for the awards net of actual forfeitures.

The Company granted 13,060 2025 PIUs on September 30, 2025.

In connection with the transactions contemplated by the Merger Agreement, the Company, in agreement with the 2025 PIU Participants, entered into the Service Provider Unit Waiver Agreement on December 19, 2025 ("PIU Waiver Agreement"). The PIU Waiver Agreement entitles 2025 PIU Participants to receive, effective and contingent upon the Closing (as defined in the Merger Agreement) a payment with respect to the 2025 PIUs of $1,408.85 per unit. Recognized compensation cost relates to PIU Waiver Agreement as of December 31, 2025 is $16.2 million.

14. Redeemable Members' Interests and Noncontrolling Interests

Redeemable Members' Interests

At December 31, 2025 and 2024, redeemable members’ interests included Common Units. Members holding Common Units generally do not hold voting rights except with respect to matters expressly reserved for within the Company's Amended and Restated Limited Liability Agreement. Management of the Company is vested in the Board of Managers, which has full and complete power and authority to manage and control the business. The Board of Managers consists of 9 managers who are appointed by a Nominating Committee and approved by the previous Board of Managers on an annual basis.

Substantially all of the Company's membership interests are held by employees. These interests were purchased by the Company's employees at fair value, and are redeemable by the employees at their option under certain termination scenarios for the fair value as determined at the most recent valuation date. Redemptions are payable in cash or a combination of cash and notes payable.

As of December 31, 2025 and 2024, there were 29,590 and 5,840 units issued and outstanding, respectively. All of the units are subject to possible redemption and have been classified as Redeemable members' interests. As of December 31, 2025 and 2024 the membership interests were not considered probable of becoming redeemable. As such, the carrying value of the membership interests have not been adjusted to their redemption amounts.

Noncontrolling Interests

For consolidated subsidiaries that are less than wholly owned, the third-party holdings of equity interests are referred to as noncontrolling interests, and the portion of members’ equity of such subsidiaries is presented as noncontrolling interests on the consolidated balance sheets.

During the years ended December 31, 2025 and December 31, 2024 the Company acquired additional nonvoting economic interest of 16% and 16%, respectively, in its consolidated subsidiary, DP Investments, in exchange for issuing membership units of the Company. As of December 31, 2025, the Company owns 100% of the economic interest in DP Investments. Additionally, during the year ended December 31, 2025 the Company exchanged outstanding subordinated notes for 100% voting interest in DP Investments. These transactions were accounted for as equity transactions.

Redeemable Noncontrolling Interests

Certain of the Company's noncontrolling interests are held by employees of the consolidated subsidiary. These interests were purchased by the Company's employees at fair value, and are redeemable by the employees at their option under certain termination scenarios for the fair value as determined at the most recent valuation date. Redemptions are payable in cash or a combination of cash and notes payable.

In addition, for a thirty day period after obtaining an appraisal of equity fair values as of June 30, 2026, the Company has the right to cause certain employees to exchange their redeemable noncontrolling interests for Company Common Units in an amount determined using the most recently appraised values for the Company Common Units and the redeemable noncontrolling interests, respectively. If the Company does not exercise this option during the thirty day period, the employees will have a ninety day period under which they will have the right to cause the exchange under the same terms, if agreed to by a super majority of the relevant employees.

During the year ended December 31, 2025, the Company redeemed all of the redeemable noncontrolling interests in an exchange for redeemable members' interests. As of December 31, 2024, the redeemable noncontrolling interests were not considered probable of becoming redeemable. As such, the carrying value of the redeemable noncontrolling interests have not been adjusted to their redemption amounts.

15. Commitments and Contingencies

The Company is involved in various lawsuits in the normal course of business. Accordingly, management believes adequate provision for any contingent liabilities in excess of amounts covered by insurance has been made in the accompanying consolidated financial statements.

Management cannot predict the outcome of the lawsuits or estimate the amount of any loss that may result. Management believes that losses resulting from these matters, if any, may be covered under the Company’s liability insurance policy and will not have a material effect on the financial position of the Company.

16. Related Party Transactions

The Company leases its Birmingham, Alabama office building from a company owned by members of the Company's management (see *Note 10. Leases*). In November 2023, the Company extended the lease expiration from 2025 to 2030. Rent expense under the lease was $0.6 million and $0.3 million for the years ended December 31, 2025 and 2024, respectively, which represents current negotiated market rates for the respective periods.

17. Subsequent Events

Effective January 1, 2026, Baldwin acquired the outstanding equity interests of the business of the Company for aggregate consideration paid at closing consisting of $438.0 million of cash (subject to customary purchase price adjustments) and 23,200,000 shares of the Baldwin's Class A common stock. The purchase consideration also includes a deferred payment of $70.0 million in cash, payable upon the fourth anniversary of the closing date of the transaction. The Company may be entitled to receive additional contingent consideration payable in cash based upon the achievement of certain post-closing revenue focused performance measures.

Upon closing of the aforementioned transaction, the Company's debt was repaid and all units of the Company were redeemed in cash or a combination of cash and Baldwin Class A common stock on January 2, 2026.

Management has evaluated subsequent events through April 14, 2026, the date the financial statements were available to be issued. Based on this evaluation, management determined that no other subsequent events occurred that would require adjustment to, or disclosure in, these financial statements.

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The following unaudited pro forma condensed combined financial information has been prepared to reflect the impact of the completed acquisitions by the subsidiaries of The Baldwin Insurance Group, Inc. ("we," "our," "Baldwin" or the "Company"). The following unaudited pro forma condensed combined financial information is based on the historical financial information of (i) the Company and (ii) each of CAC Group, the Other 2026 Partners and the 2025 Partners (each as defined below). We are presenting the impact of the acquisition of CAC Group because it is deemed an individually significant acquisition. We are presenting the impact of the completed acquisitions of the Other 2026 Partners and the 2025 Partners, each in the aggregate, because they are considered significant in the aggregate and this presentation provides useful information for investors.

The unaudited pro forma condensed combined balance sheet as of December 31, 2025 gives effect to the following as if the acquisitions had occurred on December 31, 2025:

i. the acquisition of the business of Cobbs Allen Capital Holdings, LLC ("CAC Group") effective January 1, 2026; and

ii. the acquisitions of Creisoft, Inc. ("Obie") and Foley Insurance Agency, Inc., doing business as Capstone Group ("Capstone"), each of which was effective January 2, 2026 (collectively, the "Other 2026 Partners" and, together with CAC Group, "CAC Group and the Other 2026 Partners").

The unaudited pro forma condensed combined balance sheet as of December 31, 2025 does not give effect to the 2025 Partners as they are reflected in Baldwin's historical balance sheet as of that date.

The unaudited pro forma condensed combined statement of comprehensive income (loss) for the year ended December 31, 2025 gives effect to the following as if the acquisitions had occurred on January 1, 2025:

i. the acquisitions of Bermuda-based reinsurance underwriting platform MultiStrat Group ("MultiStrat") effective April 1, 2025 and the various entities comprising the homebuilder distribution network of Hippo Holdings, Inc. ("Hippo's Homebuilder Distribution Network") effective July 1, 2025 (collectively, the "2025 Partners"); and

ii. the acquisitions of CAC Group and the Other 2026 Partners.

The unaudited pro forma condensed combined financial information has been prepared by management and is based on Baldwin's historical financial statements and the assumptions and adjustments described in the notes to the unaudited pro forma financial information below. The presentation of the unaudited pro forma condensed combined financial information has been prepared by Baldwin in accordance with Article 11 of Regulation S-X.

Our historical financial information for the year ended December 31, 2025 has been derived from Baldwin's audited consolidated financial statements and accompanying notes included in Baldwin's Annual Report on Form 10-K as filed with the U.S. Securities and Exchange Commission ("SEC") on February 26, 2026.

The pro forma transactions and adjustments (collectively, the "Transaction Accounting Adjustments") are based on available information necessary to reflect, on a pro forma basis, the aggregate impact of the relevant transactions on the historical financial information of Baldwin. The Transaction Accounting Adjustments consist of those necessary to account for the acquisitions of CAC Group, the Other 2026 Partners and the 2025 Partners. The Transaction Accounting Adjustments are described in the notes to the unaudited pro forma condensed combined financial information.

On January 2, 2026, in connection with the acquisitions of CAC Group and the Other 2026 Partners, the Company entered into Amendment No. 4 to the Amended and Restated Credit Agreement, dated as of May 24, 2024, as amended, to provide for $600 million of incremental term loans (the "Incremental Term Loans") with interest based on the Secured Overnight Financing Rate ("SOFR") plus an applicable margin of 250 basis points (the "January 2026 Refinancing"). The Company incurred aggregate debt issuance costs related to the January 2026 Refinancing of approximately $12.0 million. The funding of the Incremental Term Loans was essential for completion of the acquisitions of CAC Group and the Other 2026 Partners. The adjustments related to the January 2026 Refinancing, and certain other adjustments not directly related to the acquisitions on a discrete basis, are shown in a separate column as "Financing and Other Adjustments." The Financing and Other Adjustments are described further in the notes to the unaudited pro forma condensed combined financial information.

The unaudited pro forma condensed combined financial information should be read in conjunction with the accompanying notes to the unaudited pro forma condensed combined financial information. In addition, the unaudited pro forma condensed combined financial information was based on and should be read in conjunction with the following historical consolidated financial statements and accompanying notes:

- audited historical consolidated financial statements and accompanying notes of Baldwin (as contained in the Company's Annual Report on Form 10-K for the year ended December 31, 2025 filed with the SEC on February 26, 2026); and
- audited historical consolidated financial statements of CAC Group as of and for the years ended December 31, 2025 and 2024 and the related notes filed as Exhibit 99.1 of the Company's Current Report on Form 8-K filed with the SEC on October 9, 2026.

The unaudited pro forma condensed combined financial information is presented for informational purposes only and is not intended to reflect the results of operations or the financial position of the Company that would have resulted had the acquisitions of CAC Group, the Other 2026 Partners and the 2025 Partners been effective during the period presented or the results that may be obtained by the Company in the future. The unaudited pro forma condensed combined financial information as of and for the period presented does not reflect future events that may occur after the acquisitions of CAC Group and the Other 2026 Partners, including, but not limited to, synergies or revenue enhancements arising from the acquisitions of CAC Group and the Other 2026 Partners. Future results may vary significantly from the results reflected in the unaudited pro forma condensed combined financial information.

UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET

AS OF DECEMBER 31, 2025

(in thousands)	Historical			Transaction Accounting Adjustments		Financing and Other Adjustments		Pro Forma Baldwin
	Baldwin	CAC Group (as Adjusted)	Other 2026 Partners					
		A	A, (1)					(2)
Assets								
Current assets:								
Cash and cash equivalents	$ 123,669	$ 13,708	$ 15,056	$ (580,260)	B	$ 567,962	C	$ 140,135
Fiduciary cash	223,228	88,804	15,189	—		—		327,221
Assumed premiums, commissions and fees receivable, net	342,136	43,887	(618)	1,905	D	—		387,310
Fiduciary receivables	497,035	122,219	2,667	66,296	E	—		688,217
Prepaid expenses and other current assets	13,650	7,298	311	(5,254)	D	—		16,005
Total current assets	1,199,718	275,916	32,605	(517,313)		567,962		1,558,888
Property and equipment, net	22,502	10,789	—	(2,011)	F	—		31,280
Right-of-use assets	61,976	18,923	788	7,591	F	—		89,278
Other assets	82,419	23,902	—	(18,174)	D	—		88,147
Intangible assets, net	978,434	23,895	—	527,088	G	—		1,529,417
Goodwill	1,517,171	20,199	—	1,114,696	G	—		2,652,066
Total assets	$ 3,862,220	$ 373,624	$ 33,393	$ 1,111,877		$ 567,962		$ 5,949,076
Liabilities, Mezzanine Equity and Stockholders' Equity								
Current liabilities:								
Fiduciary liabilities	$ 720,263	$ 211,023	$ 17,856	$ 66,296	E	$ —		$ 1,015,438
Commissions payable	50,933	45,172	—	168	H	—		96,273
Accrued expenses and other current liabilities	252,560	1,159,534	5,326	(1,086,754)	H	275	I	330,941
Current portion of contingent earnout liabilities	9,004	—	—	—		—		9,004
Total current liabilities	1,032,760	1,415,729	23,182	(1,020,290)		275		1,451,656
Revolving line of credit	107,000	—	—	—		(20,000)	C	87,000
Long-term debt, less current portion	1,566,122	—	12,499	(12,499)	H	595,887	C	2,162,009
Contingent earnout liabilities, less current portion	14,289	—	—	315,998	J	—		330,287
Operating lease liabilities, less current portion	57,651	20,215	810	1,833	F	—		80,509
Tax Receivable Agreement liabilities	—	—	—	—		129,990	M	129,990
Deferred tax liabilities	—	—	—	142,208	K	(137,240)	L	4,968
Other liabilities	—	—	—	128,400	H	—		128,400
Total liabilities	2,777,822	1,435,944	36,491	(444,350)		568,912		4,374,819
Mezzanine equity:								
Redeemable noncontrolling interest	519	—	—	—		—		519
Redeemable members' interest	—	(1,062,122)	—	1,062,122	N	—		—
Stockholders' equity:								
Class A common stock	718	—	7	233	N	—		958
Class B common stock	5	—	—	—		—		5
Additional paid-in capital	844,236	—	39,365	342,770	N	(7,281)	L,M	1,219,090
Accumulated deficit	(245,236)	—	(42,470)	22,718	O	6,331	C,I,L,M	(258,657)
Accumulated other comprehensive income	492	—	—	—		—		492
Total stockholders' equity attributable to Parent	600,215	—	(3,098)	365,721		(950)		961,888
Noncontrolling interest	483,664	(198)	—	128,384	N	—		611,850
Total stockholders' equity	1,083,879	(198)	(3,098)	494,105		(950)		1,573,738
Total liabilities, mezzanine equity and stockholders' equity	$ 3,862,220	$ 373,624	$ 33,393	$ 1,111,877		$ 567,962		$ 5,949,076

(1) The Other 2026 Partners are not individually significant business acquisitions under Rule 3-05 of Regulation S-X; however, we have included them in the unaudited pro forma condensed combined balance sheet because they are considered significant in the aggregate and this presentation provides useful information for investors.

(2) In accordance with Article 11 of Regulation S-X, these pro forma financial statements give effect to the acquisitions of CAC Group and the Other 2026 Partners as if each had occurred on December 31, 2025.

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF COMPREHENSIVE INCOME (LOSS)

FOR THE YEAR ENDED DECEMBER 31, 2025

(in thousands, except per share data)	Historical				Transaction Accounting Adjustments	Financing and Other Adjustments	Pro Forma Baldwin
	Baldwin	CAC Group	Other 2026 Partners	2025 Partners			
		A	A, (1)	A			(2)
Revenues:							
Commissions and fees	$ 1,493,680	$ 294,205	$ 42,022	$ 18,490	$ (12,807) P	$ —	$ 1,835,590
Investment income	11,204	5,013	—	—	—	—	16,217
Total revenues	1,504,884	299,218	42,022	18,490	(12,807)	—	1,851,807
Operating expenses:							
Colleague compensation and benefits	777,531	670,267	28,919	3,030	(422,744) Q	—	1,057,003
Outside commissions	279,711	—	13,527	605	(12,807) P	—	281,036
Other operating expenses	240,282	59,356	8,023	2,307	19,752 R	130,265 M,R	459,985
Amortization expense	121,316	6,249	42	783	94,701 S	—	223,091
Change in fair value of contingent consideration	5,594	(1,800)	—	—	—	—	3,794
Depreciation expense	6,514	1,307	113	—	—	—	7,934
Total operating expenses	1,430,948	735,379	50,624	6,725	(321,098)	130,265	2,032,843
Operating income (loss)	73,936	(436,161)	(8,602)	11,765	308,291	(130,265)	(181,036)
Other income (expense):							
Interest income (expense), net	(121,428)	(10,340)	946	22	10,340 T	(42,736) T	(163,196)
Gain on divestitures	290	—	—	—	—	—	290
Loss on extinguishment and modification of debt	(6,226)	—	—	—	—	(7,925) T	(14,151)
Other income (expense), net	635	(40,492)	7	331	21,385 U	—	(18,134)
Total other income (expense), net	(126,729)	(50,832)	953	353	31,725	(50,661)	(195,191)
Income (loss) before income taxes and share of net earnings of equity method investee	(52,793)	(486,993)	(7,649)	12,118	340,016	(180,926)	(376,227)
Share of net earnings of equity method investee	368	—	—	—	—	—	368
Income (loss) before income taxes	(52,425)	(486,993)	(7,649)	12,118	340,016	(180,926)	(375,859)
Less: income tax expense (benefit)	1,729	(8,420)	—	—	—	(144,521) L	(151,212)
Net income (loss)	(54,154)	(478,573)	(7,649)	12,118	340,016	(36,405)	(224,647)
Less: net income (loss) attributable to noncontrolling interest	(20,341)	(3,545)	—	4,889	111,490 V	(11,937) V	80,556
Net income (loss) attributable to Parent	$ (33,813)	$ (475,028)	$ (7,649)	$ 7,229	$ 228,526	$ (24,468)	$ (305,203)
Pro forma loss per share data:							
Pro forma loss per share - basic and diluted							$ (3.32) W
Pro forma weighted-average shares of Class A common stock outstanding - basic and diluted							91,896 W
Net income (loss)	$ (54,154)	$ (478,573)	$ (7,649)	$ 12,118	$ 340,016	$ (36,405)	$ (224,647)
Other comprehensive income	815	—	—	—	—	—	815
Comprehensive income (loss)	(53,339)	(478,573)	(7,649)	12,118	340,016	(36,405)	(223,832)
Less: comprehensive income (loss) attributable to noncontrolling interests	(20,018)	(3,545)	—	4,889	111,490	(11,937)	80,879
Comprehensive income (loss) attributable to Parent	$ (33,321)	$ (475,028)	$ (7,649)	$ 7,229	$ 228,526	$ (24,468)	$ (304,711)

(1) The Other 2026 Partners and the 2025 Partners are not individually significant business acquisitions under Rule 3-05 of Regulation S-X; however, we have included them in the unaudited pro forma condensed combined statement of comprehensive income (loss) because they are considered significant in the aggregate and this presentation provides useful information for investors.

(2) In accordance with Article 11 of Regulation S-X, these pro forma financial statements give effect to the acquisitions of CAC Group, the Other 2026 Partners and the 2025 Partners as if each had occurred on January 1, 2025.

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

1. Basis of Presentation

The unaudited pro forma condensed combined financial information was prepared in accordance with Article 11 of Regulation S-X, and was based on the historical financial statements of Baldwin, CAC Group, the Other 2026 Partners and the 2025 Partners. The transactions were accounted for under the acquisition method of accounting in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic No. 805 *Business Combinations*, with Baldwin as the acquiring entity. The acquisition method of accounting requires, among other things, that the assets acquired and liabilities assumed be recognized at their fair values as of the acquisition date. In addition, the acquisition method of accounting requires that the consideration transferred be measured at current market prices at the date of the acquisition. Accordingly, the assets acquired and liabilities assumed are recorded as of the acquisition date at their respective fair values and added to those of Baldwin. The financial statements and reported results of operations of Baldwin issued after completion of the acquisitions of CAC Group and the Other 2026 Partners reflect these values. Prior periods will not be retroactively restated to reflect the historical financial position or results of operations of CAC Group and the Other 2026 Partners.

The Transaction Accounting Adjustments are based on available information and on assumptions that the Company believes are reasonable under the circumstances to reflect, on a pro forma basis, the aggregate impact of the relevant transactions on the historical financial information of Baldwin. These adjustments are discussed in greater detail in Note 5 below.

On January 2, 2026, the Company completed the January 2026 Refinancing, which provides for $600.0 million of Incremental Term Loans with interest based on SOFR plus an applicable margin of 250 basis points. The Company incurred aggregate debt issuance costs related to the January 2026 Refinancing of $12.0 million, of which $4.1 million was capitalized as deferred financing costs. The funding of the Incremental Term Loans was essential for completion of the acquisitions of CAC Group and the Other 2026 Partners and a portion of the proceeds from the Incremental Term Loans was used to pay down the outstanding borrowings on the revolving line of credit. As such, the adjustments related to the January 2026 Refinancing, including the paydown of the revolving line of credit and the related incremental interest expense, as well as the loss on extinguishment and modification of debt of $7.9 million, are shown in a separate column as Financing and Other Adjustments. The Financing and Other Adjustments are described in the notes to the unaudited pro forma condensed combined financial information.

The pro forma adjustments reflecting the acquisitions of CAC Group, the Other 2026 Partners and the 2025 Partners under the acquisition method of accounting are based on estimates and assumptions and are included to the extent they reflect accounting for the transactions in accordance with U.S. GAAP.

Certain amounts in the historical balance sheets and statements of income (loss) of CAC Group, the Other 2026 Partners and the 2025 Partners have been conformed to Baldwin's presentation.

2. Accounting Policies

The integration of CAC Group and the Other 2026 Partners' operations with those of Baldwin is ongoing. This integration includes a review by Baldwin of CAC Group and the Other 2026 Partners' accounting policies. As a result of that review, Baldwin may identify differences between the accounting policies of CAC Group and the Other 2026 Partners and those of the Company. At this time, Baldwin is not aware of any differences that would have a material impact on the consolidated financial statements that have not been adjusted for in the pro forma financial information. Accounting policy differences may be identified after completion of the integration.

3. Reclassification Adjustments

Certain balances from CAC Group's historical financial statements were reclassified to align its presentation with that of Baldwin. These reclassifications are based on management's analysis and have no effect on separately reported net assets, equity or net loss of CAC Group.

A summary of the reclassification adjustments made to CAC Group's audited condensed consolidated balance sheet as of December 31, 2025 to conform its presentation to that of Baldwin is set forth in the table below (in thousands).

CAC Group Classification	Baldwin Classification	CAC Group Historical	Reclassification Adjustments	Notes	CAC Group (as Adjusted)
Other long term assets	Other assets	$ 42,825	$ (18,923)	(a)	$ 23,902
	Right-of-use assets	—	18,923	(a)	18,923
Accounts payable and accrued expenses		28,745	(28,745)	(b)	—
Current portion of long-term debt, net of issuance costs		137,193	(137,193)	(b)	—
Current portion of accrued stock based compensation		983,181	(983,181)	(b)	—
Other liabilities		10,415	(10,415)	(b)	—
	Accrued expenses and other current liabilities	—	1,159,534	(b)	1,159,534
Other long-term liabilities		20,215	(20,215)	(c)	—
	Operating lease liabilities, less current portion	—	20,215	(c)	20,215

(a) Reclassification of right-of-use assets from other assets.
(b) Reclassification of accounts payable and accrued expenses, current portion of accrued stock based compensation, other liabilities, and current portion of long-term debt, net of issuance costs to accrued expenses and other current liabilities.
(c) Reclassification of operating lease liabilities, less current portion from other long-term liabilities.

4. Purchase Price

The purchase price of CAC Group and the Other 2026 Partners is as follows:

(in thousands)	CAC Group	Other 2026 Partners
Cash paid to owners	$ 445,535	$ 122,354
Fair value of deferred payments	54,900	110,264
Class A common stock (23,200,000 and 751,021 shares, respectively)	494,778	15,783
Fair value of contingent earnout consideration[(1)]	225,000	90,998
Total consideration transferred	$ 1,220,213	$ 339,399

(1) Refer to Footnote A in Note 5 below for information regarding the contingent earnout consideration of CAC Group and the Other 2026 Partners.

5. Transaction Accounting Adjustments and Financing and Other Adjustments for the Unaudited Pro Forma Condensed Combined Financial Statements

A The unaudited pro forma condensed combined balance sheet as of December 31, 2025 gives effect to the acquisitions of CAC Group and the Other 2026 Partners as if they had occurred on December 31, 2025. The unaudited pro forma condensed combined balance sheet as of December 31, 2025 does not give effect to the 2025 Partners as they are reflected in Baldwin's historical balance sheet as of that date. The unaudited pro forma condensed combined statement of comprehensive income (loss) for the year ended December 31, 2025 gives effect to the acquisitions of CAC Group, the Other 2026 Partners, and the 2025 Partners as if they had occurred on January 1, 2025.

On January 1, 2026, the Company acquired the outstanding equity interests of CAC Group for cash consideration of $445.5 million, deferred payments with a fair value of $54.9 million and equity interest with a fair value of $494.8 million. CAC Group will also have the opportunity to receive additional maximum potential contingent earnout consideration of $250.0 million, payable in cash, based upon the achievement of certain post-closing revenue-focused performance measures.

On January 2, 2026, the Company acquired the outstanding equity interests of the Other 2026 Partners for aggregate consideration consisting of cash of $122.4 million, deferred payments with a fair value of $110.3 million, equity interests with a fair value of $15.8 million and the opportunity to receive additional maximum potential contingent earnout consideration of $294.9 million, payable in cash, shares of Class A common stock, or a combination of both, based upon the achievement of certain post-closing revenue-focused performance measures.

On April 1, 2025, the Company acquired certain assets and equity interests of entities used in the operation of MultiStrat in a business combination for cash consideration of $12.1 million, deferred payments with a fair value of $2.9 million and equity interest with a fair value of $0.9 million. MultiStrat will also have the opportunity to receive additional maximum potential contingent earnout consideration of $16.5 million, payable in cash, shares of Class A common stock, or a combination of both at the Company's sole option, based upon the achievement of certain post-closing revenue, revenue growth, and adjusted EBITDA-focused performance measures. Adjusted EBITDA is defined as net income (loss) before interest, taxes, depreciation and amortization, as adjusted.

On July 1, 2025, the Company acquired from Hippo Holdings, Inc. and its affiliates all the outstanding equity interests of the various entities comprising Hippo's Homebuilder Distribution Network for cash consideration of $75.3 million and deferred payments with a fair value of $29.4 million.

B Reflects the funding of cash consideration for the acquisitions of CAC Group and the Other 2026 Partners with cash on hand after the January 2026 Refinancing, less any historical cash amounts that were withheld from Baldwin in the closing of the transactions, as follows:

(in thousands)	CAC Group	Other 2026 Partners
Cash paid from Incremental Term Loans	$ 445,535	$ 122,354
Historical cash retained by seller	16	12,355
Transaction Accounting Adjustments to cash and cash equivalents	$ 445,551	$ 134,709

C Reflects Baldwin's Incremental Term Loan borrowings of $600 million under the January 2026 Refinancing to fund the acquisitions of CAC Group and the Other 2026 Partners, less the deferred financing costs of $4.1 million; the paydown of the revolving line of credit of $20.0 million with a portion of the proceeds from the Incremental Term Loans; the increase in accumulated deficit related to the loss on extinguishment and modification of debt of $7.9 million; and the net increase to cash from the January 2026 Refinancing of $568.0 million after the reduction in proceeds from the paydown of the revolving line of credit and the payment of debt issuance costs totaling $12.0 million.

D Reflects the elimination of certain assets that did not transfer to Baldwin in connection with the closing of the acquisitions of CAC Group and the Other 2026 Partners, and other adjustments made while recording their historical balances onto Baldwin's balance sheet. Pro forma adjustments to assumed premiums, commissions and fees receivable, net of $1.9 million primarily related to the Other 2026 Partners and reflect miscellaneous adjustments to acquired receivable balances. Pro forma adjustments to prepaid expenses and other current assets of $5.3 million and other assets of $18.2 million, in each case related to CAC Group, reflect the elimination of forgiven colleague notes receivable, deferred commission expense and other miscellaneous items that were excluded from the transfer of assets to Baldwin.

E Represents the pro forma adjustments to gross up the fiduciary receivables and fiduciary liabilities balances of CAC Group.

F Represents the pro forma adjustments to reflect the fair value of property and equipment, right-of-use assets and the non-current portion of operating lease liabilities of CAC Group and the Other 2026 Partners as set forth in the table below. The fair value adjustment to the current portion of operating lease liabilities is reflected in Footnote H below.

(in thousands)	CAC Group	Other 2026 Partners
Record additional property and equipment from acquisitions	$ 808	$ —
Eliminate historical leased assets	(2,819)	—
Transaction Accounting Adjustments to property and equipment	$ (2,011)	$ —
Right-of-use assets recorded from acquisitions	$ 26,494	$ 808
Eliminate historical right-of-use assets	(18,923)	(788)
Transaction Accounting Adjustments to right-of-use assets	$ 7,571	$ 20
Operating lease liabilities, non-current recorded from acquisitions	$ 22,050	$ 808
Eliminate historical operating lease liabilities	(20,215)	(810)
Transaction Accounting Adjustments to operating lease liabilities, less current portion	$ 1,835	$ (2)

G Reflects the allocation of purchase price to record intangible assets and goodwill at their estimated fair values assuming the acquisitions of CAC Group and the Other 2026 Partners occurred on December 31, 2025.

The table below reflects the pro forma adjustments to intangible assets for CAC Group and the Other 2026 Partners.

(in thousands)	CAC Group	Other 2026 Partners
Intangible assets recorded:		
Acquired relationships	$ 360,000	$ 114,070
Trade names	45,000	3,250
Software	5,245	23,418
Total intangible assets recorded from acquisitions	410,245	140,738
Eliminate historical intangible assets	(23,895)	—
Transaction Accounting Adjustments to intangible assets	$ 386,350	$ 140,738

The table below provides a summary of the estimated purchase price allocation and calculation of goodwill for the acquisitions of CAC Group and the Other 2026 Partners.

(in thousands)	CAC Group	Other 2026 Partners
Total consideration	$ 1,220,213	$ 339,399
Recognized amounts of identifiable assets acquired and liabilities assumed:		
Identifiable tangible assets acquired	377,924	22,981
Intangible assets acquired	410,245	140,738
Liabilities assumed	(476,045)	(51,126)
Net assets acquired	312,124	112,593
Goodwill recorded from acquisitions	908,089	226,806
Eliminate historical goodwill	(20,199)	—
Transaction Accounting Adjustments to goodwill	$ 887,890	$ 226,806

H Reflects the pro forma adjustments to liability accounts, including the recognition of deferred payments recorded in connection with the purchase price in Note 4, the accrual of transaction costs (as discussed in Footnote R further below), and other miscellaneous adjustments, as well as the elimination of debt obligations and accrued stock-based compensation, which were settled in connection with closing of the respective acquisitions of CAC Group and the Other 2026 Partners, as set forth in the table below. The seller excluded liabilities and other adjustments to accrued expenses for CAC Group primarily relate to transaction-related expenses incurred by CAC Group in connection with the sale, including investment banking, accounting, legal, and other professional fees for services performed on behalf of CAC Group during 2025. These liabilities were legal obligations of CAC Group and were not assumed by Baldwin as part of the business combination.

(in thousands)	CAC Group	Other 2026 Partners
Record adjustments to commissions payable	$ —	$ 168
Record the current portion of deferred payments	$ —	$ 36,764
Accrue transaction costs	17,874	1,878
Seller excluded liabilities and other adjustments to accrued expenses	(23,937)	757
Eliminate current portion of settled debt obligations	(137,193)	—
Eliminate settled stock-based compensation accrual	(983,181)	—
Fair value adjustment to current portion of operating lease liabilities	284	—
Transaction Accounting Adjustments to accrued expenses and other current liabilities	$ (1,126,153)	$ 39,399
Eliminate settled debt obligations from long-term debt, less current portion	$ —	$ (12,499)
Record the long-term portion of deferred payments to other liabilities	$ 54,900	$ 73,500

I Reflects the accrual of transaction costs of $0.3 million categorized as Financing and Other Adjustments and the related adjustment to accumulated deficit.

J Represents the pro forma adjustments to reflect the fair value of the contingent consideration recognized as part of consideration transferred for CAC Group and the Other 2026 Partners. Refer to Note 4 for additional information.

K Reflects the pro forma adjustment to record deferred tax liabilities of $116.0 million and $26.2 million for CAC Group and the Other 2026 Partners, respectively, categorized as Transaction Accounting Adjustments, consistent with amounts recognized by the Company in connection with the closing of these acquisitions. The recognition of deferred tax liabilities was associated with the fair value step-up of intangible assets in connection with the CAC Group and the Other 2026 Partners' acquisitions, which provided a source of future taxable income and supported the realizability of certain deferred tax assets, and resulted in Baldwin's shift from a net deferred tax asset position to a net deferred tax liability position.

L Reflects the pro forma adjustments to the unaudited pro forma condensed combined balance sheet to release $167.1 million of Baldwin's deferred tax asset valuation allowance and record an increase in net deferred tax liabilities of $30.0 million (resulting in a net decrease to deferred tax liabilities of $137.2 million), a reduction to accumulated deficit of $144.5 million, and a reduction to additional paid-in capital of $7.3 million. Also reflects the pro forma adjustment to the unaudited pro forma condensed combined statement of comprehensive income (loss) to recognize the related income tax benefit of $144.5 million. The release of Baldwin's valuation allowance is not attributable to CAC Group or the Other 2026 Partners on a discrete basis and is therefore categorized as Financing and Other Adjustments.

M Following the Company's assessment of the realizability of its deferred tax assets, and after concluding that the related tax benefits were more likely than not to be realized, the Company determined that the Tax Receivable Agreement liabilities associated with these basis increases generated to date were probable of being payable. Accordingly, the Company recorded Tax Receivable Agreement liabilities equal to 85% of the tax benefits expected to be realized from the redemptions.

Reflects the pro forma adjustments for the initial recognition of the Tax Receivable Agreement liabilities of $130.0 million, which is recognized as an increase to other operating expenses in the unaudited pro forma condensed combined statement of comprehensive income (loss) and as an increase to accumulated deficit on the unaudited pro forma condensed combined balance sheet. The recognition of this liability reflects the Company's overall assessment of deferred tax asset realizability and Tax Receivable Agreement obligations and is therefore categorized as Financing and Other Adjustments.

N Reflects the elimination of the historical redeemable members' interests, common stock, additional paid-in capital and noncontrolling interest of CAC Group and the Other 2026 Partners, offset by the issuance of Class A common stock to each as a form of rollover equity consideration, as set forth in the table below.

(in thousands)	CAC Group	Other 2026 Partners
Eliminate historical redeemable members' interests	$ 1,062,122	$ —
Record adjustment to Class A common stock for common stock issuance	$ 232	$ 8
Eliminate historical common stock	—	(7)
Transaction Accounting Adjustments to Class A common stock	$ 232	$ 1
Record adjustment to additional paid-in capital for common stock issuance	$ 370,279	$ 11,856
Eliminate historical additional paid-in capital	—	(39,365)
Transaction Accounting Adjustments to additional paid-in capital	$ 370,279	$ (27,509)
Record adjustment to noncontrolling interest for common stock issuance	$ 124,267	$ 3,919
Eliminate historical noncontrolling interest	198	—
Transaction Accounting Adjustments to noncontrolling interest	$ 124,465	$ 3,919

O Reflects the elimination of CAC Group and the Other 2026 Partners' historical accumulated deficit as of December 31, 2025 and the accrual of transaction costs related to these acquisitions, as set forth in the table below. Refer to Footnote R further below for additional information regarding transaction costs.

(in thousands)	CAC Group	Other 2026 Partners
Eliminate historical accumulated deficit	$ —	$ 42,470
Accrue transaction costs	(17,874)	(1,878)
Transaction Accounting Adjustments to accumulated deficit	$ (17,874)	$ 40,592

P For the year ended December 31, 2025, reflects the pro forma adjustment of $12.8 million to eliminate intercompany commissions and fees earned by Baldwin and outside commissions paid to Obie, the largest distribution partner of the Company's real estate investor product in the Underwriting, Capacity & Technology Solutions operating group as these would be eliminated upon consolidation. The elimination of intercompany assumed premiums, commissions and fees receivable, net and commissions payable was not material; accordingly, no such pro forma adjustment has been reflected on the unaudited pro forma condensed combined balance sheet as of December 31, 2025.

Q For the year ended December 31, 2025, reflects the pro forma adjustment to record share-based compensation expense incurred in connection with the issuance of stock awards to colleagues of CAC Group and the Other 2026 Partners as if the awards had occurred on January 1, 2025, and reflects the elimination of historical share-based compensation expense for CAC Group, as set forth in the table below. The elimination of CAC Group's historical share-based compensation expense relates to liability-classified awards granted to colleagues, which vested and settled in connection with the closing of the acquisition.

(in thousands)	CAC Group	Other 2026 Partners
Record pro forma share-based compensation expense	$ 326	$ 692
Eliminate historical share-based compensation expense	(423,762)	—
Transaction Accounting Adjustments to share-based compensation	$ (423,436)	$ 692

R For the year ended December 31, 2025, reflects the pro forma adjustment to record transaction costs, including due diligence, accounting and attorneys' fees, incurred in connection with the acquisitions of CAC Group and the Other 2026 Partners, as set forth in the table below.

(in thousands)	CAC Group	Other 2026 Partners
Transaction costs	$ 17,874	$ 1,878

In addition, transaction costs of $0.3 million related to the filing of these pro forma financial statements are categorized as Financing and Other Adjustments for the year ended December 31, 2025.

Transaction costs of $1.9 million related to the acquisitions of CAC Group, the Other 2026 Partners and the 2025 Partners are included in the historical statements of income (loss) for Baldwin for the year ended December 31, 2025.

S For the year ended December 31, 2025, reflects the pro forma adjustment to record amortization expense related to intangible assets recorded in connection with the acquisitions of CAC Group, the Other 2026 Partners and the 2025 Partners, and the adjustment to eliminate the historical amortization expense of CAC Group, as follows:

(in thousands)	CAC Group	Other 2026 Partners and 2025 Partners
Record pro forma amortization expense	$ 73,316	$ 27,634
Eliminate historical amortization expense	(6,249)	—
Transaction Accounting Adjustments to amortization expense	$ 67,067	$ 27,634

The intangible assets acquired have the following weighted-average useful lives:

(in years)	CAC Group	Other 2026 Partners	2025 Partners
Acquired relationships	15.0	15.0	10.0
Trade names	5.0	10.0	5.0
Software	3.3	5.0	—

Pro forma amortization expense expected to be recognized over the next five years for each of the acquisitions as of December 31, 2025 is as follows:

(in thousands)	Year 1	Year 2	Year 3	Year 4	Year 5
CAC Group	$ 61,456	$ 51,819	$ 44,560	$ 39,863	$ 26,191
Other 2026 Partners	17,570	17,279	16,480	15,668	9,873
2025 Partners	19,281	16,743	14,286	12,029	10,016

T Reflects the pro forma adjustments related to interest expense as if the issuance of the Incremental Term Loans and the draw on the revolving line of credit to fund the acquisitions of CAC Group, the Other 2026 Partners and the 2025 Partners had occurred on January 1, 2025, in addition to the elimination of CAC Group's historical interest expense related to settled debt obligations, as set forth in the table below.

(in thousands)	CAC Group	Other 2026 Partners and 2025 Partners
Transaction Accounting Adjustments:		
Eliminate historical interest expense related to settled debt obligations	$ 10,340	$ —
Transaction Accounting Adjustments to interest expense	$ 10,340	$ —
Financing and Other Adjustments:		
Incremental Term Loans interest	$ (32,250)	(8,856)
Revolving line of credit interest	—	(1,075)
Amortization of capitalized debt issuance costs	(435)	(120)
Financing and Other Adjustments to interest expense	$ (32,685)	$ (10,051)

In addition, approximately $7.9 million of debt issuance costs incurred in connection with the January 2026 Refinancing were written off as a loss on extinguishment and modification of debt, which has been reflected as a Financing and Other Adjustment in the unaudited pro forma condensed combined statement of comprehensive income (loss) for the year ended December 31, 2025.

U Reflects the pro forma adjustment to eliminate $21.4 million of CAC Group's transaction costs included under other expense, net that are related to seller-excluded liabilities eliminated under Footnote H above.

V Reflects the pro forma adjustments to allocate a proportionate share of the Transaction Accounting Adjustments and the Financing and Other Adjustments to net income (loss) attributable to noncontrolling interest. The allocations are based on Baldwin's pro forma ownership interest after giving effect to the shares of Class A common stock issued in connection with the acquisitions of CAC Group and the Other 2026 Partners.

W Pro forma basic loss per share is computed by dividing the pro forma loss attributable to Baldwin by the pro forma weighted-average shares of Class A common stock outstanding during the period. Pro forma diluted loss per share is computed by adjusting the pro forma weighted-average shares of Class A common stock outstanding to give effect to potentially dilutive securities. The following table sets forth a reconciliation of the numerators and denominators used to compute pro forma basic and diluted loss per share.

(in thousands, except per share data)	For the Year Ended December 31, 2025
Pro forma basic and diluted loss per share:	
Pro forma net loss	$ (224,647)
Less: pro forma net income attributable to noncontrolling interest	80,556
Pro forma loss attributable to Baldwin - basic and diluted	$ (305,203)
Shares used for pro forma basic and diluted loss per share:	
Weighted-average shares of Class A common stock outstanding - basic and diluted	67,939
Weighted-average shares of Class A common stock issued to CAC Group	23,200
Weighted-average shares of Class A common stock issued to Other 2026 Partners	751
Weighted-average shares of Class A common stock issued to the 2025 Partners	6
Pro forma weighted-average shares of Class A common stock outstanding - basic and diluted	91,896
Pro forma basic and diluted loss per share	$ (3.32)